

COASTSIDE COUNTY WATER DISTRICT

BOARD OF DIRECTORS MEETING

**CONDUCTED AT THE
CABRILLO UNIFIED SCHOOL DISTRICT
498 KELLY AVENUE, HALF MOON BAY, CA 94019**

MINUTES OF THE TUESDAY, MAY 13, 2014 BOARD OF DIRECTORS MEETING

- 1) **ROLL CALL:** President Glenn Reynolds called the meeting to order at 7:06 p.m. Present at roll call: Directors Ken Coverdell, Steve Flint, Arnie Glassberg and Vice-President Mickelsen.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT:** Director Coverdell requested a moment of silence in remembrance of Eddie Andreini, a coastside resident who passed away recently.

Mr. Dickson took this opportunity to introduce Rob Hopkins, the new Sewer Authority Mid-Coastside (SAM) Manager. Mr. Hopkins thanked everyone and commented that he was looking forward to setting up a positive and cooperative working relationship with all of the local agencies.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending April 30, 2014:
Claims: \$465,026.87; Payroll: \$76,595.63; for a total of \$ 541,622.50
➤ *April 2014 Monthly Financial Claims reviewed by Vice-President Mickelsen*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of April 8, 2014 Board of Directors Meeting
- D. Approval of Minutes of April 29, 2014 Special Board of Directors Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - April 2014
- H. April 2014 Leak Report
- I. Rainfall Reports

- J. San Francisco Public Utilities Commission Hydrological Conditions Report for March, 2014

Director Mickelsen reported that he had reviewed the monthly claims and found all to be in order.

ON MOTION BY Director Coverdell and seconded by Director Glassberg, the Board voted as follows, to accept and approve the Consent Calendar in its entirety:

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

President Reynolds reported that he had attended a conference on education criteria for water utility operators, which was designed to set national policy guidelines.

6) GENERAL BUSINESS

A. Second Amendment to Ailanto Properties Water Service Agreement

Mr. Dickson introduced this item, and recommended approval of the extension of the water service agreement deadline for commencement of water system installation until April 1st of 2016. Director Coverdell suggested that the date be amended to April 30th of 2016.

ON MOTION BY Director Coverdell and seconded by Director Flint, the Board voted as follows, to approve the Second Amendment to Water Service Agreement for the Ailanto Properties Pacific Ridge Subdivision with a revision of the date for commencement of the installation to be changed from April 1, 2016 to April 30, 2016:

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

Mr. Albert Fong, President of Ailanto Properties, expressed his appreciation to the District for granting the extension.

B. Erler & Kalinowski, Inc. (EKI) Proposal for Main Street Bridge Pipeline Alternatives Evaluation

Mr. Dickson distributed photographs showing the current condition of the District's Main Street Bridge Pipeline. He reviewed the background of this project, noting the age and corroded condition of the welded steel pipe. Mr. Dickson emphasized that he believed it was important for the District to proceed with evaluating the feasibility, costs, and benefits of replacement options, including an alternative alignment that would take the District's permanent pipeline off of the City of Half Moon Bay's bridge. He recommended that the District contract with Erler & Kalinowski, Inc. (EKI) Engineers to evaluate the replacement alternatives. He answered a few questions from the Board and reviewed details of EKI's proposal.

Jeff Tarantino, EKI Project Manager, briefly addressed the Board and discussion ensued. The Board indicated a preference for proceeding with design of the alternative, off-bridge alignment and directed staff to come back with a design proposal and preliminary cost estimate for the alternative alignment.

C. Authorization to Enter into Contracts for Administration Building Repair/Remodeling Project

Mr. Dickson introduced Pat Del Gavio with the Del Gavio Group and recognized John Evans, Architect, both in attendance. He updated the Board on the progress of the repair/remodeling and reviewed the action necessary to proceed with the project, with an emphasis on the budget, plans, and scope of work and the comparison of construction costs. He also explained that staff is now ready to proceed to construction based on an approach in which the District will act as the general contractor, with Del Gavio Group providing project oversight and management. He emphasized that, considering the Project's limited overall scope and cost, staff believes that this proposed approach will be the most efficient way for the District to proceed with the Project. He added that the alternative of creating detailed plans and specifications for the entire Project, then soliciting sealed competitive bids, would require more time and would add significantly to the cost. Mr. Dickson and Mr. Miyaki further explained that the District's Policies and Procedures for Award of Contracts requires formal competitive bidding when the estimated cost will exceed \$30,000 and informal bidding when the estimated costs will be between \$15,000-\$30,000 for both construction contracts and contracts for the purchase of materials and supplies. It was also explained that the Policies and Procedures for Award of Contracts states that the Board of Directors may waive these requirements when the Board determines it is

in the best interest of the District, which is staff's belief with regards to this Project. Discussion ensued, with Mr. Dickson, Ms. Del Gavio, and Mr. Evans answering the Board's questions.

