

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Tuesday, September 8, 2009

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call were President Mickelsen, Vice-President Feldman and Directors Ken Coverdell, Jim Larimer, and Everett Ascher. Also present were David Dickson, General Manager and Patrick Miyaki, Legal Counsel.
- 2) **PUBLIC ANNOUNCEMENTS** - There were no public announcements.
- 3) **CLOSED SESSION** - Pursuant to California Government Code Section 54956.9(b) Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation: One Case.
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at approximately 7:00 p.m., immediately prior to commencement of the regular meeting, at which time Mr. Miyaki announced that no action was taken.

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Tuesday, September 8, 2009

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 7:10 p.m. Present at roll call were Vice-President Feldman, Directors Ken Coverdell, Jim Larimer, and Everett Ascher.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; Jim Teter, District Engineer; 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 ANNOUNCEMENTS:**

James Johnson – stated that he was a candidate for the upcoming election of the Coastside County Water District’s Board of Directors and wanted to relay a request from a local ratepayer regarding an interest in the possibility of consolidating the mailing of multiple water bill statements.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending August 31, 2009 – Claims: \$586,269.62; Payroll: \$77,273.23 for a total of \$663,542.85
- B. Acceptance of Financial Reports
- C. Minutes of the August 11, 2009 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. August 2009 Leak Report
- I. Rainfall Reports
- J. Authorization to Write Off Bad Debts for Fiscal Year 2008-2009
- K. Purchase of Box Culvert
- L. Purchase of Crystal Springs Check Valves
- M. Award of Contract for Biological Services
- N. Acceptance of the Carnoustie Subdivision Water System
- O. Award of Contract for the Pilarcitos Culvert Replacement Project
- P. San Francisco Public Utilities Commission Hydrological Conditions Report for August 2009
- Q. **Approval of Verizon Wireless Cell Site Agreement**

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

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

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell reported on a recent meeting of the District's Finance Committee where the 2009/2010 Capital Improvement Program was reviewed and discussed. Director Ascher shared information he had recently learned about Proposition 1A at a recent telephone conference meeting of the California Special District's Association.

6) GENERAL BUSINESS

- A. Approval of Water Service Agreement for Ailanto Properties' Pacific Ridge Subdivision

Mr. Dickson provided the background of this project, consisting of 63 single-family homes, explaining that the District's Engineer, Jim Teter, has affirmed that the plans for the subdivision water system are satisfactory and the engineering review of the project is complete. He recommended that the Board now approve the Water Service Agreement for the subdivision.

President Mickelsen advised that he would be taking public comments, followed by further discussion by the Board.

John Muller - 925 Miramontes, Half Moon Bay - Stated that he chairs many water and wastewater related meetings throughout the Bay Area and felt confident that when a project is submitted and after a thorough and professional review by District staff and legal counsel, it is the Board member's job to judge the submittal and make the best decision possible. He added that he strongly supports the staff's recommendation and urged the Board to look closely at supporting and approving the project.

Lucy Lopez - 531 Terrace Avenue, Half Moon Bay - Stated that she was surprised to see the water service agreement for the Pacific Ridge project on the agenda. She also stated that she was disturbed because the current residents will be greatly impacted by the construction of this project. She requested that the Board take into consideration the issues previously expressed by the residents and make a decision that will benefit all concerned.

Matt Francois - Cassidy Shimko Dawson & Kawakami Attorneys - spoke on behalf of Ailanto Properties and introduced the remaining members of the project team. He noted that since 1988 Ailanto Properties had diligently and routinely paid considerable fees over the years, totaling over six and one half million dollars, including assessments on the water connections, and funding of sewer and storm drainage infrastructure. He highlighted the benefits to the community that the project would provide. He stressed that the fundamental issue now before the Board involves the adequacy of the water supply infrastructure, not the use of Terrace Avenue as project access. Mr. Francois added that Ailanto Properties would be responsible for the repairs of any damage caused to Terrace Avenue or the underlying laterals, as required by Special Condition number 11 of the project's Coastal Development Permit, and by paragraph 4D of the Water Service Agreement.

Jerry Steinberg, 591 Terrace Avenue, Half Moon Bay - Stated that the residents are very concerned about the condition of the existing water pipeline located on Terrace Avenue, and suggested that perhaps the water lines that are breaking on Terrace Avenue are doing so because they are located too close to the surface and the residents are interested in knowing who would be paying for any necessary repairs.

He concluded his comments by stating that he felt that more pipeline breakage and deteriorating safety conditions can be anticipated during the estimated eight year construction period and requested that the Board propose a solution to this issue.

Dave Worden, 785 Main Street, Half Moon Bay - Stated that he was a former Terrace Avenue resident, that this project is in complete compliance with the City of Half Moon Bay's Local Coastal Plan (LCP), and that the California Coastal Commission had approved the Coastal Development Permit (CDP) unanimously for this project. He urged the Board to do the right thing by approving the water service agreement.

