

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, April 12, 2011 - 3:00 p.m.**

- 1) **ROLL CALL** - The Closed Session convened at 3:06 p.m. Present at roll call: President Bob Feldman and Directors Jim Larimer and Chris Mickelsen. Director Coverdell arrived at 3:21 p.m.
  
- 2) **PUBLIC COMMENT** - There were no public comments.
  
- 3) **CLOSED SESSION**  
**Conference with Labor Negotiator**  
Pursuant to California Government Code §54957.6  
Agency Designated Representatives: General Manager  
Employee Organization: Teamsters Union, Local 856
  
- 4) **RECONVENE TO OPEN SESSION**  
The Closed Session concluded at 4:45 p.m. President Feldman announced that Vice-President Donovan had not participated in the Closed Session due to a conflict of interest, and that there was no reportable action taken at the Closed Session.
  
- 5) **ADJOURNMENT**

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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, April 12, 2011 - 7:00 p.m.**

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

Also present were: David Dickson, General Manager; David Gehrig, 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) **PUBLIC HEARING**

- To allow community input on Coastside County Water District's Water Shortage Contingency Plan
- To consider adoption of Resolution 2011-06 Authorizing the Approval of a Water Shortage Contingency Plan

President Feldman opened the Public Hearing at 7:05 p.m. Cathleen Brennan explained that the District's Water Shortage Contingency Plan has been updated and revised to be included in the 2010 Urban Water Management Plan. She proceeded with a presentation, reviewing specific details and associated tables of the Plan's requirements, objectives, required elements, stages of action, and approach to demand reductions. Ms. Brennan answered questions from the Board, including one regarding the potential impact of Proposition 218 on the process should a level 3 Water Shortage Emergency be declared. Ms. Brennan confirmed that Proposition 218 does slow down the process when rate increases or water surcharges are instituted and advised that she was aware that some other water agencies have commenced the Proposition 218 process in advance and incorporated it into their

water shortage contingency planning. Mr. Dickson confirmed that the District could follow that process and pointed out that this Water Shortage Contingency Plan is a guideline for actions that the District can pursue and that there is still a lot of work to be done to complete the plan, including the drafting of an ordinance. He explained that this process fulfills the necessary Urban Water Management Plan requirements and noted that other tasks to be completed on the Plan, include rate and legal work. Discussion ensued regarding staff further exploring Proposition 218 provisions, especially during emergency and disaster conditions.

There were no comments from the Public and President Feldman closed the Public Hearing at 7:21 p.m. and invited Board comments and action for consideration of Resolution 2011-06. The Board members complimented Ms. Brennan on her efforts in preparing the Water Shortage Contingency Plan, noting that they felt it was a very thorough and professional Plan.

**ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to adopt Resolution 2011-06 - A Resolution of the Board of Directors of the Coastside County Water District Authorizing the Approval of a Water Shortage Contingency Plan:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**5) PUBLIC HEARING**

- To allow community input on Coastside County Water District's implementation plan for complying with California Senate Bill SBx7-7
- Consider the economic impacts of the implementation plan; and
- Adopt a method pursuant to Water Code Section 1068.20(b) for determining its urban water use target
- Consider adoption of Resolution 2011-07 Authorizing the Approval of a Baseline Daily Per Capita Use, and Urban Water Use Target, and an Interim Urban Water Use Target

President Feldman opened the Public Hearing at 7:26 p.m. Cathleen Brennan continued with a presentation which addressed the purpose of the Public Hearing, reviewed the Water Conservation Act of 2009 and the steps for compliance. She also explained the basis for staff's recommendation for the application and adoption of

the Minimum Water Use Reduction Requirement as the target method for determining its urban water use target under the Water Conservation Act of 2009. She provided the District's targets using the required minimum reduction method, for the interim (year 2015) which would be 124 gallons per capita per day and the final (year 2020) which equals 120 gallons per capita per day. In conclusion, Ms. Brennan reviewed the next steps required to be completed in the process.

