

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, July 12, 2011

- 1) **ROLL CALL** - President Feldman called the meeting to order at 6:59 p.m. Present at roll call: Director Ken Coverdell, Vice-President Jerry Donovan, and Director Chris Mickelsen. Director Larimer was absent.
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 June 30, 2011: Claims: 511,287.38; Payroll: \$ 71,302.56; for a total of \$582,589.94
 - B. Acceptance of Financial Reports
 - C. Approval of Minutes of June 7, 2011 Special Board of Directors Meeting
 - D. Approval of Minutes of June 14, 2011 Board of Directors Meeting
 - E. Approval of Minutes of June 28, 2011 Special Board of Directors Meeting
 - F. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report
 - G. Total CCWD Production Report
 - H. CCWD Monthly Sales by Category Report
 - I. June 2011 Leak Report
 - J. Rainfall Reports
 - K. San Francisco Public Utilities Commission Hydrological Conditions Report for June 2011
 - L. Approval of Amendments to California Special Districts Association Bylaws
 - M. Notice of Completion - Nunes Filter Surveillance Project

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

Director Coverdell suggested that staff revise the format that the monthly Approved Capital Improvement Projects for the Fiscal Year is reported and requested clarification on some of the entries. He also reiterated a request that the report include a column that specifies the percentage of project completion. Mr. Dickson indicated that staff would review the report.

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

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell shared a letter recently sent by the Bay Area Water Supply & Conservation Agency (BAWSCA) to the San Francisco Public Utilities Commission (SFPUC) providing their comments on the revisions to the Water System Improvement Program. The letter contained several questions regarding the project schedules and included specific recommendations from BAWSCA to the SFPUC.

There were no further reports from Board members on meetings attended or Director comments.

6) GENERAL BUSINESS

A. Contract for Engineering Services During Construction for the Denniston Creek Water Treatment Plant Improvement Project

Mr. Dickson explained that engineering services by the design engineer, Kennedy/Jenks Consultants (KJ), are required during the construction of the Denniston Creek Water Treatment Plant Improvements Project. He reviewed the proposal from Kennedy/Jenks, detailing the scope of

services and stated that District staff has been very pleased with Kennedy/Jenks Consultants' performance in designing the Denniston Creek Water Treatment Plant Improvements. He also informed the Board that the funding for this is included in the District's Capital Improvement Program and has also been included in the uses of funds provided in the California Infrastructure and Economic Development Bank (I-Bank) Application. Mr. Dickson then introduced, Joel Faller, KJ Principal-In-Charge, who answered questions from Director Feldman.

ON MOTION BY Vice-President Donovan and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to execute a professionals services agreement with Kennedy/Jenks Consultants for engineering services during construction on the Denniston Creek Water Treatment Plant (DCWTP) Improvements Project for a time-and-materials cost not to exceed \$345,795:

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

B. Resolution Amending Reserve Fund Policy

Mr. Dickson explained the proposed amendments to the District's Reserve Fund Policy to implement recommendations in the Bartle Wells 2009 Water Financing Plan and 2011 Water Financing Plan Update, which included a reduction in the target amount for the Capital and Operating Reserve from 25% to 15% of the annual operating revenue and the creation of a Rate Stabilization Fund with a minimum balance of \$250,000.

ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to approve Resolution 2011-14 Amending Reserve Fund Policy:

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

C. Consider approval of Resolution 2011-15 Establishing Appropriations Limit Applicable to District during Fiscal Year 2011-2012

Mr. Dickson referenced his staff report and stated that the California Constitution requires each local agency to review the “appropriations limit” applicable to it annually and that because the appropriations limit is far in excess of the amount of “proceeds of taxes” available to the District, the increase will not have any effect upon the District’s budget this year or in the foreseeable future.

ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to adopt Resolution 2011-15 Establishing the Appropriations Limit Applicable to the District During Fiscal year 2011-2012:

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

D. Award of Contract for the El Granada Tank 3 Fence Project

Mr. Guistino described this project, which will secure the District’s entire property at the El Granada Tank 3 site and advised that the new fence will significantly enhance protection against access by any trespassers.

Director Coverdell commented that he was familiar with Thompson and Thompson Fence Company, that he had been utilizing their services for over thirty years, and that he can vouch for the high level of quality work they perform, the delivery of their services, and their competitive pricing.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to award a contract for fencing of El Granada Tank 3 to Thompson and Thompson Fence Company in the amount of \$17,589.00:

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

E. Award of Contract - Half Moon Bay Tank 1 Recoating and Repair Project

Mr. Guistino also reported on this project, advising that this 400,000 gallon tank, located at the Nunes Water Treatment Plant site, is an all-welded steel above -ground tank built around 1950. He provided a summary of the listed repairs, and advised that the low bid of \$214,600. from Paso Robles Tank, Inc., was approximately \$56,000.00 under the engineer's estimate for this project. Mr. Guistino answered questions from the Board members and explained the proposed repairs in further details.

ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to authorize staff to award contract to make repairs, modifications, reline the interior and recoat the exterior of the Half Moon Bay Tank 1 to Paso Robles Tank Inc., for \$214,600:

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

F. California Special Districts Association (CSDA) 2011 Board Election - Region 3, Seat C

Mr. Dickson stated that there are two candidates running for this CSDA position and that the Board needs to designate their vote for one of the candidates to serve as the representative.

ON MOTION BY Director Mickelsen and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to vote for Stanley R. Caldwell to serve on the Seat C, Region 3, CSDA Board of Directors for the 2011 Election:

Director Coverdell	Aye
Vice-President Donovan	No
Director Larimer	Absent
Director Mickelsen	Aye
President Feldman	Aye

G. Fiscal Year 2010-2011 Year-End Financial Review

Mr. Dickson reviewed the highlights of the 2010-2011 year-end financial results and also explained significant variances in the operating expenses for this informational only item.

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

1. **Nurserymen's Exchange Bankruptcy** - Mr. Dickson updated the Board on the status of the bankruptcy process.
2. **I-Bank Loan Application** - Mr. Dickson advised the Board that the I-Bank loan application package had been submitted on June 20, 2011 and that the matter should be on the I-Bank's board agenda for July 26th or August 30th. Additionally he reported that once their Board approves the loan, final paperwork should take approximately 30 days.

A. Operations Report

Mr. Guistino reviewed the highlights of his report, including the recent completion of the unidirectional flushing of the Ocean Colony area, and the new digitized system maps.

B. Water Resources Report

Ms. Brennan reported that the District's 2010 Annual Water Quality Report had been distributed to all District customers, in addition to copies being delivered to master metered residential complexes; the Cabrillo Unified School District, the Half Moon Bay Library and the City of Half Moon Bay, and that copies are available at the District office and website.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no comments or requests from the Board members.

9) ADJOURNMENT

ON MOTION BY Director Mickelsen and seconded by Vice-President Donovan, the Board voted as follows, to adjourn the July 12, 2011 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 7:52 p.m. The next Special Board of Directors meeting is scheduled for Tuesday, August 9, 2011.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Robert C. Feldman, President
Board of Directors