

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, July 9, 2024

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

- 1) **ROLL CALL** – President Mickelsen called the meeting to order at 7:00 p.m. Present at roll call: Vice President Reynolds, Director Ken Coverdell, Director Bob Feldman, and Director John Muller.

Also present: Mary Rogren, General Manager, Jeffery Schneider, Asst. General Manager Finance/Admin., Patrick Miyaki, Legal Counsel, Gina Brazil, Office Manager, Cathleen Brennan, Water Resources Analyst, Nancy Trujillo, Accounting Manager, Darin Sturdivan, Distribution Supervisor, Sean Donovan, Treatment Supervisor, and Lisa Sulzinger, Administrative Analyst

Also Participating: Jonathan Sutter, EKI Environment and Water, Inc.

From DN Tanks: Tyler Bernhard, Regional Manager, Dave Gourley, Executive VP Special Operations, Kevin Peacock, VP of Sales, Tanner Bennett, Sr. Regional Manager

From HDR, Inc.: Rich Stratton, Sr. Engineering PM

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** – There were no public comments.
- 4) **Public Hearing/Consider of Resolution of Necessity**
Adoption a Resolution of Necessity to acquire certain interests in property owned by Mary Alice Cozzolino, Trustee of the James and Alice Cozzolino Trust, for the Highway 92 Potable Water Pipeline Emergency Restoration Project (“Project”).
 - A. Conduct a public hearing to consider the adoption of Resolution No. 2024-02 and to provide the property owner or their representatives an opportunity to appear and be heard.

Staff Presentation: Mr. Miyaki presented a map of the properties and described the location of the existing pipeline and where the new proposed pipeline will be; who owns the individual parcels; and where the proposed easements are located that need to be acquired. Mr. Miyaki described the project background including how a portion of the existing pipeline was exposed during the December 2022/January 2023 storms and a temporary 2-inch bypass pipeline was installed for the District to maintain service to the residential, commercial, and agricultural accounts located downstream of the damaged pipe. This temporary configuration is undersized and significantly reduces available downstream capacity and provides insufficient fire flows.

The proposed alignment of the new pipeline is to be moved away from Highway 92 and to the backside of the properties along Highway 92, and by doing so, the pipeline is less vulnerable to future flooding and erosion risk, and access to the pipeline is improved and avoids safety concerns of working on Highway 92 and near the high-pressure PG&E gas main. This project was designed in coordination with the owners to minimize disruptions to private property interests. For the Mary Alice Cozzolino property, the District will be acquiring permanent water line easements, permanent access easements, temporary construction easements, and temporary access easements. On February 1, 2024, the District presented an offer to the Mary Alice Cozzolino, Trustee in writing and a detailed package with the appraisal summary statement. As of tonight, the District has not received a written counteroffer. The District has reached out to the property owners multiple times.

The California Constitution and California Eminent Domain Law authorize the District to acquire property by eminent domain. Before filing a condemnation action for any property interests, the District must satisfy certain procedural prerequisites, including obtaining an appraisal, presenting a formal offer, providing notice to the property owners of their right to attend a public hearing regarding a Resolution of Necessity, and adopting a Resolution of Necessity.

As required by statute, on June 21, 2024, the District sent the appropriate notices to the owner informing them of their right to appear and be heard prior to the adoption of the Resolution of Necessity. The notice also informed the property owner that they had 15 days to file a written request to appear and to be heard, and the failure to do so will result in a waiver of their right to appear and be heard for tonight's public hearing and adoption of a Resolution of Necessity. The District did not receive, in writing, the owners request to appear and be heard nor were the owners present on Zoom or in the room.

The District in adopting the Resolution of Necessity is making the following determinations:

- 1) The public interest and necessity require that the project be undertaken.
- 2) The project is planned and located in the manner that will be most compatible with the greatest public good and least private injury.
- 3) The acquisition of the property is necessary for the project.
- 4) An offer has been made to the owners.

Mr. Miyaki stated that all determinations have been satisfied.

Staff recommended adopting the Resolution of Necessity determining that the public interest and necessity require the acquisition of certain interests in property owned by Mary Alice Cozzolino, Trustee of the James and Alice Cozzolino 1988 Family Trust

Open Public Hearing

At 7:09 p.m. President Mickelsen opened the Public Hearing for the Owners and the public to comment on the Resolution of Necessity.