There being no comments from any members of the public, President Feldman closed the Public Hearing at 7:44 p.m. Mr. Dickson then took the opportunity to introduce Jerry Nakano and Elizabeth Drayer from West Yost & Associates, the consultants assisting the District in the preparation of the 2010 Urban Water Management Plan (UWMP). President Feldman stated that, after attending sessions on Urban Water Management Plans at the recent Association of California Water Agencies (ACWA) conference, he had a true appreciation for the amount of detail and work that goes into developing these plans and expressed his appreciation to Ms. Brennan for coordinating the project and in developing the District's UWMP.

Staff distributed a modified Resolution 2011-07 for the Board's consideration and Mr. Dickson explained the updates and revisions from the original resolution that was provided in the Board packet.

**ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to adopt the modified version of Resolution 2011-07 - A Resolution of the Board of Directors of the Coastside County Water District Authorizing the Approval of a Baseline Daily Per Capita Use, an Urban Water Use Target, and an Interim Urban Water Use Target:**

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

**6) CONSENT CALENDAR**

- A. Approval of disbursements for the month ending March 31, 2011:  
Claims: \$625,204.79; Payroll: \$ 69,660.12 for a total of \$694,864.91
- B. Acceptance of Financial Reports
- C. Approval of Minutes of the March 8, 2011 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. March 2011 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for March 2011
- K. Acceptance of Non-Complex Pipeline Extension- 411 Chesterfield Avenue

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

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

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

## 7) MEETINGS ATTENDED / DIRECTORS COMMENTS

Director Coverdell reported on his recent attendance at the Bay Area Water Supply and Conservation Agency (BAWSCA) Board meeting.

Director Mickelsen shared that he had attended the April 5, 2011 meeting of the Pilarcitos Restoration Workgroup. Vice-President Donovan was also in attendance at this meeting.

President Feldman noted that he had attended the recent meeting of the Association of California Water Agencies (ACWA) Region 5 Board meeting held in Santa Cruz, CA. He also reported on the Silicon Valley Water Conservation award ceremony in the area that he attended with Mr. Dickson, and congratulated Director Ken Coverdell and his wife, Sally, who received a Water Champion award for 2011 for their efforts reducing water use. Additionally he reported that he, Director Mickelsen, and Mr. Dickson had attended the groundbreaking ceremony for the San Francisco Public Utilities Commission's Crystal Springs Dam project.

Vice-President Donovan noted that he and Director Larimer had met with Mr. Dickson for a District Facilities Committee meeting.

## 8) GENERAL BUSINESS

**A. Award of Professional Services Agreement with Analytical Environmental Services for the preparation of an Environmental Impact Report for the Denniston/San Vicente Water Supply Project**

Mr. Dickson provided the background of this item and explained that the State Water Resources Control Board's Division of Water Rights (SWRCB) had notified the District that an environmental document was required to support the District's petition for an extension of time to perfect its water rights. He also advised that preparing an EIR will be the best way to analyze the complex biological and hydrological issues involved in Denniston/San Vicente, and will also address the concerns of permitting agencies and other stakeholders.

Mr. Dickson reviewed the request for proposal process and advised that after a thorough evaluation of the proposals by District staff, Legal Counsel Patrick Miyaki, and Special Water Rights Counsel Alan Lilly, as well as the Facilities Committee members, the recommendation was to retain the services of Analytical Environmental Services (AES) to prepare the Environmental Impact Report. Mr. Dickson then introduced Mr. Chris Stabenfeldt, Senior Project Manager with AES. Mr. Stabenfeldt provided the background and experience of the AES staff 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 authorize the General Manager to execute a contract with Analytical Environmental Services to prepare an Environmental Impact Report for the District's Denniston/San Vicente Water Supply Project at an estimated time and materials cost of \$282,000.00:**

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

**B. Award of Contract for District Digital Mapping and GIS Implementation to California CAD Solutions**

Mr. Dickson stated that a Geographic Information System (GIS) has become an essential tool for a water utility, and that staff had included a District Digital Mapping project in the current Capital Improvement Program. He reviewed some examples of the information that the District will be able to produce readily with GIS queries.

Mr. Dickson advised that staff has been exploring options for GIS implementation, has received proposals from three consultants and recommended that the District award a contract to California CAD Solutions.

