

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, March 13, 2012**

- 1) **ROLL CALL** - The Closed Session convened at 6:03 p.m. Present at roll call: President Jerry Donovan, Vice-President Glenn Reynolds, and Directors Ken Coverdell, Bryan Hannegan, and Chris Mickelsen. David Dickson, General Manager, and Patrick Miyaki, Legal Counsel, were also present.
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
  - A. **Conference with Legal Counsel - Anticipated Litigation**  
Initiation of Litigation Pursuant to California Government Code  
Section §54956.9(c) - One Potential Case
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 6:57 p.m., immediately prior to commencement of the regular meeting, at which time Mr. Miyaki announced that no reportable action had been taken during the Closed Session.
- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:57 p.m.

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**Tuesday, March 13, 2012**

- 1) **ROLL CALL** - President Jerry Donovan called the meeting to order at 7:00 p.m. Present at roll call: Vice-President Glenn Reynolds, Directors Chris Mickelsen, Ken Coverdell and Bryan Hannegan

Also present were: David Dickson, General Manager, Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** There were no public comments.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending February 29, 2012: Claims: \$582,188.35; Payroll: \$ 73,607.24; for a total of \$655,795.59
- B. Acceptance of Financial Reports
- C. Approval of Minutes of February 14, 2012 Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report
- G. February 2012 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for February 2012
- J. Notice of Completion - Hazen Tank Fencing Project

Vice-President Reynolds reported that he had reviewed the monthly financial claims and found all to be in order.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Reynolds</b>	<b>Aye</b>
<b>Director Hannegan</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Donovan</b>	<b>Aye</b>

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Vice-President Reynolds reported that he had recently attended a three day conference on fluoride and had obtained some interesting and valuable information on the subject that he would like to share with District staff. President Donovan noted that he had participated in the March 5<sup>th</sup> meeting of the District's Facilities Committee. Director Hannegan stated that he had attended the January Board Member Training Workshop, sponsored by the California Special District's Association (CSDA), which he found to be very valuable, especially the AB1234 Ethics Training. He also announced that he would be departing for the World Water Forum in Marseille, France later in the evening and was looking forward to gathering information to share at the April Board meeting. Director Mickelsen and President Donovan both reported on the March 6<sup>th</sup> Water Resources Committee/Pilarcitos Restoration Workgroup Meeting.

**6) GENERAL BUSINESS**

**A. Draft Fiscal Year 2012-2013 Budget and Draft Fiscal Year 2012/13 to 2021/22 Capital Improvement Program**

Mr. Dickson presented the Draft Fiscal Year 2012-2013 Budget and Draft Fiscal Year 2012-2013 to 2021-2022 Capital Improvement Program for the Board's review. He reported that members of the District's Facilities and Finance Committees have met and reviewed the draft documents and that the Draft Budget, as well as the District's Financing Plan, would be presented in more detail at the April 10, 2012 Board meeting.

Mr. Dickson also outlined the District's recent public outreach activities, including bill stuffers and a Constant Contact e-mail newsletter. Additionally, he summarized the background of the District's Financing Plan, which was developed with the assistance of Bartle Wells Associates. He also reviewed a key chart in the Financing Plan that indicates the CCWD rate increases needed to meet revenue requirements for the Fiscal Year 2012 Budget. He then reviewed the tentative rate increase schedule, and stated that with updating the Financing Plan model, staff believes that continuing with the Plan's suggested series of rate increases will meet the District's revenue requirements over the ten-year plan period. He also summarized some of the Operating and Capital Improvement Program Budget highlights.

**B. Award of Contract to Bay Valve and North Coast Divers for Phase 2 of the Crystal Springs Intake Modification Project**

Mr. Guistino provided the background of this project, explaining that during the most recent inspection of the Crystal Springs intake tunnel, the contractors discovered that the valve actuator for the intake had failed shut. He described the process that staff has determined will be the most cost effective, which includes removal of the valves from the tunnel and placing them on the intakes just under the intake screens in the Crystal Springs Reservoir. He also advised that with these modifications, annual or biannual inspections of the tunnel will no longer be required.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to award contracts to Bay Valve and North Coast Divers for Phase 2 of the Crystal Springs Intake Modification Project:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Reynolds</b>	<b>Aye</b>
<b>Director Hannegan</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Donovan</b>	<b>Aye</b>

**C. Approval of Change Order No. 4 for Denniston Creek Water Treatment Plant Improvements Project**

Mr. Dickson explained that Change Order # 4 combines a number of potential change order items for an additional cost of \$53,611, which is included in the funding for this project under the I-Bank loan.