There were no comments and no written correspondence.

Close of Public Hearing

At 7:10 p.m., President Mickelsen closed the public hearing.

Board Comments

Comments and discussion ensued among the board members.

ON MOTION BY Vice President Reynolds and seconded by Director Muller, the Board voted by roll call vote to approve the adoption of Resolution 2024-02 determining that the public interest and necessity require the acquisition of certain interests in property owned by Mary Alice Cozzolino, Trustee of the James and Alice Cozzolino 1988 Family trust ("Resolution of Necessity"):

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye
Vice-President Reynolds	Aye
President Mickelsen	Aye

5) **Public Hearing/Consider of Resolution of Necessity**
Adoption a Resolution of Necessity to acquire certain interests in property owned by James Cozzolino and Linda Cozzolino for the Highway 92 Potable Water Pipeline Emergency Restoration Project ("Project").

- A. Conduct a public hearing to consider the adoption of Resolution No. 2024-03 and to provide the property owner or their representatives an opportunity to appear and be heard.

Staff Presentation: Mr. Miyaki stated that the project is the same as item #4 above and presented a map of property and described the location of the existing pipeline and where the new proposed pipeline will be; and where the proposed easements are located that need to be acquired. The District will be acquiring a permanent water line easement, a permanent access easement, a temporary access easement, and a temporary construction easement across the property.

On February 1, 2024, the District presented an offer to James Salvatore Cozzolino and Linda Jean Cozzolino in writing and a detailed package with the appraisal summary statement. As of tonight, the District has not received a written counteroffer. The District has reached out to the property owners multiple times.

The California Constitution and California Eminent Domain Law authorize the District to acquire property by eminent domain. Before filing a condemnation action for any property interests, the District must satisfy certain procedural prerequisites, including obtaining an appraisal, presenting a formal offer, providing notice to the property owners of their right to attend a public hearing regarding a Resolution of Necessity, and adopting a Resolution of Necessity.

As required by statute, on June 21, 2024, the District sent the appropriate notices to the owner informing them of their right to appear and be heard prior to the adoption of the Resolution of Necessity. The notice also informed the property owner they had 15 days to file a written request to appear and to be heard, the failure to do so will result in a waiver of their right to appear and be heard for tonight's public hearing and adoption Resolution of Necessity. The District has not received, in writing, the owners request to appear and be heard nor were the owners present on Zoom or in the room.

The District in adopting the Resolution of Necessity is making the following determinations:

- 1) The public interest and necessity require that the project be undertaken.
- 2) The project is planned and located in the manner that will be most compatible with the greatest public good and least private injury.
- 3) The acquisition of the property is necessary for the project.
- 4) An offer has been made to the owners.

Mr. Miyaki stated that all determinations have been satisfied.

Staff recommended adopting the Resolution of Necessity determining that the public interest and necessity require the acquisition of certain interests in property owned by James Salvatore Cozzolino and Linda Jean Cozzolino.

Open Public Hearing

At 7:17 p.m. President Mickelsen opened the Public Hearing for the Owners and the public to comment on the Resolution of Necessity.

There were no comments and no written correspondence.

Close of Public Hearing

At 7:17 p.m., President Mickelsen closed the public hearing.

Board Comments

There were no comments or discussion among the Board Members.

ON MOTION BY Vice President Reynolds and seconded by Director Feldman, the Board voted by roll call vote to approve the adoption of Resolution 2024-03 determining that the

public interest and necessity require the acquisition of certain interest in property owned by James Salvatore Cozzolino and Linda Jean Cozzolino (“Resolution of Necessity”):

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye
Vice-President Reynolds	Aye
President Mickelsen	Aye

6) CONSENT CALENDAR

- A. Approval of disbursements for the month ending June 30, 2024:
Claims: \$ 1,529,604.40; Payroll: \$ 217,679.51 for a total of \$ 1,747,283.91
June 2024 Monthly Financial Claims reviewed and approved by Director Mickelsen
- B. Acceptance of Financial Reports
- C. Approval of Minutes of June 11, 2024, Special Board of Directors Meeting
- D. Approval of Minutes of June 11, 2024, Regular Board of Directors Meeting
- E. Approval of Minutes of June 18, 2024, Special Board of Directors Meeting
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report – June 2024
- I. Leak/Flushing Report – June 2024
- J. Monthly Rainfall Reports
- K. SFPUC Hydrological Conditions Report – May 2024

President Mickelsen stated he reviewed the monthly financial claims and found all to be in order.

