

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, December 14, 2010 - 7:00 p.m.

- 1) **ROLL CALL** - President Mickelsen called the meeting to order at 7:01 p.m. Present at roll call: President Chris Mickelsen, Vice-President Bob Feldman, Directors Ken Coverdell, and Jerry Donovan. Director Larimer arrived at 7:06 p.m.

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 COMMENTS** - There were no public comments

- 4) **SPECIAL ORDER OF BUSINESS**

Due to the fact that there was not yet a full complement of the Board, President Mickelsen announced that the agenda would be re-ordered to proceed to discussion of items 5 and 6 on the agenda, followed by the return to discussion of Item 4.

- 5) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending November 30, 2010 - Claims: \$411,676.08; Payroll: \$78,838.49 for a total of \$490,514.57
- B. Acceptance of Financial Reports
- C. Minutes of the November 9, 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. November 2010 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for November 2010
- K. Notice of Completion for Nunes Short Term Improvement Project
- L. Approval of Andreini Right of Entry Permit Agreement

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

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

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

6) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell reported on the November 18, 2010 Bay Area Water Supply and Conservation Agency (BAWSCA) Board of Directors meeting, providing the current status of the retrofit project, water conservation programs, BAWSCA's budget and the Water Supply Strategy Project.

Vice-President Feldman reported on his attendance at the recent Association of California Water Agencies (ACWA) Fall Conference, held in Indian Wells, CA, providing an overview of the discussion topics conducted at the conference.

Director Larimer arrived at the meeting at 7:06 p.m. and the Board returned to the discussion of Item 4.

4) SPECIAL ORDER OF BUSINESS

A. Election of Board President and Vice-President

President Mickelsen opened nominations for the 2010-2011 President of the CCWD Board of Directors, at which time Director Coverdell nominated Vice-President Feldman to serve in this capacity. Director Mickelsen seconded the nomination. There were no additional nominations and the nominations were closed.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to elect Vice-President Feldman to serve as the CCWD Board of Directors President for the December 2010 to December 2011 term:

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

At Director Mickelsen's suggestion, the two Directors exchanged chairs and President Feldman presided over the remainder of the Board of Directors meeting. He announced that the Board would continue with the election of the Vice President position.

Director Mickelsen nominated Director Donovan to serve in the capacity of Vice-President of the Board, which was seconded by Director Coverdell. There were no further nominations and the nominations were closed.

ON MOTION BY Director Mickelsen and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to elect Director Donovan to serve as the Vice-President of the Board of Directors for the December 2010 to December 2011 term:

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

- B. Resolution 2010-09 - A Resolution of the Board of Directors of the Coastside County Water District expressing gratitude to Chris Mickelsen for his leadership and dedicated service to the community in his capacity of President of the CCWD Board of Directors**

President Feldman referenced the Resolution and summarized former President Mickelsen's multiple accomplishments during the past two years of his presidency and congratulated him on his successes.

ON MOTION BY Director Coverdell and seconded by Director Larimer, the Board voted as follows, by roll call vote, to adopt Resolution 2010-09, a Resolution of the Board of Directors of the Coastside County Water District Expressing it's gratitude to Christian R. Mickelsen for his leadership and dedicated service to the community in his capacity as President of the Board of Directors:

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

Director Coverdell shared some comments about Director Mickelsen's history with the District, complimenting him on his many achievements. Director Donovan thanked Director Mickelsen for his service and Director Feldman added that he has enjoyed working with Director Mickelsen on the Board of Directors.

President Feldman commented that Director Mickelsen's hard work has not gone unnoticed, even at the State level. He proceeded to read a letter of commendation addressed to former President Mickelsen from California Governor Arnold Schwarzenegger.

President Feldman then presented Director Mickelsen with a plaque and gavel, commemorating his two years President.

On behalf of the City of Half Moon Bay, Mayor Marina Frasier, also congratulated Director Mickelsen and presented him with a certificate acknowledging his leadership and his service to the District and the community.

7) GENERAL BUSINSESS

A. Approval of Agreement with Balance Hydrologics for Gaging Denniston and San Vicente Creeks and Monitoring Wells

Mr. Dickson provided the background of this item and explained that developing sound data to characterize surface flows and groundwater levels in the Denniston Creek and San Vicente Creek watersheds is a critical element in the District's efforts to perfect local water source rights. Mr. Dickson reviewed the principal elements of the proposal, then introduced Barry Hecht of Balance Hydrologics, who answered several questions from the Board.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to execute an agreement with Balance Hydrologics, Inc. for stream gaging and well monitoring in accordance with the proposal in an amount not to exceed \$73,975.00:

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

B. Resolution Approving Tier 2 Drought Implementation Plan Pursuant to Section 3.11C of the Water Supply Agreement with San Francisco

Mr. Dickson reported that appointed representatives of the wholesale agencies have been working with the Bay Area Water Supply and Conservation Agency (BAWSCA) to develop the new Tier 2 Plan which determines how a reduced water supply, in the event of a drought, would be allocated among all the wholesale customers. He explained that to be effective, the Tier 2 Plan must be adopted by all BAWSCA agencies before June 30, 2011. Mr. Dickson reviewed some of the aspects of the Tier 2 Plan and answered 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 Resolution 2010-10 - A Resolution of the Board of Directors of the Coastside County Water District Approving Tier 2 Drought Implementation Plan Pursuant to Section 3.11.C of the Water Supply Agreement with San Francisco:

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

C. **Approval of Funding for Pilarcitos Stream Gage and Resource Conservation District Management Services**

Mr. Dickson reviewed the background and emphasized the importance of maintaining a continuous record of stream flow data for Pilarcitos Creek and explained that CCWD's participation with the San Francisco Public Utilities Commission (SFPUC) and the Sewer Authority Mid-Coastside (SAM) continues the District's role as a key participant in the Pilarcitos Integrated Watershed Management Plan (IWMP) and helps to protect the District's future water supply interests in this watershed. He advised that the cost would be \$25,175.00. Mr. Dickson addressed questions and comments from the Board members.