**ON MOTION BY Vice-President Reynolds and seconded by Director Hannegan, the Board voted as follows, by roll call vote, to authorize staff to execute Change Order No. 4 to the contract with Anderson Pacific for construction of the Denniston Creek Water Treatment Plant Improvements Project, in the amount of \$53,611.00:**

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

**D. Approval of CEQA Notice of Exemption for Avenue Cabrillo Pipeline Replacement Project**

Mr. Dickson described the project to replace undersized and deteriorated pipelines in this El Granada neighborhood, which has had problems with low pressure and persistent pipeline leaks. He explained the three proposed phases of the project, noting that when the project is complete, the pipelines in this area will be brought up to the District's current standards. Mr. Dickson explained the CEQA process, advised that funding for this project is included in the Fiscal Year 2012/2013 - 2021/2022 Capital Improvement Program and answered a few questions from the Board.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve the CEQA Notice of Exemption for the Cabrillo Avenue Pipeline Replacement Project:**

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

**E. Proposed Revisions to Policies and Procedures for Award of Contracts**

Mr. Dickson reminded the Board that this agenda item had been previously discussed at the January 10, 2012 Board meeting and that the Board had deferred any action at that time, and requested that staff work further on the language related to change orders and contract amendments, review the changes with the Finance Committee members, and then present again to the Board for discussion. He explained the

proposed Section E – Change Orders/Contract Amendments and advised that all other proposed revisions to the District’s Policies and Procedures for Award of Contracts remain the same as those presented to the Board in January.

Director Hannegan stated he supported the Resolution and that he felt that the revisions captured 98% of what the Board intended to accomplish when discussed at the January Board meeting. He also suggested that the Board accept these revisions, put them into practice, and revisit the matter in the future if the need arises. Director Reynolds stated that he was also in agreement with the proposed revisions as presented.

**ON MOTION BY Director Mickelsen and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to approve Resolution 2012-01, A Resolution Amending Policies and Procedures for Award of Contracts:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Reynolds</b>	<b>Aye</b>
<b>Director Hannegan</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Donovan</b>	<b>Aye</b>

## 7) GENERAL MANAGER’S REPORT

### 1. **SFPUC Annual Wholesale Customers Meeting**

Mr. Dickson provided highlights of the recent San Francisco Public Utilities Commission Wholesale Customers meeting, including current storage conditions, efforts to increase dry year water supplies, progress on the Water System Improvement Program and the Regional Water System Capital Improvement Program, emergency response coordination, the Federal Energy Regulatory Commission’s relicensing of the Don Pedro Reservoir, and a financial update covering the basis for the SFPUC’s proposed rate increase.

### 2. **SFPUC Water System Improvement Program Video**

Mr. Dickson advised that staff would forward a link to the Board for viewing this video on the status of SFPUC’s Water System Improvement Program.

Mr. Dickson then showed a series of photographs exhibiting the progress on a few of the District's current projects, including construction of the Denniston Water Treatment Plant Improvements Project. Next, Mr. Guistino described the photos showing improvements to the Half Moon Bay Tank No. 1, and the corrosion located on the Half Moon Bay Tank No. 2. He also shared photos from the recent tours of the Nunes Water Treatment Plant by students from Castilleja School in Palo Alto and Sea Crest School in Half Moon Bay. Additionally, photos were shown of recent improvements completed by District staff, including the Nunes hypochlorite containment basin.

**A. Operations Report**

Mr. Guistino briefly provided an update on the El Granada Pipeline leak.

**B. Water Resources Report**

Mr. Dickson advised that Ms. Brennan had been excused from attending the Board meeting, due to a bad cold, but noted that her written report was included in the Board packet

**8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**

There were no comments or requests from the Board members.

**9) ADJOURNMENT**

**ON MOTION BY Director Mickelsen and seconded by Director Hannegan, the Board voted as follows, to adjourn the March 13, 2012 meeting of the Coastside County Water District's Board of Directors:**

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

The meeting was adjourned at 8:06 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, April 10, 2012.

Respectfully submitted,

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David R. Dickson, General Manager

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Jerry C. Donovan, President  
Board of Directors