ON MOTION BY Director Coverdell and seconded by Vice President Reynolds, the Board voted by roll call vote to approve the Consent Calendar:

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye
Vice-President Reynolds	Aye
President Mickelsen	Aye

7) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Muller reported on his attendance at a Region 5 ACWA Meeting

8) GENERAL BUSINESS

- A. Waive the Procedural Requirements in the District’s Policies and Procedures for Award of Contracts and Authorize the General Manager to enter into an

Agreement with DN Tanks, LLC. for Construction of the Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project

Ms. Rogren introduced the DN Tanks LLC (“DN Tanks”) team, Tyler Bernhard, Regional Manager, Dave Gourley, Executive VP Special Operations, Kevin Peacock, VP of Sales, and Tanner Bennett, Sr. Regional Manager. She also introduced Rich Stratton, Sr. Engineering Project Manager from HDR, Inc. (“HDR”) who designed the Carter Hill prestressed concrete tank. Ms. Rogren then summarized that the Carter Hill tank site currently has three storage tanks: “HMB 1” built in 1950, “HMB 2” built in 1955 and “HMB 3” built in 1963. In 2019, TJC and Associates conducted a Tank Conditions and Assessment, which included seismic and structural evaluations and recommendations for retrofits or replacements. In 2020, a follow-up study was done by EKI Environment and Water, Inc. (“EKI”) who prepared a “Potable Water Storage Evaluation and Alternatives Evaluation.” Given EKI’s hydraulic modeling, EKI recommended maximizing potable storage at Carter Hill and Denniston, and also recommended rehabilitation or replacement of the Carter Hill tanks to bring the tanks up to the current seismic and building code standards due to their criticality. EKI also recommended constructing a new prestressed concrete tank instead of a new welded steel tank given the lower life cycle costs of a concrete tank.

The project involves the demolition and removal of tanks HMB 1 and HMB 2, and existing yard piping and constructing one new 2.1 million gallon AWWA D110 Type 1 Prestressed Concrete DN Tank and new yard piping. The cost of the construction includes the Prestressed Concrete DN Tank and the use of DN Tanks as the General Contractor for the project. Staff requested that the Board waive the competitive bidding requirements as provided for in Resolution 2016-09 given the following: DN Tanks is a leader in the industry in building prestressed concrete tanks in California and across the United States and HDR designed the project specifying DN Tanks as the tank provider. Given DN Tanks’ proprietary approach, the tank would have to be redesigned if another tank provider were to be considered. DN Tanks is also experienced at serving as the General Contractor on tank projects, and the District will have one party to work with who has the expertise in executing tank projects and related site work. The District’s Legal Counsel has reviewed DN Tanks’ proposal and related bid documentation and determined all is in order.

ON MOTION BY Director Muller and seconded by President Mickelsen, the Board voted by roll call vote to waive the procedural requirements in the District’s Policies and Procedures for Award of Contract (Resolution 2016-09) and authorize the General Manager to enter into an agreement with DN Tanks, LLC. for construction of the Carter Hill Prestressed Concrete Tank and Seismic Upgrades project for \$10,968,951

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye
Vice-President Reynolds	Aye
President Mickelsen	Aye

B. Waive the District’s Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Award a Contract to Central Roofing, Inc. for Roof Repairs at the Nunes Water Treatment Plant

Ms. Rogren reported that the roof at the Nunes Water Treatment Plant is leaking in various locations and is in need of repair. The District requested informal bids from four potential providers and two provided quotes. The quote from Central Roofing, Inc., came in the lowest. Because there are few qualified providers who are available to complete this project, staff requested the Board to waive the competitive bidding requirements of Resolution 2016-09 in order to sole source the services from Central Roofing, Inc

