

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, October 9, 2007 - 7:00 p.m.

- 1) **ROLL CALL:** President Larimer called the meeting to order at 7:04 p.m. Present at roll call were Directors Ken Coverdell, Chris Mickelsen, and Bob Feldman. Director Everett Ascher was absent.

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

- 2) **PLEDGE OF ALLEGIANCE** - Everyone stood for the Pledge of Allegiance.

- 3) **PUBLIC ANNOUNCEMENTS**

- A. **Introduction of new Coastside County Water District General Manager, David Dickson, effective October 15, 2007**

President Larimer introduced Mr. David Dickson, Coastside County Water District's new General Manager. Mr. Dickson stated that he was very pleased to be joining the Coastside County Water District and appreciated all of the interactions with the Board members and looked forward to starting his employment with the District on Monday, October 15, 2007.

President Larimer added that there had been a surprising number of candidates for the position, with approximately eight candidates interviewed, and that Mr. Dickson had placed very high on the list from the very beginning of the process. He also stated that the

Board felt very fortunate to have Mr. Dickson joining the District, appreciated his qualifications, experience, and familiarity with the area and welcomed him back to the coastside, since his days as the Manager of the Sewer Authority Mid-Coastside (SAM).

B. Public Announcements

Bob Ptacek, Montara – Stated that he wanted to congratulate the Coastside County Water District on the hiring of Mr. Dickson as the new General Manager and reported that he had interviewed Mr. Dickson years ago for the Manager position for the expansion of the SAM Plant. He added that he was glad that CCWD hired him, that he has had experience working with Mr. Dickson, respects him very much, and was looking forward to having the opportunity to work with him again.

4) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month ending September 30, 2007 – Claims: \$752,159.22; Payroll: \$80,200.03 for a total of \$832,359.25
- B. Acceptance of Financial Reports
- C. Minutes of the September 11, 2007 Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report
- G. September 2007 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for September 2007
- J. Engineering Projects Received for Review during August 2007

President Larimer announced that he had reviewed the monthly financial claim reports and found all to be in order.

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

Director Coverdell	Aye
Director Mickelsen	Aye
Director Ascher	Absent
Director Feldman	Aye
President Larimer	Aye

5) **PUBLIC OUTREACH/PROGRAM DEVELOPMENT/WATER RESOURCES ANALYST'S REPORT**

A. **Monthly Water Resources Report**

Ms. Brennan reviewed the details of her written monthly report, highlighting her attendance at the recent San Francisco Public Utilities Commission (SFPUC) Public Hearing on the Environmental Review of their Water System Improvement Program and reported on some of the comments presented at the public hearing about the Program Environmental Impact Report (EIR).

Ms. Brennan also reviewed a summary of the District's water conservation programs scheduled for fiscal year 2007/2008 and directed the Board's attention to the table featuring the estimated water savings associated with each of the programs. She addressed several questions from Board members in regards to various conservation and rebate programs and the Board expressed an interest in the installation of a water-less urinal at the District office.

Additionally Ms. Brennan provided a report on two recent meetings of the Bay Area Water Supply and Conservation District (BAWSCA); the Board of Directors meeting and the Technical Advisory Committee meeting.

President Larimer stated that he was very impressed and very much appreciated the comments provided by staff members Cathleen Brennan and Joe Guistino on the SFPUC Water System Improvement Program (WSIP) PEIR Draft and inquired as to how the District's comments can be documented. Ms. Brennan explained that SFPUC is required to respond to all comments submitted.

President Larimer also noted in the comments that when CCWD is taking water out of Pilarcitos Lake, it is not taking water out of Crystal Springs, and vice versa, which has a substantial cost consequence for us locally. He added that he realized that it is actually permitted this way, preventing the District from taking water from both sources simultaneously, but suggested that in the future, with the great concern for balancing the use of resources, felt that this issue is something that should be revisited, with consideration given to the possibility of removing this restriction.

Mr. Guistino replied that this particular matter is on his list of tasks to pursue and President Larimer stated that this issue definitely should be agendized for a future Board meeting for further investigation and exploration of other options that would not be so restrictive.

Ms. Brennan also expressed her gratitude to Susan Turgeon, Office Specialist, for volunteering her assistance with many of the District's recent water conservation related advertisements, including some of the water shortage message posters and water-wise gardening poster, currently displayed in the District's lobby. She stated that Ms. Turgeon's enthusiasm, support, and expertise were very much appreciated and valued.

B. Water Shortage and Drought Contingency Plan

Ms. Brennan reported on her recent activities relating to the Water Shortage and Drought Contingency Plan, including her participation in the local Coastside Eco-Energy Expo and Solar Home Tour, and an Urban Drought Workshop recently conducted by the California Urban Water Conservation Council and the Department of Water Resources in Santa Rosa. She also recapped her outreach activities, including the water saving tips brochures now available, and the billing statement messages, requesting the ten percent reduction in water consumption from the District's customers.

