

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF BOARD OF DIRECTORS MEETING

Tuesday, October 9, 2012

- 1) **ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:02 p.m. Present at roll call: Director Ken Coverdell, Vice-President Glenn Reynolds, Directors Bryan Hannegan and Bob Feldman.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Cathleen Brennan, Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary; Sean Donovan, Senior Treatment/Distribution Operator and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending September 30, 2012:
Claims: \$1,697,527.07; Payroll: \$71,393.43 for a total of \$1,768,920.50
- B. Acceptance of Financial Reports
- C. Monthly Water Transfer Report
- D. Approval of Minutes of August 14, 2012 Special Board of Directors Meeting
- E. Approval of Minutes of August 14, 2012 Board of Directors Meeting
- F. Approval of Minutes of September 7, 2012 Special Board of Directors Meeting
- G. Approval of Minutes of September 25, 2012 Special Board of Directors Meeting
- H. Installed Water Connection Capacity and Water Meters Report
- I. Total CCWD Production Report
- J. CCWD Monthly Sales by Category Report
- K. September 2012 Leak Report
- L. Rainfall Reports

M. San Francisco Public Utilities Commission Hydrological Report for September 2012

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

Director Hannegan offered his apology for being absent from the September 25, 2012 Special Board meeting, stating that he had a previous work related commitment with his employer. He added, for the record, that he would have also voted aye for the approval and the purchase of supplies in connection with the Stone Dam Pipeline Emergency Interim Replacement Project agenda item. Director Hannegan also had questions regarding Consent Calendar agenda item numbers 4I - Total CCWD Production Report and 4J - CCWD Monthly Sales by Category Report, noting that there seemed to be discrepancies in the figures of these two categories.

Mr. Dickson commented that staff is aware of the anomalies and explained that the discrepancy is believed to be due to the main pay meter that San Francisco Public Utilities Commission (SFPUC) utilizes, which is the basis for the District's production numbers, and that the meter appears to be reading significantly low. He advised that he believes the San Francisco meter is off by approximately 15 percent. He also informed the Board that the District has made SFPUC aware of the potential problem.

ON MOTION BY Director Coverdell 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 Feldman	Aye
President Mickelsen	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell reported on the recent Bay Area Water Supply and Conservation Agency (BAWSCA) Board of Directors meeting and provided an update on the Water System Improvement Project (WSIP).

Vice-President Reynolds commented that he is attending the Cal/Nev section of the American Water Works Association (AWWA) conference this week in San Diego and shared information from a national study prepared by Black & Veach on U.S. infrastructure.

6) GENERAL BUSINESS

A. Crystal Springs Spare Pump for 500 HP Unit

Mr. Dickson explained the need to have a spare pump available at the Crystal Springs Pump Station. He also noted that due to the fact that the refurbishment of the original pump would cost more than a new unit, staff is requesting authorization to purchase a new pump to have available as a spare. Mr. Dickson then answered a few questions from the Board.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to authorize staff to purchase a Weir Floway Model 14DKH 10 stage vertical pump from Pump Repair Service Company for a total of \$38,078.00:

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

B. Denniston Return Wash Water Pump

Mr. Dickson provided the background of this agenda item, including the function of a return wash water system. He also explained that because the delivery of this new pump will take approximately fourteen to sixteen weeks, the improved Denniston plant will be started up using the existing system. He reported that upon delivery of the new pump, staff will work with the assistance of Pump Repair Service on the installation of the pump, which will complete the return wash water system at the plant.

ON MOTION BY Vice-President Reynolds and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to purchase a Goulds 10HP Vertical Turbine Pump from Pump Repair Service Company for \$31,655.00:

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

C. Conflict -of- Interest Code

Mr. Miyaki introduced this item, advising the Board that legal counsel had reviewed the Code, as required, and determined that although there were no revisions necessary from a legal perspective, there were a number of changes recommended to bring the Conflict-of-Interest Code in line with the latest guidance offered by the Fair Political Practices Commission (FPPC). He then reviewed each of the revisions that had been incorporated into the amended Code.

ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted as follows, by roll call vote, to adopt Resolution 2012-08 - Adopting an Amended Conflict-of-Interest Code:

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

D. Appointment of CCWD Board Member Representative and alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) election of officers

Mr. Dickson briefed the Board, advising that with the departure of former President Donovan, staff is recommending that the Board revisit this issue. He recommended that the Board take action to appoint a new District voting representative and include the designation of the remaining Board members as alternates for the purposes of participation in the LAFCo election of officers.

ON MOTION BY Vice-President Reynolds and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to appoint the District's Board President to participate in the San Mateo County Local Agency Formation Commission (LAFCo) election of officers, with each of the other four Board members to be designated as alternates:

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

7) GENERAL MANAGER'S REPORT

1.) **Stone Dam Pipeline Emergency Interim Replacement Project**

Mr. Dickson updated the Board on the progress of this project, recognizing the San Francisco Public Utilities Commission (SFPUC) for their responsiveness and cooperation in expediting the implementation of this urgent project. He advised that the permitting will go before the Public Utilities Commission on November 13, 2012 and anticipated that construction will begin shortly thereafter.

2.) **Modesto Irrigation District Ends SFPUC Water Transfer Negotiations**

Mr. Dickson reported that on September 18, 2012, after negotiations that have been going on for nearly a year, the Board of the Modesto Irrigation District voted 5-0 to end its proposed 2-MGD water sale to San Francisco.

3.) **BAWSCA Bond Refinancing**

Mr. Dickson explained that over the last several months, BAWSCA has been evaluating the possibility of issuing bonds to prepay the SFPUC wholesale customer's \$370 million capital debt to SFPUC. He advised that the BAWSCA Board has approved necessary steps to go forward with the bond issue, anticipating that it could save the wholesale customers approximately \$20 million over the remaining term of the debt. He added that BAWSCA will be asking each wholesale agency to approve a Resolution of Participation by December 2012. Brief discussion ensued regarding the proposed refinancing plan.

4.) **Restore Hetch Hetchy Initiative**

Mr. Dickson informed the Board that the Restore Hetch Hetchy group has qualified an initiative for the November ballot in San Francisco that, if passed, would require the City to develop plans to drain Hetch Hetchy Reservoir. He provided a few brief details about the proposed plan and outlined BAWSCA's position on the initiative.

A. Operations Report

Mr. Dickson announced that Mr. Guistino was out of town attending a conference. He answered a few brief questions from the Board regarding the Water Treatment Plant Supervisor position duties, the Portola Avenue Pipeline Replacement Project, and the Stone Dam Pipeline Replacement Project. He also updated the Board on the status of the Avenue Cabrillo and Railroad Avenue Main Replacement Projects and the Denniston Water Treatment Improvement Project.

B. Water Resources Report

Ms. Brennan brought the Board up to date with statistics for the close of the water year, which ended September 30, 2012. She noted that overall it was an extremely dry year, with only approximately sixteen inches of precipitation received locally and commented that this next year will be extremely critical to the water supply.

Ms. Brennan then reviewed details of the District's various budgets for outreach activities, noting that the combined budget for the current fiscal year is \$56,000.00. She also reiterated certain aspects and goals contained in the District's Communication Plan, including the District's core competency messages. She then outlined the many components of the District's community outreach program, including the website, advertising campaigns published in the Half Moon Bay Review, Board meeting broadcasts on Pacific Coast Television, the annual Consumer Confidence Report, and the educational materials available to customers in the District's lobby. Ms. Brennan also explained the various messages provided to customers within their monthly or bi-monthly water account statements, as well as the electronic mail and social media methods of customer communication. Additionally, she summarized some of the events that the District has participated in, such as the annual Pumpkin Festival, the Home Depot Garden Parking Lot Event and several others. She also recapped previous events hosted by the District, including the El Granada Pipeline Celebration, Water Day, and the upcoming ceremony being planned to commemorate the completion of the Denniston Water Treatment Plant Improvement project.

Director Feldman expressed his appreciation for Ms. Brennan's excellent public outreach efforts.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no comments or requests from Board members.

9) ADJOURNMENT

ON MOTION by Vice-President Reynolds and seconded by President Mickelsen, the Board voted as follows, to adjourn the October 9, 2012 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 8:24 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, November 13, 2012.

Respectfully submitted,

David R. Dickson, General Manager

Chris R. Mickelsen, President
Board of Directors