ON MOTION BY Vice President Reynolds and seconded by Director Coverdell, the Board voted by roll call vote to waive the District’s competitive bidding requirement of Resolution 2016-09 and authorize the General Manager to award a contract to complete roof repairs at the Nunes Water Treatment Plant from Central Roofing, Inc. for a not to exceed amount of \$184,800

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye
Vice-President Reynolds	Aye
President Mickelsen	Aye

C. Authorize Entering into a Professional Services Agreement with Jones Hall, A Professional Law Corporation to Provide Bond and Disclosure Counsel Services in Support of a 2024 Financing Transaction

Mr. Schneider summarized that District will be seeking \$8M in financing for the construction of the Carter Hill 2.1 million gallon prestressed concrete tank and will require the services of a Bond Counsel and Disclosure Counsel. Jones Hall will provide Bond Counsel services for a flat fee of \$50,000 and Disclosure Council services for a flat fee of \$45,000. Payment of these fees is contingent upon the successful completion of the financing and will be paid out of the financing proceeds. The District utilized Jones Hall in a 2018 for loan agreement refunding its 2006B Water Revenue Bond at 2.85% interest rate and in a 2022 loan agreement for \$7 million at a 2.23% interest rate.

ON MOTION BY Director Coverdell and seconded by Vice President Reynolds, the Board voted by roll call vote to authorize the General Manager to enter into a professional services agreement with Jones Hall, A Professional Law Corporation (“Jones Hall”) to provide Bond Counsel services for a flat fee of \$50,000 and Disclosure Counsel services for a flat fee of \$45,000 in support of anticipated Debt Financing in 2024, with payment contingent upon the successful completion of the financing

Director Coverdell	Aye
Director Feldman	Aye
Director Muller	Aye

Vice-President Reynolds Aye
President Mickelsen Aye

D. Consider Approval of Resolution 2024-04 Establishing Appropriations Limit Applicable to District During Fiscal Year 2024/2025

Article XIIB of the California Constitution, and its implementing legislation requires each local agency to review the appropriations limit applicable to it annually. The appropriations limit is the maximum amount of proceeds of taxes which the District can appropriate during the fiscal year.

ON MOTION BY Vice President Reynolds and seconded by President Mickelsen, the Board voted by roll call vote to approve Resolution 2024-04 establishing appropriations limit applicable to District during Fiscal Year 2024/2025

Director Coverdell Aye
Director Feldman Aye
Director Muller Aye
Vice-President Reynolds Aye
President Mickelsen Aye

E. Fiscal 2023-2024 Year-End Financial Results - Preliminary

Mr. Schneider summarized the preliminary results of the Fiscal Year ending June 30, 2024. He reviewed the revenue and expense highlights, cash reserves balance and Capital Improvement Program spending.

F. Nunes Water Treatment Plant Upgrades Project Update # 35 - Final Report

Ms. Rogren reported that this project was officially completed in June 2024. A brief history and overview of the construction in pictures was put together by Freyer and Laureta, Inc., the Construction Management firm on the project was shown.

9) MONTHLY INFORMATIONAL REPORTS

A. Superintendent of Operations Report

Ms. Rogren summarized the Operation Highlights for the month of June 2024.

B. Water Resources Information Report

- Ms. Brennan reported that the 2023 Consumer Confidence Report (CCR) Annual Water Quality Report has been posted. The drinking water delivered to customers met all U.S. EPA and California drinking water health standards in

calendar year 2023. A postcard was mailed to District customers and delivered by June 26, 2024 with a link to the CCR on the District's website.

- Staff also submitted the District's Annual Water Supply and Demand Assessment (AWSDA) report.

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

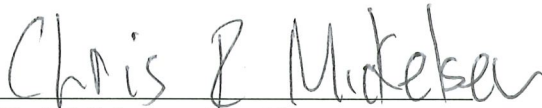
There were no requests for future agenda items from the Board members.

11) **ADJOURNMENT - Board Meeting Adjourned at 8:15 p.m.**

Respectfully submitted,



Mary Rogren, General Manager
Secretary to the District



Chris Mickelsen, President
Board of Directors