C. Advisory Committee Reports

- **Meeting of the San Francisco Public Utilities Commission Policy Advisory and Future Water Resources Committee - September 10, 2007**

Ms. Brennan reminded the Board that a verbal report on this meeting conducted on September 10, 2007, was provided at the September 11, 2007 CCWD Board of Directors meeting.

6) SUPERINTENDENT OF OPERATION'S REPORT

A. Superintendent of Operations Monthly Report

Mr. Guistino referenced his written monthly report, highlighting a few matters including the progress on the Denniston Storage Tank Modifications Project and his recent conversations and recommendations from the environmental consultant in regards to the Denniston Reservoir Dredging project. Mr. Guistino also provided updates on the Denniston Well Rehabilitation Project, the Nunes Filter Rinse Project, and also reported on the first stage of the annual inspection from the California Department of Health Services (DHS). He added that the DHS Inspector was very complimentary of the District and acknowledged the improvements that have been accomplished over the past year. He informed the Board that the DHS Inspector had actually brought along a newly hired DHS employee, who is presently being trained as an inspector, commenting that she wanted the new inspector to participate in the inspection of a model utility agency and have the opportunity to witness "how a water treatment plant should be operated".

Mr. Guistino also advised the Board of the recent theft of the District's scrap metal and reported on the preventative and security measures currently being put into operation. He also informed the Board of a recent newly hired Maintenance Worker, Mr. Daniel Williams, who has been working on a temporary basis for the District since last May and has proven to be an outstanding, intelligent, energetic and reliable employee, who is looking forward to a career with CCWD.

Mr. Guistino also directed the Board's attention to a recent article he has written, which was published in the September 2007 edition of the American Water Works Association publication, Opflow magazine, regarding Water Quality Monitoring. He pointed out that a photograph of Jack Whelen, one of CCWD's Treatment/Distribution Operators was also featured in the article.

Additionally Mr. Guistino addressed questions from the Board on the District's performance in regards to the recent evacuation drill.

B. Advisory Committee Reports

- **SFPUC Policy Advisory & Conservation Agency & Future Water Resources Committee - September 19, 2007 Pilarcitos Integrated Watershed Management Plan (IWMP) Workgroup Conference Telephone Call**

Mr. Guistino reported on the September 19, 2007 conference call in regards to the Pilarcitos Integrated Watershed Management Plan, which main focus was on a continuation of the modifications needed to the Goals and Objectives Report provided by the project consultants.

7) DISTRICT ENGINEER'S REPORT

A. Award of Contract for the Construction of Phase 3 of the El Granada Pipeline Replacement Project

Mr. Teter reported that nine bids were submitted for this project, which were opened on October 2, 2007. He reviewed the Engineer's estimate of \$5,752,000, and provided the highest and lowest bid amounts. He advised that the lowest bid was received from JMB Construction, Inc. in the sum of \$4,549,196.25 and distributed a copy of the letter sent to the firm dated October 3, 2007, requesting that a statement of qualifications be submitted to the District. Mr. Teter also informed the Board that the statement of qualifications from JMB Construction, Inc. had arrived in the District's mail on October 9, 2007, and that he had just been provided with a copy of the submittal prior to the start of this evenings Board meeting. He noted that the statement of qualifications appeared to be complete and in compliance with the District's requirements.

Mr. Teter reiterated to the Board, his recommendation provided to Mr. Guistino earlier that day, which consisted of staff preparing a list of questions to be presented to the contractor's references,

including inquiring as to whether the contractor's projects have been performed and completed satisfactorily.

President Larimer stated that this particular project has been scrutinized, with a very large magnifier on environmental issues, and the District has willingly agreed to comply with the restrictions and conditions placed on the project and there needs to be some assurances that there is a plan for the District to stay in compliance with these restrictions and conditions.

Mr. Teter responded that he had meticulously included all of the project permit conditions within the contract documents and specifications incorporated in the project manual, in order to ensure that the contractor complies with all project conditions and restrictions. He added that it would be the District's responsibility to have construction management and inspection services available on site to monitor the contractor's activities and verify compliance with the project conditions and environmental restrictions. He also stated that he felt it would take construction management personnel to watch, direct, and work with the contractor on these compliance issues and that it is imperative that someone who understands the project documents and specifications be available and on-site to oversee the contractor's work and performance.

Mr. Guistino stated that he felt the District may need to contract out the project construction management services.

President Larimer commented that his conclusion, after hearing this discussion, is that the District is at the point where it needs to have a "game plan", and part of that plan includes evaluating the bids that were received and making sure that the contract is awarded to the most responsive and lowest bidder, and at the same time, there needs to be a plan to manage the project. He suggested that the topic be tabled to a point in the future when the District has had an opportunity to research all aspects and develop a proposed plan. Mr. Guistino stated that he was in agreement and Mr. Teter confirmed that there is a period of seventy-five days before the bids can be withdrawn, so there was ample time to research and evaluate all of the related issues.

