

# **COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

## **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, July 12, 2016**

- 1) **ROLL CALL** - President Arnie Glassberg called the meeting to order at 7:00 p.m. Present at roll call: Directors Ken Coverdell, Chris Mickelsen, Bob Feldman and Vice-President Glenn Reynolds.

Also present: David Dickson, General Manager; Mary Rogren, Assistant 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.

There were 3 people in the audience.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT** - There were no public comments.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending June 30, 2016:  
Claims: \$752,166.57; Payroll: \$84,197.87 for a total of \$836,364.44  
➤ *June 2016 Monthly Financial Claims reviewed by Director Coverdell*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of June 14, 2016 Regular Board of Directors Meeting
- D. Approval of Minutes of June 30, 2016 Special Board of Directors Meeting
- E. Monthly Water Transfer Report
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report - June 2016
- I. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report
- J. Rainfall Reports

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 Coverdell, the Board voted to accept and approve the Consent Calendar in its entirety:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

There were no reports of meetings attended.

**6) GENERAL BUSINESS**

**A. Award of Contract - El Granada Tank 3 Recoating Project**

Mr. Guistino reported on the background and level of complexity of this project, and explained that upon an evaluation of the low bidder's compliance with the District's bidding requirements, staff had determined that Euro Style Management, Inc. does not meet the contractor licensing qualifications and was therefore deemed non-responsive. He reported that the District had also received a protest from Canyon Springs Enterprises noting that Euro Style Management Inc. did not meet the District's requirements. Mr. Guistino answered a few brief questions from the Board

**ON MOTION BY Vice-President Reynolds and seconded by Director Mickelsen, the Board voted to reject the low bid of Euro Style Management, Inc. as non-responsive and authorize the General Manager to contract with Canyon Springs Enterprises to repair, reline, and recoat the El Granada Tank 3 for a cost of \$683,320:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

**B. Fiscal 2015-2016 Year End - Preliminary Financial Results**

Ms. Rogren reported the preliminary financial results for Fiscal Year ending June 30, 2016, highlighting some key points, including the below budget year-to-date operating revenue, offset by higher non-operating revenues from property tax receipts and an ERAF refund; year-to-date expenses being \$888,000 under plan; personnel and benefit expenses reflecting a savings of \$247,000; and other savings including electricity costs, consulting and community outreach expenses.

Vice-President Reynolds inquired about the increase in lab testing and legal costs in the 2015-2016 Fiscal Year. Mr. Miyaki addressed the budget over-run in legal costs and reviewed the subjects requiring a significant amount of attorney time, including labor and employee benefit related issues, property easements, environmental issues associated with the El Granada Pipeline Replacement Final Phase Project, Recycled Water Project matters, and legal work associated with the I-Bank loan application. Mr. Dickson added that the overall legal expenses also include legal work with respect to water rights issues performed by Alan Lilly with Bartkiewicz, Kronick & Shanahan.

Vice-President Reynolds suggested that perhaps staff could work with Hanson Bridgett and develop a plan to assist in controlling the District's legal costs. Mr. Miyaki expressed his appreciation for Vice-President Reynold's comments and added that both he and Mr. Dickson are very sensitive with regards to legal budgets and legal costs and that he would be more than happy to meet with staff and a Board committee, if desired, to discuss alternative fee arrangements to help meet the District's needs.

President Glassberg acknowledged and complimented Mr. Guistino's and the entire field crew's contributions to budget savings through their commitment and success in maximizing the utilization of the District's local water sources.

**C. Amended and Restated Drought Ordinance**

Ms. Brennan provided background and explained that the amended ordinance reflects the changes in the State Water Resources Control Board's (SWRCB) efforts to make the emergency water conservation regulations reflect the regional water supply conditions implemented by Governor Brown's executive order. She advised that the District has achieved cumulative water savings of 21.6%, compared to the District's mandated 8%. She noted that with this savings achieved, District staff proposes easing irrigation restrictions and prohibitions. Ms. Brennan reported that if the SWRCB accepts the District's self-certification of supply reliability, the District would have a zero water conservation standard, instead of the current 8 percent standard. She explained the proposed amended ordinance and discussed the possibility that customers will respond to the eased restrictions by increasing their irrigation water use.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted to adopt Ordinance 2016-01 restating emergency water conservation and water use restrictions and prohibitions under a Stage 2 Water Shortage Emergency Warning of Coastside County Water District's Water Shortage Contingency Plan:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Feldman</b>	<b>Aye</b>
<b>Vice-President Reynolds</b>	<b>Aye</b>
<b>President Glassberg</b>	<b>Aye</b>

**D. Meter Change and Advanced Metering Infrastructure Projects**

Mr. Dickson introduced this project and provided the background, noting that the District has been discussing Advanced Metering Infrastructure (AMI) for many years. He reviewed staff's research and recommended focus on Badger Ultrasonic Meters and Aclara Technologies' Advanced Metering Infrastructure. He also advised that this project is in the 10-year Capital Improvement Program for a three year implementation period at a cost of approximately \$600,000 per year. Ms. Rogren reviewed statistics and details of the District's meter replacement program and summarized a comparison of Badger, Kamstrup, Sensus, and Neptune ultrasonic meters.

Mr. Miyaki explained that the District is not legally required to seek competitive bids but that the District's Policies and Procedures for Award of Contract (Resolution 2012-01) require that the Board waive District competitive bidding requirements and authorize the General Manager to proceed with procurement of the Badger ultrasonic water meters and Aclara services for automatic metering.

