

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Tuesday, June 8, 2010

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Mickelsen, Vice-President Feldman and Directors Ken Coverdell, Jim Larimer, and Jerry Donovan. Also present: David Dickson, General Manager
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
 - A. **Conference with Labor Negotiators**
Pursuant to California Government Code §54957.6)
Agency Designated Representatives: General Manager
Employee Organization: Teamsters Union, Local 856
 - B. **Conference with Legal Counsel**
Pursuant to California Government Code Section §54956.9(b)
Anticipated Litigation - Significant Exposure to Litigation: One Case

Patrick Miyaki, District Legal Council arrived at approximately 6:30 p.m. to participate in the discussion of Item 3B.
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 7:04 p.m., immediately prior to commencement of the regular meeting, at which time President Mickelsen announced that no action was taken during the closed session on either item.
- 5) **ADJOURNMENT**

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Tuesday, June 8, 2010

- 1) **ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:13 p.m. Present at roll call: Vice-President Bob Feldman, and Directors Ken Coverdell, Jim Larimer and Jerry Donovan.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:**

Leonard Woren - Stated that he had viewed the May 11, 2010 CCWD Board of Directors meeting on MCTV and commented on President Mickelsen's report on the recent San Mateo Special District Association meeting, which he had also attended. He did not agree with President Mickelsen's characterization of discussion regarding the Executive Director of the San Mateo County Local Agency Formation Commission.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending May 31, 2010 - Claims: \$528,240.36; Payroll: \$72,521.60 for a total of \$600,761.96
- B. Acceptance of Financial Reports
- C. Minutes of the May 11, 2010 Board of Directors Meeting
- D. Monthly Water Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report

- G. CCWD Monthly Sales by Category Report
- H. May 2010 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for May 2010

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

JoAnne Whelen distributed an updated San Francisco Public Utilities Commission (SFPUC) Hydrological Conditions Report for May 2010, which included a revision made by the SFPUC to Table 2 on page 3 of the report.

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

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye
Director Donovan	Aye
President Mickelsen	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell reported that he had been ill and was unable to attend the May 20, 2010 Bay Area Water Supply and Conservation Agency (BAWSCA) meeting of the Board of Directors but had reviewed the Meeting Minutes and shared some highlights from the Long Term Reliable Water Supply Strategy Phase 1 Scoping Report, which, he reported, has been received and accepted by the BAWSCA member agencies. He also reviewed the elements of the various phases of the program. Additionally he reported that the Hetch Hetchy Earthquake Retrofitting Projects are continuing to be on schedule and on or under budget.

There were no additional reports on meetings attended by Board members.

6) GENERAL BUSINESS

Two handouts, prepared by Mr. Dickson related to General Business Agenda Items 6A and 6B, were distributed for discussion, which included a list of reasons why it is critical for CCWD to invest in Denniston/San Vicente, and a chart and graph depicting Annual Production of Water Supply Sources in MG from 1997 to 2009.

Mr. Dickson discussed the handout materials, reviewing in detail the background and the many factors that he believes make it essential that the District invest in the Denniston and San Vicente water supply sources now. Mr. Dickson then introduced Joel Faller, PE, and Vice-President, Principal in Charge and Craig M. Thompson, P.E. Principal, Project Management Engineer with Kennedy/Jenks Consultants to discuss the proposed Denniston improvement projects.

A. Kennedy /Jenks - Draft Preliminary Design Report for Denniston Water Treatment Plant Pretreatment and Washwater System Improvement Project

Mr. Faller and Mr. Thompson provided a brief presentation, which included a comprehensive explanation of the pretreatment process, and the washwater recovery and solids handling system. Discussion ensued, with the consultants addressing questions and comments from the Board.

B. Kennedy/Jenks Proposal for Final Design of Denniston Water Treatment Plant Pretreatment and Washwater System Improvement Project

Mr. Dickson explained that this item addresses the contract with Kennedy/Jenks for the final design of the pretreatment and washwater system. He reviewed the schedule, stating that the design should be completed by the end of February 2011, which would allow the District to solicit bids, award the contract and begin construction by the summer of 2011. He also informed the Board that this project would be integrated with the Denniston Short-Term Improvements, as staff felt it would be advantageous to combine the two projects into a single construction project. He reviewed other elements of the project scope, including the preparation of a California Department of Public Health (DPH) Universal Pre-application for a Safe Drinking Water State Revolving Fund (SDWSRF) loan to fund the design and construction of the project, which would realize a substantial savings in interest costs to the District.