Director Coverdell stated that in order to take advantage of the project starting soon and under favorable weather conditions, he

suggested that the Board of Directors schedule a meeting within the next two weeks, rather than tabling a decision until the November Board of Directors meeting.

Mr. Guistino commented that with the large amount of environmental mitigation, complexity, and responsibility associated with this project, he was not sure that his present Operations and Maintenance Staff could adequately manage the project management and inspection services of a project of this caliber at this time. He advised that he has been in discussions with Mr. Teter, regarding the possibility of the District preparing a request for proposal (RFP) for a professional consulting firm to handle the construction management aspects of the project.

Director Coverdell responded that he values Mr. Guistino's recommendation; however after having watched some consulting engineers manage some projects over the years, including the Crystal Springs Project, he did not have as much confidence in this approach, unless it could be assured that the consultant would perform a competent job. He stated the he would prefer that District Staff work with the new General Manager and that the project be managed by the District, which would also provide a substantial savings.

Director Feldman pointed out that the report provided by the District Engineer notes some previous problems experienced by the District when hiring consultants to perform project construction management services. He also noted that in order to make an informed decision on how best to pursue the construction management services, it appeared that the first step in the process would be to thoroughly review the statement of qualifications from the lowest bidder, JMB Construction, Inc.

Mr. Guistino agreed that the District has had some project experiences with outside inspection services that were performed in a substandard manner and was not too eager to pursue this course of action in the future. He proposed another alternative, which included the hiring of an engineer, on a limited term basis, for the duration of the project's completion, and advised that this alternative was very popular and used often by many other Bay Area water districts. He also informed the Board that he felt that this important decision could be postponed a couple of weeks until

the new General Manager had begun employment and had an opportunity to become familiar with the District.

President Larimer stated that it is clear that the District needs to identify who will be in charge of this project and who will be making determinations during the construction of the project. He commented that, based on the Board's discussion, staff should be making note of this message, and also understand that the Board wants this project underway, in a well-managed way, as soon as possible. He also advised that the Board is willing to conduct a special meeting, prior to the November meeting, if it should be necessary, in order to move this matter forward. He also stated that the Board expects a serious plan from staff, that provides for the fact that if something goes wrong with the project, the Board will know who to ask why it went wrong.

Mr. Guistino replied that he estimated that staff could have this matter resolved, with a solution ready to be presented to the Board within approximately three weeks.

B. District Engineer Work Status Report

Mr. Teter directed the Board's attention to his written report, and reviewed the progress of his work on the Water Treatment Plant Short-Term Improvement Project and the Water Treatment Plant Modifications Project.

8) GENERAL BUSINESS

A. Award of Contract for Automatic Meter Reading (AMR) Pilot Program

Mr. Guistino reported that District staff has met with National Meter & Automation, Inc. to establish scheduling, training, interface with the billing system, safety precautions and meter replacement for the sixty-seven meters located on Highway 92. He recommended that the Board vote on the award of contract for procurement and installation of the Orion AMR system. He also advised that the project start date is scheduled for November 5, 2007, with an estimated completion time of one week, so the system should be fully installed on Highway 92 by Thanksgiving time.

President Larimer commented that the District is not only pursuing this project to test the automatic meter reading, but more importantly to insure the safety of the District's meter reading staff.

ON MOTION by Director Mickelsen and seconded by Director Feldman, the Board voted as follows to award the contract for the procurement and installation of the Orion AMR System to National Meter & Automation, Inc. for the Highway 92 AMR Pilot Program:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Ascher	Absent
Director Feldman	Aye
President Larimer	Aye

B. Discussion and possible authorization to staff to purchase new fleet vehicle

Mr. Guistino reviewed the criteria for replacement of District vehicles, which includes age, over ten years; mileage of 100,000 miles, and condition of vehicle, as well as the process for acquiring bids for fleet vehicles.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted as follows to authorize staff to purchase a new Ford F150 4 x 2 pick-up truck from Serramonte Ford:

Director Coverdell	Aye
Director Mickelsen	Aye
Director Ascher	Absent
Director Feldman	Aye
President Larimer	Aye

C. Discussion and possible recommendation regarding updates to the CCWD Personnel Manual and possible recommendation regarding preparing a Request for Proposal (RFP) for a salary and benefit survey

Mr. Guistino reported that the Personnel Committee, consisting of Directors Ascher and Feldman and staff members, including himself and Gina Brazil, the Office Manager, had met on October 1, 2007 to discuss a salary and benefit survey and possible update to

the District's Personnel Manual. He reviewed the Committee's recommendation that the District prepare a Request for Proposal (RFP) for a salary and benefit survey and to update the Personnel Manual. He informed the Board of the recommended updates, which include amending the Personnel Manual to include language to authorize the General Manager to provide for merit bonuses if warranted, once an employee reaches the top step of their designated pay scale, clarification of evaluation review process in regards to the timing, responsibility, and obligated signatories, and to add a provision and description of the review process for the General Manager by the Board of Directors.

