

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 10, 2012

- 1) **ROLL CALL** - President Jerry Donovan called the meeting to order at 7:00 p.m. Present at roll call: Director Ken Coverdell, Vice-President Glenn Reynolds, Directors Bryan Hannegan and Chris Mickelsen.

Also present were: David Dickson, General Manager, Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations, Cathleen Brennan, 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) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending December 31, 2011: Claims: \$735,714.88; Payroll: \$ 75,336.45; for a total of \$811,051.33
- B. Acceptance of Financial Reports
- C. Approval of Minutes of December 13, 2011 Board of Directors Meeting
- D. Monthly Water Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report
- H. December 2011 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for December 2011

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

ON MOTION BY Vice-President Reynolds and seconded by Director Hannegan, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell reported that he had attended a recent Montara Water & Sanitary District (MWSD) Board meeting to discuss the emergency water supply agreement between Montara Water & Sanitary District and the Coastside County Water District. He stated that the MWSD Board of Directors had directed their General Manager to begin open communications with Mr. Dickson to develop a plan to implement the emergency water supply connection. Director Coverdell suggested that the matter be agendaized for the Board to direct staff to develop a concept and some practical solutions for this water supply connection to work in an emergency situation with the MWSD.

Director Mickelsen commented that he had recently met up with former CCWD Director Everett Ascher and that he was in good health and looked great.

Director Hannegan agreed with Director Coverdell's recommendation to agendaize further technical discussion of the MWSD and CCWD emergency water supply connection.

6) GENERAL BUSINESS

A. Appointment to CCWD Board Member Representatives and Alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) election of officers

Mr. Dickson advised that this is a routine item that the District addresses each year to comply with LAFCo's recommendation that standing voting representatives be designated in case a special district selection committee is called due to a vacancy and the District's presiding officer is not able to attend the meeting. The Board concurred with the District's past practice of appointing the Board President as the designated representative, with all other Directors being named as alternates.

ON MOTION BY Director Hannegan and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to designate CCWD Board President Jerry Donovan as the District's voting representative to participate in the San Mateo County Local Agency Formation Commission election of officers, followed by the designation of Vice-President Glenn Reynolds, and Directors Ken Coverdell, Bryan Hannegan and Chris Mickelsen to serve as alternates:

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

B. Coastside County Water District Board Committees

President Donovan stated that the District's Board Committees would be constituted as follows:

Standing Committees

Finance Committee
Water Quality Committee
Human Resources Committee
Water Resources Committee
District Facilities Committee

Directors

Coverdell and Hannegan
Donovan and Mickelsen
Mickelsen and Hannegan
Donovan and Mickelsen
Donovan and Reynolds

Advisory Committees

Montara Water & Sanitary District
(MWSD) Mutual Interest Committee

Directors

Donovan and Coverdell

External Organizations

Association of California Water Agencies (ACWA)
Association of California Water Agencies/
Joint Powers Insurance Authority (ACWA/JPIA)

Directors

Reynolds
Reynolds

External Organizations - (continued)

California Special District Association (CSDA)
Local Agency Formation Commission (LAFCo)
Bay Area Water Supply & Conservation
Agency (BAWSCA)

Directors

Donovan
Donovan
Coverdell

Vice-President Reynolds expressed an interest in participating in the American Water Works Association (AWWA).

C. Approval of Change Orders 1 - 5 for Half Moon Bay Tank 1 Repair and Recoating Project

Mr. Guistino provided the background of this project and explained that as this project progressed, additional necessary repairs were revealed, that were not included in the original project specifications. Mr. Guistino described the details of Change Orders 1 through 5, which included an error in the tank surface area in the project documents, corrosion issues, and safety concerns. He also reported that Change Order # 5 would not be necessary. Mr. Guistino advised that once these Change Order repairs are complete, work can proceed with the internal lining and the external coating. Mr. Guistino answered a few questions from the Board about this project.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to approve Change Orders 1 - 4 for the Half Moon Bay Tank 1 Repair and Recoating Project for a total of \$ 34,572.00:

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

D. Mid-Year Financial Review

Mr. Dickson referenced the spreadsheet summarizing the revenue and expenses for the first half of the Fiscal Year 2011-2012. He reviewed the water sales figures, accrued expenses, and the net variance.