Mr. Dickson reviewed additional details of the project schedule, advising the Board that it is estimated that the Denniston plant could be returned to operation by the Fall of 2012 and informed the Board that the total cost of the final design effort, with the elements he reviewed, would be \$473,120.00, which is the estimate that has been included within the updated Capital Improvement Program. He then addressed a few questions from the Board members. Additionally, Mr. Faller clarified that compensation for the services provided by Kennedy/Jenks will be on a time and expense reimbursement basis, in accordance with their standard schedule of charges, and explained that the fee proposed is on a not to exceed basis, based on the

scope submitted. He explained that unless the scope of work changes, the fee proposed would be in effect. He also advised that Kennedy/Jenks had agreed with the District, to use their year 2009 fee schedule rates through the remainder of the design phase of the project.

ON MOTION BY Director Donovan and seconded by Vice-President Feldman, the Board voted as follows, to authorize execution of a contract with Kennedy/Jenks for final design of Pretreatment and Washwater System Improvements at Denniston Water Treatment Plant for an estimated cost of \$473,120.00:

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye
Director Donovan	Aye
President Mickelsen	Aye

C. Draft Fiscal Year 2010-2011 Budget and Draft Fiscal Year 2010-2011 to 2019-2020 Capital Improvement Program

Mr. Dickson noted that the draft Operations and Maintenance Budget for Fiscal year 2010-2011 and the draft ten-year Capital Improvement Program (CIP) for Fiscal year 2010-2011 through 2019-2020 had both been presented to the Board previously, at the April 13th Board meeting, on April 29th at a special budget workshop, and again at the May 11th Board meeting. He stated that the budget was being presented once again to allow further public preview and possible Board discussion. He also advised that the notice of public hearing and proposed rate increase had been mailed to all customers on May 14, 2010 and that the public hearing had been scheduled for June 29, 2010. He directed the Board's attention to the nine letters of protest received by the District and noted that approximately two additional letters had been received to date.

Director Larimer commented that he will be unavailable to attend the June 29, 2010 Public Hearing, but that he wanted to take this opportunity to provide his comments, for the record, on the budget and the proposed rate increase. He stated that he has made objections about the rate increase with respect to the operating budget and some of his concerns have been outvoted by his colleagues, which he stated he feels is an acceptable consequence. He added that he is very much in favor of the Capital Improvement Program and of the proposed fourteen percent increase that is required to fund these projects, and he also realizes the substantial future savings that will be generated by these improvements. He stated that he agrees that the District's

proposed budget is absolutely necessary and he would not hesitate to vote for the budget, as presented, if he could be present to attend the June 29, 2010 special public hearing.

President Mickelsen thanked Director Larimer for his comments and support and encouraged the public to attend the public hearing.

D. Advisory Stage of Water Shortage and Drought Contingency Plan

Ms. Brennan stated that this item addresses the staff's recommendations that the Board of Directors declare a normal water year and cancel the Water Shortage Advisory, by motion, due to improved water conditions. She then shared some of the background and history of the water shortage advisory declared in June of 2007 and advised that the District will continue operating its water use efficiency (water conservation programs) programs and will continue to encourage customers to use water efficiently.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, to declare a normal water year and cancel the Water Shortage Advisory:

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye
Director Donovan	Aye
President Mickelsen	Aye

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

- San Mateo County Local Coastal Program Update Process
- Water Reclamation Update
- San Mateo Local Agency Formation Commission (LAFCo) – Special District Member Ballot
- CCWD Consumer Confidence Report

Mr. Dickson provided updates on each of the referenced subjects.

A. Operations Report

Mr. Guistino reviewed the monthly highlights of his report.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no Director comments.

9) ADJOURNMENT

The meeting was adjourned at 8:52 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, July 13, 2010.

Respectfully submitted

David R. Dickson, General Manager
Secretary of the Board

Chris R. Mickelsen, President
Board of Directors