Director Feldman stated that the Committee supports the recommendations as stated and noted that there are a number of firms that can be solicited to perform a salary and benefit survey, and that possibly proposals could be received and presented at the November Board meeting.

President Larimer commented that the District had not completed a salary survey in a very long time, and depending on the results received from this new survey, there may need to be some adjustments to a number of positions if the survey indicates that the pay rates are out of synchronization with the industry standards. He also stated that he is troubled by the concept of a bonus issued every year because an employee is at the top of their pay scale, because this would seem to indicate to him that some steps should be added to the pay scale ladder.

Director Feldman agreed that the survey results need to be evaluated before any major changes are made to the policy. He explained that currently the committee is viewing a bonus system, not to be automatically administered on an annual basis when an employee is at the top of their scale, but for extraordinary and exceptional performance within an employee's current job description. He also clarified the committee's views that additional steps could be advanced by an employee for acquiring new skills or accepting new or additional responsibilities. He also indicated that the salary survey results are very important and that the Requests for Proposals need to be solicited promptly.

D. Discussion and direction to staff regarding CCWD Advisory Committees

Cathleen Brennan introduced this item, explaining that in the process of reviewing the District's advisory committee list recently, for the purpose of assigning staff members to the committees, staff noted that there appeared to be an opportunity to combine some of the committees in an effort to increase the effectiveness of District's advisory committees. She reviewed staff's proposed revisions, which included the following:

- The combining of the Personnel Committee and Recruitment Committee to create the Human Resources Committee, with the understanding that there may be a need to have special assignments made, depending on the position being recruited.
- The combining of the District Facilities Committee with the Denniston Restoration Committee, due to the fact that the same Board and staff members were assigned to both committees.
- A Water Resources Committee was added to the list of internal advisory committees to fill the advisory need for conservation programs and other water resources activities related to integrated watershed and integrated water plan management.
- The current committee list refers to external advisory committees, which was changed to external advisory commitments.
- The current San Francisco Public Utilities Commission (SFPUC) Advisory and Future Water Resources Committee was revised and is now listed under the external advisory commitments as Water Resources.

Director Coverdell complimented Ms. Brennan, stating that the revised advisory committee list was well organized and he appreciated having the detailed descriptions provided. Director Mickelsen agreed with the improvements, stating that he appreciated having the committee responsibilities so clearly stated. Director Feldman also noted his approval. President Larimer recommended that to complete the process, staff combines the list with an annual calendar listing of the specific reports due and the respective deadlines that involve the various committees' participation. He also suggested that this revised committee listing with a calendar of reporting commitments could be delayed a month or two in order to provide the new General Manager with an opportunity to review the materials and get a sense of the organization.

President Larimer commented that he was very impressed and pleased with the project results and directed staff to incorporate the calendar and after the General Manager has had a chance to review it; the listing and calendar could be presented to the Board again at a future meeting. He also stated that the calendar would be a valuable tool in tracking projects and obligations, and noted that some problems, such as the extensive period that transpired since the District's last salary survey could be avoided in the future with this tool in place.

9) AGENDA ITEMS/DIRECTOR COMMENTS/MEETINGS ATTENDED

President Larimer reiterated that the members of the Pilarcitos Creek Restoration Workgroup would be conducting a public workshop on Saturday, October 27, 2007. Ms. Brennan added that she had been informed that invitations would be mailed to all property owners and that posters were scheduled to be distributed throughout the community. Staff was directed to prepare and post an agenda for this meeting in order to provide for attendance by all Board members.

Director Feldman announced that he had just attended the California Special Districts Association 38th Annual Conference in Monterey over the past week and noted that five hundred and twelve attendees were present. He reported that it was a very interesting conference, with a diverse group of agencies, and that he felt that the most important and significant issue facing the state in the future will be the California water crisis, due to climate changes, the Delta issues, growth, and the Colorado River and other factors associated with our water supply. He reported briefly on a few additional conference discussion items, including updates to the Brown Act and potential conflicts that can occur when multi-generations are working together in the same organization, legislative updates and matters pertaining to Local Agency Formation Commissions (LAFCo).

10) ADJOURNMENT

The meeting was adjourned at 9:03 p.m. The next meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, November 13, 2007.

Respectfully submitted,

Joe Guistino, Acting General Manager

Jim Larimer, President
Board of Directors
Coastside County Water District