ON MOTION BY Director Glassberg and seconded by Vice-President Mickelsen, the Board voted as follows, by roll call vote, to take the following actions

- 1. Authorize staff to proceed with the Project at an approximate total cost of \$400,000, of which \$80,000 - \$100,000 will be covered by insurance proceeds.**
- 2. Authorize staff to contract with the Del Gavio Group for design and project management on a time-and-materials basis for an estimated cost of \$55,000.**
- 3. Authorize staff to contract with S&H Renovations for construction at a cost not to exceed \$185,000.**
- 4. Authorize staff to award additional contracts and procure materials as necessary to complete the Project within the approved total cost.**
- 5. Based on the need to complete the Project in the most expeditious and efficient possible manner, waive the requirements in Resolution No. 2012-01, the Policies and Procedures for Award of Contracts, for obtaining sealed competitive bids, with respect to the construction contract with S&H Renovations and to the contract to be awarded for the HVAC element of the Project, cost of both of which will exceed \$30,000.**

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

D. Resolution 2014-02 - Urging Heightened Water Use Efficiency

Ms. Brennan provided the background of this agenda item, explaining that staff is recommending adoption of the Resolution to formally recognize that California is in a severe statewide drought, and to urge District customers to increase their water use efficiency efforts and to refrain from wasting water. She answered a few questions from the Board about the District's increased outreach efforts and continued planning for a water shortage emergency.

ON MOTION BY Director Coverdell and seconded by Director Flint, the Board voted as follows, by roll call vote, to adopt Resolution 2014-02 recognizing that California is in a severe statewide drought and that there is the need for heightened water use efficiency:

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

E. Proposed Addition of Assistant General Manager for Administration and Finance Position

Mr. Dickson explained that the demands of the District's administrative functions have grown and are difficult to meet with the current staff. He outlined the areas of responsibilities requiring additional support and expertise, including personnel and benefits administration, accounting, utility billing, customer service, budgeting, contract administration, information technology management, assistance with strategic planning activities and more. He also noted the many benefits of bringing in another managerial level position for the District and outlined the costs that would be involved. Director Glassberg commented that this proposed position has been discussed often at previous Board and committee meetings and that he was in favor of this additional District position. Director Flint expressed his support, stating that he feels the need for this additional position is very clear. Discussion ensued regarding the functions of this new position, the timing of adding District staff, and the preparation of the job description for the Board's approval.

ON MOTION BY Director Flint and seconded by Director Glassberg, the Board voted as follows, by roll call vote, to approve the addition of a permanent Assistant General Manager for Finance and Administration position to the District staff.

Vice-President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

F. Proposed Fiscal Year 2014-2015 Budget, Fiscal Year 2014/2015 to 2023/2024 Capital Improvement Program, and Fiscal Year 2014/2015 to 2023/2024 Financing Plan

Mr. Dickson reminded the Board that as a matter of routine, staff presents the proposed budget at each public meeting between the time that the proposed budget is first presented in April and the public hearing at the conclusion of the budget process at the end of June. He advised the Board that the notice of rate increase and public hearing has been mailed to District customers and the proposed budget is once again being presented for review. Director Coverdell and President Reynolds stated that they were very impressed with the budget preparation and presentation, especially with regards to the thoroughness and detailed Capital Improvement Program Budget.

7) **GENERAL MANAGER'S REPORT - INCLUDING MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson directed attention to the Superintendent of Operations Report.

Operations Report

Mr. Guistino reviewed the highlights from his monthly report, including the El Granada Tank 2 renovation project, and updated the Board on the source of water supply for the month.

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

Director Coverdell inquired about the status of water connections for failed wells located in the City of Half Moon Bay and the County of San Mateo. The Board members also thanked staff for distributing the weekly Water Production Report, which they agreed is a very valuable report.

9) **ADJOURNMENT** - The meeting was adjourned at 8:49 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Glenn Reynolds, President
Board of Directors