

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA, 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

August 10, 2004

- 1) **ROLL CALL:** President Muller called the meeting to order at 7:36 p.m. Present at roll call were Directors Jim Larimer, Everett Ascher, Ken Coverdell and Chris Mickelsen.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; John Davis, Field Supervisor, JoAnne Whelen, Administrative Assistant/Recording Secretary; Gina Brazil, Office Manager and Bridget Burns, Office Specialist. Chris Ridgway, Architect was also in attendance.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.

- 3) **PUBLIC ANNOUNCEMENTS:** There were no announcements made by the public at this time. The General Manager took this opportunity to announce that the date of the September Board of Directors meeting has been changed from Tuesday, September 14th, to Tuesday, September 21, 2004.

- 4) **CONSENT CALENDAR**

- A. **Requesting the Board to review disbursements for the month ending July 31, 2004 – Claims: \$541,679.83; Payroll: \$67,575.87 for a total of \$609,255.70**
- B. **Acceptance of Financial Reports**
- C. **Minutes of the Meeting of July 13, 2004 of the Board of Directors**
- D. **Monthly Water Transfer Report**
- E. **Acceptance of the Main and Arnold Senior Housing Project Water Pipeline**
- F. **Acceptance of the Magnolia Park Subdivision Pipeline**

ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted unanimously to accept the Consent Calendar in it's entirety:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

At this time Director Coverdell recommended that the petty cash expenditures be reviewed on a monthly basis, along with the other monthly disbursements.

5) REPORT OF THE GENERAL MANAGER

At this time the General Manager requested that the agenda be re-ordered to hear item 5H - Discussion and Possible Adoption of a Resolution Approving the Plans for the Field and Administration Office Remodel Project and Authorization to Advertise For Bids for Same. The request was approved by President Muller and this item was considered before Item 5A.

A. Demonstration of security camera operation at the Nunes Water Treatment Plant

The General Manager explained that, due to a shipping delay with the security camera housing components, the cameras had not yet been installed. He indicated that it was anticipated that the installation would take place within the next few weeks, allowing for the demonstration of the cameras to take place at the September Board meeting. He further reported that he had met with the Half Moon Bay Police Chief regarding the possibility of having the alarms transmitted directly to the police department, however had been advised that it is not standard practice to have the alarms routed directly to the police department but that the alarms could be transmitted through a security company or the district. A brief discussion among the Board ensued and it was suggested that once the cameras had been in operation for a period of time, that the local police department be contacted again and invited to attend a board meeting to view a presentation of the security system.

B. Report on the water invoice omission contained in the recent El Granada/Commercial billing cycle statement

The General Manager briefly explained the recent billing statement information omission, attributed to a computer-formatting problem. He stressed that the consumption and total dollar amounts that appear on the bills are, in fact, accurate. He reported that a statement explaining the situation would be placed on the district's website and that staff was working on the problem and anticipated having it resolved prior to the next billing cycle.

C. Status Report on major Capital Improvement Projects

The General Manager briefly reviewed the progress and status of each of the district's current capital improvement projects. President Muller thanked the General Manager and staff for the thorough and complete CDP application submittal to the City of Half Moon Bay for the Carter Hill West Pipeline Replacement Project. The General Manager expressed his appreciation to legal counsel and the district engineer for their effort and support with the submittal and it was announced that copies of the CDP application for this project are available for review by the public or other interested parties, at the district office.

Director Ascher suggested at this time that the district's Water Conservation Coordinator prepare and distribute a survey to the residents and property owners who were affected by the recent 840' Columbus Street portion of the El Granada Pipeline Replacement Project. The purpose would be to obtain feedback in regards to their satisfaction with the completion of that portion of the pipeline replacement, including notification processes, construction crew, job site conditions, etc., which would be extremely beneficial with the management and construction of the other projects underway and the remaining pipeline replacement projects scheduled to begin in the near future.

D. Discussion and possible adoption of Resolution 2004-13, Amending General Regulations Regarding Water Service and Rate and Fee Schedule Relative to (1) Fees for Establishment of Credit; (2) Returned Check Charges; (3) Delinquent Payments; and (4) Reconnection Charges

The General Manager explained that the Resolution presented contained the changes approved by the Board at the July 13, 2004 Board of Directors meeting and reported that district customers would receive a notification period consisting of two customer billing cycles, and the updated policy would be placed on the district's website as well.