Ms. Rogren next summarized how the advanced metering infrastructure works and demonstrated the software that provides access to metering data. Discussion ensued with the Board members asking staff a series of questions about the recommended action.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted to (1) Waive the requirement in the District's Policies and Procedures for Award of Contracts (Resolution 2012-01) to solicit competitive bids and authorize the General Manager to proceed with procurement of (a) Badger ultrasonic water meters from National Meter and Automation, Inc. and, (b) meter terminal units, data collector units, and services for automated metering from Aclara Technologies LLC; (2) Authorize the General Manager to contract for purchase of Badger meters and meter box lids for the Fiscal Year 2016-2017 Meter Change Program in an amount not to exceed \$300,000; (3) Direct the General Manager to negotiate and present for Board approval a contract with Aclara Technologies LLC to provide materials and services for the District's Automated Metering Infrastructure; and (4) Direct the General Manager to ensure that the meters and automated technology devices are installed at the same time:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

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

Mr. Dickson explained that the purpose of this agenda item is to amend the policies and procedures for award of contracts by approving a Resolution to authorize the General Manager to designate someone to exercise the General Manager's authority under the policies. He advised that this change will help ensure continuity of District operations when the General Manager is not available.

**ON MOTION BY Vice-President Reynolds and seconded by Director Mickelsen, the Board voted to adopt Resolution 2016-09, A Resolution of the Board of Directors of the Coastside County Water District Amending Policies and Procedures for Award of Contracts:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

**F. Resolution Requiring Even-Numbered Year Elections for the Board of Directors**

Mr. Dickson provided the background of this agenda item, advising that the Board had requested that staff pursue this matter with the San Mateo County Elections Office to change the District's elections from odd-numbered to even numbered years. He reported that making this change will lower costs, as other local agencies, including Montara Water & Sanitary District and Granada Community Services District have already made this change.

**ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted to adopt Resolution 2016-10 Requiring Even-Numbered Year Elections for the Board of Directors:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

**G. Approval of Class Specifications for Customer Service Technician and Administrative Services Manager; Approval of Salary Schedule**

Mr. Dickson stated he would like to pull item number two of staff's recommendation (approval of Administrative Service Manager Class Specification and salary range), as more work is required on this item. He explained that staff would like to proceed with the approval of Class Specification for the Customer Service Technician, and to approve filling the

open position, which is included in the FY 2016/2017 Budget. He also advised that staff would like the Board to approve modifications to the Salary Schedule, but that an updated version was being distributed, superseding the one provided in the Board packet.

Mr. Dickson summarized the responsibilities of the new Customer Service Technician position, advising that this position will play an important role in the initiation and operation of the AMI program.

**ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted to approve Class Specification for Customer Service Technician and approve filling the open position (included in FY 2016/2017 Budget) and to approve modifications to Salary Schedule that was distributed at the meeting (reflecting new Class Specifications):**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Aye
President Glassberg	Aye

Vice-President Reynolds, not feeling well, left the meeting at 9:03 p.m.

**H. Consider approval of Resolution 2016-11 Establishing Appropriations Limit Applicable to District during Fiscal Year 2016-2017**

**ON MOTION BY Director Mickelsen and seconded by Director Coverdell, the Board voted to adopt Resolution 2016-11 establishing appropriations limit applicable to District during Fiscal Year 2016-2017:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Absent
President Glassberg	Aye

**I. Approval of Water Service Agreement - Stoloski**

Mr. Dickson described the project and location; there were no questions from the Directors.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted to approve the Water Service Agreement between Coastside County Water District and Mark Stoloski & Robert Gonzalez for construction of pipeline extensions along Champs Elysees and Pullman Avenue:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Absent
President Glassberg	Aye

**J. Approval of Water Service Agreement – Churchside Court Subdivision**

Mr. Dickson also described this project and location, advising that the District has worked on other successful projects with Cameron Jeffs, applicant for the development:

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted to approve the Water Service Agreement between Coastside County Water District and Churchside Court LLC for construction of a pipeline extension along Church Street in Half Moon Bay:**

Director Coverdell	Aye
Director Mickelsen	Aye
Director Feldman	Aye
Vice-President Reynolds	Absent
President Glassberg	Aye

**7) GENERAL MANAGER’S REPORT AND MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson reported on his partial retirement status and schedule, advising that he will generally be in the office two days per week and will be available to the Board and staff by telephone or email at other times.

Mr. Dickson stated that some Board members have expressed an interest in having a strategic planning retreat and proposed scheduling this event for the late Fall, possibly in October or November 2016. Director Coverdell commented that he was in favor of scheduling this Board retreat, and there are a number of issues that could be discussed, including revising the District’s Mission Statement, discussion of the potential Recycled Water Project, staffing matters and a number of other issues could be agendized for discussion. Director Feldman supported the idea, as did Director Mickelsen. President Glassberg considered the support from the Directors as direction to staff to proceed with the scheduling and planning for the strategic planning session.

**A. Operations Report**

There were brief questions for Mr. Guistino with regard to the Operations Report.

**8) DIRECTOR AGENDA ITEMS – REQUESTS FOR FUTURE BOARD MEETINGS**

There were no requests from the Directors for future agenda items.

9) **ADJOURNMENT** - The meeting was adjourned at 9:13 p.m.

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the District

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Arnie Glassberg, President  
Board of Directors