Roy Salume - 419 Correas, Half Moon Bay - Commented that Mr. Fong and his partners have shown due diligence and demonstrated good faith and recommended that the Board follow staff's recommendations and approve the proposed water service agreement.

Board discussion ensued with Mr. Dickson, Mr. Guistino, Mr. Teter and Mr. Miyaki addressing questions and comments from the Board in regards to the water service agreement and the project.

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, by roll call vote, to approve the Water Service Agreement for Ailanto Properties' Pacific Ridge Project with a revision to remove the reference to Paragraph 5B from Paragraph 5E of the water service agreement:

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	No
Director Ascher	Aye
President Mickelsen	Aye

B. Canada Cove Water Service Agreement

Mr. Guistino provided the background for this item, and explained the District's solution to address the unique conditions at the mobile home park. He reviewed District Engineer Jim Teter's design of the system, which includes the installation of a 6-inch diameter pipeline extension from CCWD's existing 8-inch main in Miramontes Point Road to a fire service meter assembly that consists of a 6-inch water meter for fire protection and a two-inch water meter for domestic water service.

Mr. Teter explained the system in further detail and he and Mr. Guistino answered questions from the Board about the project. Mr. Dickson addressed questions and comments in connection with the water service agreement.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted as follows, to approve the Water Service Agreement between Coastside County Water District and Canada Cove Mobile Home Park:

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

C. Proposition 1A Suspension and Securitization Program

Mr. Dickson introduced this item, advising the Board that this is an information item and that staff is tracking the Proposition 1A Suspension issue very closely. He explained about the Securitization Program process and informed the Board that staff was scheduled to participate in an upcoming webinar on the topic, and that further information would be provided and action would be required at the October 13, 2009 Board meeting. President Ascher also shared some comments about the program.

D. Association of California Water Agencies (ACWA) Region 5 Election for the 2010-2011 Term

Mr. Dickson informed the Board that Director Feldman's name was contained on the list of the ACWA Region 5 Nominating Committee's Recommended Slate and advised the Board that they

had an opportunity to cast their vote for the upcoming 2010-2011 term election.

President Ascher stated that this was a very valuable and worthwhile organization for CCWD to be involved with, and offers a multitude of benefits available to both large and small districts.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted as follows, to have staff complete the ACWA Region 5 Board Ballot for the 2010-2011 term, indicating that they concur with the Region 5 Nominating Committee's recommended slate and submit the ballot to ACWA:

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

E. Bartle Wells Financing Plan Final Report

Mr. Dickson explained that no action was necessary on this item at this time, but that he wanted to present the completed Bartle Wells Financing Plan Report to the Board, as there will be occasion to refer to the report for a number of decisions and policy-making related matters in the coming months.

Director Larimer noted that this report should be considered as a partner with the District's capital improvement program and that it makes him proud to serve on a Board that been very diligent and conscientious about making sure that the District has adequate infrastructure and a plan for the future that will serve this community without fail.

F. Water Reclamation Update

Mr. Dickson stated that he felt that some progress had been made in the area of water reclamation. He referenced a letter dated August 5, 2009 from Bruce Russell of Kenmark/Ocean Colony Partners, suggesting a different approach to the relationships needed to implement a water reclamation program. He stated that both the CCWD and the Sewer Authority Mid-Coastside (SAM) Boards had discussed the letter at their respective meetings, and

that there had been no significant objections raised to the approach outlined in the letter. He further provided an update on the process and progress of the pilot plant study currently underway at the SAM plant and addressed several questions. He also informed the Board that Nurserymen's Exchange and Bay City Flower Company have also expressed an interest in testing the reclaimed water.

G. Authorization for District to Become a Participating Agency in the Bay Area Recycled Water Coalition

Mr. Dickson explained the nature of the Bay Area Recycled Water Coalition and how the organization, consisting of cities and agencies in the Bay Area is working together to represent the regional need for funding for water reuse projects.

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, to authorize the execution of the Membership Addendum to the Bay Area Recycled Water Coalition Memorandum of Agreement, making the District a participating agency:

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

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

Mr. Dickson shared his comments about the recent bids received for the Nunes Water Treatment Plant Short-Term Improvement Project, noting that all five bids were well below the estimated construction cost and that staff would be seeking approval to award the contract at the October 13, 2009 Board meeting. He also advised the Board that staff would be contacting the Directors to schedule a Special Board meeting later during the month of September to focus on goals for the upcoming year.

- A. Monthly Water Resources Report**
- B. Water Shortage and Drought Contingency Plan Update**
- C. Operations Report**

There were no questions or comments on these monthly reports.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There was no discussion on this agenda item.

9) ADJOURNMENT

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted unanimously to adjourn the September 8, 2009 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 9:05 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, October 13, 2009.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Chris R. Mickelsen, President
Board of Directors
Coastside County Water District