Director Larimer had a series of questions regarding the revisions to the policy, which were primarily addressed by the district's counsel, Mr. Condotti. President Muller concluded the discussion by stating that in his view, the Resolution has allowed the district to clean up and clarify the existing policy, in a very fair manner to both the district and its customers.

ON MOTION by Director Ascher and seconded by Director Larimer, it was proposed that the Board adopt the resolution Amending the General Regulations Regarding Water Service and Rate and Fee Schedule Relative to (1) Fees for Establishment of Credit; (2) Returned Check Charges; (3) Delinquent Payments; and (4) Reconnection Fees

At this point in the meeting, the district's legal counsel, Tony Condotti provided clarification to the Board that the proposed revision to the resolution, incorporating the billing notice time schedule change suggested by Director Larimer, needed to be addressed with respect to the Resolution.

The Board then voted by roll call vote on the original Motion to adopt Resolution 2004-13, with the inclusion of the amendment to incorporate a revision to Section K regarding termination of service, measuring the time schedule for the notice and the shut-off process from the initial notice, as opposed to from the date that the customer disputes the bill.

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

E. Discussion and possible adoption of Resolution 2004-14, Ordering Judicial Foreclosure of Delinquent Assessment Installments Pursuant to the Improved Bond Act of 1915 and Ordering that the Tax Collector be credited with those installments

The General Manager referred to the staff report, and briefly explained the background of this item and reported that seven properties currently have delinquencies. The Board had no questions or comments regarding the process.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to approve and adopt the resolution ordering Judicial Foreclosure of Delinquent Assessment Installments Pursuant to the Improvement Bond Act of 1915 and Ordering that the Tax Collector be credited with those installments:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

F. Discussion and possible adoption of Resolution 2004-15, Adding Section W to the District's General Regulations Regarding Water Service Pertaining to the Control of Backflow and Cross-Connections

The General Manager introduced this item, explaining that this request to add Section W to the General Regulations Regarding Water Service pertaining to the control of backflow and cross connections was based on the recommendation of the State of California Department of Health Services. The General Manager reported to the Board that the district's new superintendent of operations, scheduled to start work on September 7, 2004, holds certification as a cross connection backflow specialist and would be administering the program. He further reported that the district's cost to administer the program would be minimal, consisting of producing and mailing notices and possibly some training for an additional employee, Don Patterson, who had volunteered to assist with the program.

Discussion ensued among the Board regarding the program. Director Coverdell stressed the importance that the Board and staff take a very active role in locating and identifying the cross connection possibilities within the district. He also stated that public education and awareness was very crucial in administering a successful program. The General Manager reported that locating and identifying these situations in the district is a top priority and was one of the main reasons that Mr. Patterson was selected to assist with this program. He is a meter reader for the district and is very familiar with many of the district's customers.

Director Coverdell reiterated his belief that public awareness and education was of the utmost importance, and felt that it would be beneficial if the proper selection and installation of the devices could be demonstrated to the public throughout the community. With a better understanding of the circumstances requiring these protection devices, and the proper installation, the public will have an opportunity to play an important role in working with the district to protect the water system and maintain the highest standards.

President Muller stated that he thought the district was off to a good start with this program and felt that Director Coverdell's suggestions were excellent and would like to see a public education program implemented. He recommended that this topic also be incorporated in the next edition of the district's newsletter.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by roll call vote to approve and adopt the resolution adding section W to the District's General Regulations Regarding Water Service Pertaining to the Control of Backflow and Cross-Connections:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

G. Discussion and possible adoption of Resolution 2004-16, Approving the Plans and Specification and Calling for Bids for the Filbert-Metzgar Pipeline Replacement Project

The General Manager provided a brief description of the project and the progress on the permitting process.

ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted by roll call vote to adopt the resolution Approving the Plans and Specifications and Calling for Bids for the Filbert-Metzgar Pipeline Replacement Project

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

H. Discussion and possible adoption of Resolution 2004-17, Approving the Plans for the Field and Administrative Office Remodel Project and Authorize to Advertise for Bids for Same

The General Manager opened the discussion by expressing this appreciation to the Facilities Committee Members, Directors Muller and Ascher. He then introduced Architect Chris Ridgway, who followed with a brief presentation including a detailed project description of the proposed for the office and field improvements.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by roll call vote as follows to Approve the Plans for the Field and Administrative Office Remodel Project and Authorize to Advertise for Bids for Same:

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

I. General Manager Activities

The General Manager referenced his staff report containing a listing of his recent activities, meetings attended and meetings scheduled. There were no questions or comments on this agenda item.

Director Ascher inquired about the status of the recent meeting regarding the Main Street – Highway 92 Water Line – Paving Project. The General Manager reported on the meeting results, complimenting the District Engineer for his efforts in getting the City of Half Moon Bay to incorporate the design of the district's pipeline replacement on the City of Half Moon Bay's plans for this project.

J. Correspondence

(1) Department of Water Resources – News Release dated July 9, 2004 regarding Workshop Schedules for the 2004 Water Desalination Draft Proposal Solicitation Package (2) Statement from BAWSCA Chair Ira Ruskin to San Francisco Mayor Gavin Newsom dated June 28, 2004 and Mayor Gavin Newsom's response dated July 15, 2004

President Muller commented on the correspondence between BAWSCA and Mayor Gavin Newsom and invited Director Mickelsen to share any insight on the topic. Director Mickelsen reported that Mayor Newsom had granted the BAWSCA subcommittee a meeting with his office and he referenced Susan Leal, as SFPUC's new General Manager.

6) ENGINEER'S REPORT

A. Engineering Projects Received in July 2004

Mr. Teter addressed the Board and reported that there had been no new projects received during the month of July, 2004.

B. District Engineer Work Status Report

Mr. Teter reported that all of the projects that he is currently involved with are on schedule and under control.

7) OPERATIONS REPORT

- A. Water Service Connections Installed, Priority and Non-Priority**
- B. Capital Improvement Program Progress**
- C. Water Sample Report, Local Production, Water Purchases, Leaks, etc.**
- D. San Francisco Public Utilities Commission Hydrological Conditions Report for June 2004**

Field Supervisor, John Davis referred to the Operations Reports contained in the Board packet and invited any questions from the Board. He reported that the generator had been replaced with electricity, now being supplied directly to the pump. President Muller requested that the Board be advised of the final cost of the power installation, commenting that he felt this improvement was a wise decision.

Director Larimer shared his view on the monthly Sales by Category report, indicating that he would like to see the data displayed differently. The General Manager referenced the report and stated that the data is recorded each month when the meters are read, and that the meter reading route is set up geographically.

After extensive discussion, President Muller agreed with the suggestion that should the board wish to bring this item back to a future board meeting, that all of the materials, including the analysis prepared several months ago by Mr. Parsons, could be compiled and presented to the Board for discussion. Further discussion ensued and it was decided that this topic could be reviewed by the members of the finance committee, possibly during the budget process meetings, as opposed to bringing it back to the entire board at a future meeting.

8) MEETINGS ATTENDED/SCHEDULED – BOARD OF DIRECTORS

No discussion was undertaken on this item.

9) **AGENDA ITEMS AND DIRECTOR COMMENTS**

No discussion was undertaken on this item.

10) **CLOSED SESSION –PUBLIC EMPLOYEE PERFORMANCE
EVALUATION – POSITIONS: District Engineer and General Manager**

The Board moved into Closed Session at 9:15 p.m.

11) **ADJOURN**

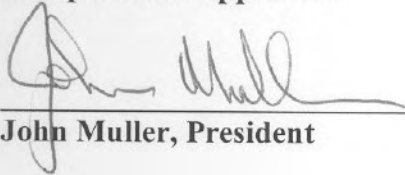
The Recording Secretary was not present for formal adjournment of the meeting, which took place following the Closed Session. The next meeting of the Board of Directors will take place on Tuesday, September 21, 2004 at 7:30 p.m.

Respectfully submitted,



Ed Schmidt, General Manager

Accepted and Approved:



John Muller, President