Director Larimer added that the members of the Facilities Committee had reviewed the proposals, agreed that this was a valuable project, and agreed with the recommendation.

**ON MOTION BY Vice-President Donovan and seconded by Director Larimer, the Board voted as follows, by roll call vote, to authorize the General Manager to execute a contract with California CAD Solutions for digital mapping and Geographic Information System implementation services in the amount of \$36,700.00:**

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

**C. Resolution Authorizing I-Bank Loan Application for Denniston Water Treatment Improvements Project**

Mr. Dickson reported that the pre-bid meeting for the Denniston Improvements project had been conducted earlier in the day and that seven general contractors were in attendance. He reminded the Board that the District will need to seek loan financing for this project and that the long-term financing plan considered during the last budget cycle anticipated this borrowing. He added that since the District cannot finance a project of this size in the current bond market, the best financing option will be to obtain a loan from the California Infrastructure and Economic Development Bank (I-Bank). He presented the preliminary application packet and a resolution authorizing the submission of the full loan application to I-Bank and informed the Board that members of the District's Finance Committee had also recently reviewed the application package.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve Resolution 2011-08 - Authorizing the Submission of the Application to the California Infrastructure and Economic Development Bank for Financing of Denniston Water Treatment Plant Improvements Project, Declaration of Official Intent to Reimburse Certain Expenditures from Proceeds of Obligations, and Approving Certain Other Matters in Connection Therewith:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**D. Fiscal year 2010-2011 Third Quarter Financial Review**

Mr. Dickson summarized the third quarter budget review, which indicate that the District is overall doing better than originally budgeted. He also noted that the District was ahead of its objectives for contributions to the Capital Improvement Program.

**E. Draft Fiscal Year 2011-2012 Budget and Draft Fiscal year 2011-2012 to 2020-2021 Capital Improvement Program Budget**

Mr. Dickson presented the draft budgets and indicated that this is another opportunity for the Board and the public to review the proposed draft budgets and that a special budget workshop would be included in the May 10, 2011 Board meeting.

**9) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS**

- **Water Reclamation Update** - Mr. Dickson reported that Steve Leonard, Manager of the Sewer Authority Mid-Coastside (SAM), has continued to pursue the issue of recycled water with the SAM Board. He also reiterated that CCWD is waiting for SAM to respond to the principles of agreement approved by the CCWD Board at the February 9, 2010 Board meeting.
- **San Francisco Public Utilities Commission (SFPUC) Rate Increase and Untreated Water Discount Proposal** - Mr. Dickson referenced and reviewed the April 7, 2011 letter from the SFPUC regarding the Wholesale Water Rates and the Environmental Enhancement Surcharge effective for fiscal year 2011-2012. Director Coverdell expressed appreciation to Mr. Dickson and Director Mickelsen for their successful negotiations with SFPUC regarding the untreated water discounted rate structure.
- **T-Mobile Evaluating Cell Site Location at Alves Tank** - Mr. Dickson advised the Board of T-Mobile's interest in a cell site located on the

District's Alves Tank property. He informed the Board that he would keep them advised of any further developments and would bring any proposed lease agreement to the Board for approval.

**A. Operations Report**

Mr. Guistino reviewed the monthly highlights of his report, including District staff's response to the March 11, 2011 Tsunami Warning, the impact of the recent Pilarcitos Pipeline break and the repair process, and the American Water Works Association (AWWA) Operator Meritorious Award presented to Steve Twitchell.

President Feldman commented on the positive article in the Half Moon Bay Review regarding their recent tour of the District's Nunes Water Treatment Plant.

**B. Water Resources Report**

Ms. Brennan thanked District staff for their assistance in the planning of Water Day and described the schedule and plans for the event.

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

**11) ADJOURNMENT**

**ON MOTION BY Director Larimer and seconded by Director Coverdell, the Board voted as follows to adjourn the April 12, 2011 meeting of the Coastside County Water District's Board of Directors:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

The meeting was adjourned at 9:31 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, May 10, 2011.

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the Board

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Robert C. Feldman, President  
Board of Directors