ON MOTION BY Director Mickelsen and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to authorize staff to enter an agreement for funding of 1) the Pilarcitos Creek stream gage and 2) continued administration of stream gage funding and monitoring of the Pilarcitos Creek Integrated Watershed Management Plan (IWMP) by the San Mateo County Resource Conservation District (RCD), at a cost of \$25,175.00:

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

D. **Approval of Letter Agreement with Ailanto Properties, Inc. for Conveyance of Non-Priority Water Service Connections**

Mr. Dickson referenced the November 9, 2010 Board of Directors meeting, at which time the Board authorized the execution of a contract with Andreini Brothers for the replacement of the plastic water service laterals located on Terrace Avenue. He informed the Board that the cost for this replacement project, which addresses the Terrace Avenue residents'

concerns regarding potential damage to the laterals by the construction of the Pacific Ridge project, will be offset by the value of the twelve non-priority water service connections to be donated to the District by Ailanto Properties. He directed the Board's attention to the letter agreement drafted for the conveyance of the twelve non-priority water service connections to the District from Ailanto Properties and answered questions from the Board.

ON MOTION BY Director Mickelsen and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to approve the letter agreement with Ailanto Properties, Inc. for conveyance of 12 non-priority water service connections:

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

E. Approval of Denniston Flash Mixer Purchase

Mr. Guistino reported on the recent failure of the intake pipe at the Denniston Water Treatment Plant and the staff's plans to complete repairs and bring the plant back online. He informed the Board that the existing original mixer has been leaking for years and that replacing it now in connection with the piping repairs would address Department of Public Health (DPH) concerns about its condition.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to procure a new flash mixer for the Denniston Water Treatment Plant for an estimated cost of \$26,000.00:

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

F. Approve Resolutions Required to Implement New CalPERS Tier 2

Mr. Dickson advised that the two resolutions under this item addressed Internal Revenue Service and CalPERS requirements to ensure that

District-paid employee contributions to the CalPERs Tier 2 Plan (2% at 60) for new employees would be tax-deferred.. He answered questions from the Board regarding the CalPERS Plan.

ON MOTION BY Vice-President Donovan and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve Resolutions 2010-11 Implementing the Provisions of Section 414(h)(2) of the Internal Revenue Code and Resolution 2010-12 Formalizing Policy for Paying and Reporting the Value of Employer Paid Member Contributions to the California Public Employees' Retirement System:

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

8) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

- **Water Reclamation Update** - Mr. Dickson advised that there is nothing new to report on this item, but that Mr. Leonard, Manager of the Sewer Authority Mid-Coastside, indicated recently that he is optimistic and has some new ideas that will hopefully allow this project to eventually move forward.
- **SFPUC Rate Study** - Mr. Dickson reported the results of his recent meeting with SFPUC staff regarding the rate study that they began in April 2010 to determine whether CCWD should receive a lower rate for untreated water. He noted that he is optimistic that the District will be granted a discount from the wholesale treated water rate by SFPUC that could be approximately 8 to 10%, which would take effect on July 1, 2011, pending approval by the San Francisco Public Utilities Commission. Each of the Board members shared their comments on this subject.
- **CCWD - SFPUC Operations Meeting** - Mr. Dickson also reported on the topics discussed at the recent meeting with District staff and SFPUC staff.
- **Denniston Raw Water Piping Failure** - Mr. Dickson explained the events that occurred on November 30, 2010 while the operations staff were

restarting the Denniston Water Treatment Plant after replacing gaskets to stop the leaks in the raw water piping. He noted that there was significant damage and that Mr. Guistino could provide additional information or answer any questions regarding the incident.

A. Operations Report

Mr. Guistino reviewed the monthly operations highlights, including the improved production in Denniston, the improvements to the backwash valve at the Nunes Water Treatment Plant and the new flow meter, and the completion of the Nunes Short Term Improvement Project.

B. Water Resources Report

Ms. Brennan updated the Board on the recent activities with the Bay Area Water Supply and Conservation Agency (BAWSCA), including the new regional water conservation database and the development of a Lawn Replacement Program as part of their water use efficiency program. Ms. Brennan also informed the Board about the new California Senate Bill x7-6, also known as The California Statewide Groundwater Elevation Monitoring (CASGEM), a mandated statewide program to collect groundwater elevations to facilitate collaboration between the Department of Water Resources and local agencies.

9) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Director Larimer requested that the Board revisit the District's procurement policies at a future Board meeting and staff received direction to agendize the discussion.

10) ADJOURNMENT

ON MOTION BY Vice-President Donovan and seconded by Director Mickelsen, the Board voted as follows, to adjourn the December 14th 2010 meeting of the Coastside County Water District Board of Directors.

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

The meeting was adjourned at 8:40 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, January 11, 2011.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Robert C. Feldman, President
Board of Directors