E. Proposed Revisions to Policies and Procedures for Award of Contracts

Mr. Dickson reviewed the background, noting that during discussion of a proposed change order to the Denniston Creek Water Treatment Plant Improvements Project at the December 13, 2011 Board of Directors meeting, staff had indicated that they would suggest procurement policy changes which would clarify existing policy and facilitate approval of change orders. He noted that by providing staff with the authority to execute certain change orders without Board approval, it will help to keep construction projects on schedule and avoid delay costs. Mr. Miyaki then summarized the proposed revisions, which included clarifying authority for change orders and contract amendments, streamlining sole source procurement language, defining “emergency” for procurement purposes, setting criteria for Board or General Manager waivers of procurement procedures, and eliminating the requirement for newspaper bid advertisement in favor of more current approaches.

Board discussion ensued with Mr. Dickson and Mr. Miyaki addressing questions and providing clarification of the proposed revisions. Director Coverdell made a motion, which was seconded by Director Mickelsen, to draft language to state that “Change Orders that do not exceed \$30,000, if the cumulative total of the change orders and contract amendments exceeds ten percent of the original contract amount, the General Manager will make the Board aware of this condition. After significant discussion, the motion was withdrawn and it was decided that the General Manager and District Legal Counsel will draft new revised language, which will be reviewed and discussed by the District’s Finance Committee. Following that process, the new proposed policy changes will be presented for review by the full Board at the February 14, 2012 Board of Directors meeting.

7) GENERAL MANAGER’S REPORT

1. ERAF Refund

Mr. Dickson reported that the District had recently received an unexpectedly high ERAF refund payment of \$261,000.

2. Proposed SFPUC Agreement for Modesto Irrigation District Water Transfer

Mr. Dickson informed the Board that a proposed agreement is being outlined between the San Francisco Public Utilities

Commission (SFPUC) and the Modesto Irrigation District (MID), under which MID would transfer 2 million gallons per day of its Tuolumne River water to SFPUC on a long-term basis. He added that if this agreement goes through, it will be a historic step and could set the stage for future transfers that would significantly impact the water interests of the Bay Area Water Supply and Conservation Agency (BAWSCA) agencies. He advised that BAWSCA will continue to track developments in these SFPUC-MID negotiations.

A. Operations Report

Mr. Dickson showed a series of photographs demonstrating the progress on the Denniston Water Treatment Plant Improvements Project including construction of the retaining walls, concrete pours, the walls around the new drying beds, and the layout and forming of the clarifiers. Mr. Dickson also displayed photos from the Half Moon Bay Tank # 1 Repair and Recoating Project, which included tank ladder replacements. Next, Mr. Dickson presented and explained photos taken recently at the site of a leak on the El Granada Pipeline, located at Arroyo De En Medio Crossing.

Mr. Guistino updated the Board on the District's recent backflow survey from Main Street and Highway 92 to the Pilarcitos Bridge and Stone Pine Center and Stone Pine Road and staff identified a number of businesses in need of backflow prevention devices. He also advised that staff is in the process of drafting an updated backflow ordinance which will be presented to a Board Committee in the near future.

B. Water Resources Report

Ms. Brennan reported that the Bay Area Water Supply and Conservation Agency (BAWSCA) is working toward securing grant funding to subsidize three regional water use efficiency programs; the Lawn Be Gone, High Efficiency Toilets and High-Efficiency Clothes Washers. She also shared information regarding the recent California Department of Water Resources snow survey, and reviewed details of the District's Water Supply Outlook for Calendar Year 2012.

8) DIRECTOR AGENDA ITEMS - REQUEST FOR FUTURE BOARD MEETINGS

Director Coverdell reiterated his request to have the matter of the CCWD and MWSD Emergency Water Supply Connection placed on a future Board agenda.

9) ADJOURNMENT

ON MOTION BY Director Reynolds and seconded by Director Hannegan, the Board voted as follows, to adjourn the January 10, 2012 meeting of the Coastside County Water District's Board of Directors:

Director Coverdell	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Mickelsen	Aye
President Donovan	Aye

The meeting was adjourned at 8:17 p.m. The next regular meeting of the Board of Directors is scheduled for Tuesday, February 14, 2012.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Jerry C. Donovan, President
Board of Directors