

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, January 13, 2009

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 7:00 p.m. Present at roll call were Directors Ken Coverdell, Bob Feldman, Jim Larimer, and Everett Ascher.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; 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:** There were no public announcements.

- 4) **SPECIAL ORDER OF BUSINESS**

Resolution 2009-01 - A Resolution of the Board of Directors of the Coastside County Water District expressing gratitude to Everett Ascher for his leadership and dedicated service to the community in his capacity as President of the CCWD Board of Directors.

President Mickelsen read the Resolution, noting the many accomplishments under President Ascher's leadership.

Supervisor Rich Gordon was next to present former President Ascher with a commendation certificate from the San Mateo County Board of Supervisors.

Vice Mayor Marina Fraser, on behalf of Mayor John Muller, also presented a proclamation from the Half Moon Bay City Council.

ON MOTION by Director Larimer and seconded by Vice President Feldman, the Board voted as follows, to adopt Resolution 2009-01 - A Resolution of the Board of Directors of the Coastside County Water District expressing gratitude to Everett Ascher for his leadership and dedicated service to the community in his capacity as President of the CCWD Board of Directors:

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

5) CONSENT CALENDAR

- A.** Requesting the Board to review disbursements for the month Ending December 31, 2008 – Claims: \$441,346.07; Payroll: \$89,813.07; for a total of \$531,159.14
- B.** Acceptance of Financial Reports
- C.** Minutes of the December 9, 2008 Board of Directors Meeting
- D.** Installed Water Connection Capacity and Water Meters Report
- E.** Total CCWD Production Report
- F.** CCWD Monthly Sales by Category Report
- G.** December 2008 Leak Report
- H.** Rainfall Reports
- I.** San Francisco Public Utilities Commission Hydrological Conditions Report for December 2008

Director Feldman stated that he had reviewed the monthly claims and found all to be in order.

ON MOTION by Director Coverdell and seconded by Director Ascher, 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

6) DIRECTOR COMMENTS / MEETINGS ATTENDED

Director Ascher reported on a recent California Special Districts Association (CSDA) Legislative Committee meeting he had attended and shared news on several issues, including Proposition 1A, California's current budget deficit, an expected decrease in the collection of property taxes by the County assessors department, and agency requirements regarding encryption of third party sensitive data.

7) GENERAL BUSINESS

A. Ailanto Properties Pacific Ridge Preliminary Submittal

Mr. Dickson introduced this item noting that it is unusual, under District procedures, for an initial approval to be discussed at the Board level, but that staff had decided to agendize it due to the interest expressed by Board members and the community.

Mr. Dickson shared the history of the project and then specifically addressed the initial project submittal in detail, including the basis of the District's approval. District Engineer, Jim Teter then explained about flow capacities and demonstrated on the site map where valves would be placed. He summarized the proposed project, noting that his letter of approval of the initial submittal was based on the fact that the project sufficiently addresses the flow and pressure requirements and that the system is adequately looped. He stated that the proposed project is in accordance with the District's rules and regulations and meets the requirements for development.

President Mickelsen then invited comments from members of the public.

Jerry Steinberg, 591 Terrace Avenue, Half Moon Bay, CA - commented on concerns with the condition of the water infrastructure on Terrace Avenue and on the school district's possible interest in extending the pipeline from the high school to Pacific Ridge.

Lucy Lopez, 531 Terrace Avenue, Half Moon Bay, CA - commented on potential neighborhood impact and expressed her shock at learning the project water service plan had been approved.

George Muteff, 408 Redondo Beach Road, Half Moon Bay, CA - noted some observations and asked some questions regarding his perception of a

lack of opportunity for input and participation from the public and the Board, prior to staff's approval of the initial project submittal.

John Ward, Consultant, for Ailanto Properties - Introduced the members of the project team, including Albert Fong with Ailanto Properties; Richard Jacobs, Legal Counsel; Kenneth Ma, Development Consultant to Ailanto Properties; Doug Flett, Engineer, and preparer of the water distribution system plan that was submitted; David Francke, Civil Engineer with dk Consulting; and Cynthia Quan, Financial Assistant to Ailanto Properties. He stated that the project team would not be directly addressing the public comments this evening, as this was an information agenda item.

Jolanda Schreurs - Cabrillo Unified School District Board Member - commented that the best future outcomes for the coastside depend on open communications, good planning, and collaborative working relationships.

President Mickelsen then requested that Patrick Miyaki, District Legal Counsel, address the placement of this matter on the meeting agenda. Mr. Miyaki stated that, after a discussion with Mr. Dickson they both agreed that although staff had approved the initial submittal in accordance with the District's rules and regulations, there has been significant interest in the project, and putting this item on the agenda would provide the opportunity for public input and Board discussion.

Board discussion ensued with Mr. Francke of dk Consulting addressing several questions from Director Coverdell. Director Larimer distributed and reviewed at length a memo he had prepared which included questions he had regarding the project. He emphasized his opinion that the project design did not provide sufficient redundancy and that the approval by staff was a mistake and should be rescinded.

Director Ascher requested clarification from staff on the present condition of the pipeline serving Terrace Avenue. Mr. Dickson reported that he had previously conferred with Mr. Teter and Mr. Guistino and had been informed that there were no problems with this particular section of the pipeline. Director Ascher commented that the scale of the project had changed substantially from the original proposed development of approximately 223 homes to the current number of 63 homes. He stated that he was satisfied with the

presentation and that he was confident and satisfied with the District Engineer's review and approval of this development.

Director Feldman commented that the General Manager's staff report provided an excellent summary of the history and the current status of the project and he was confident that staff had followed the proper procedures and made informed and qualified decisions in approving the initial submittal.

President Mickelsen stated that he felt this project's initial submittal was in compliance with the District's existing policies and supported staff's recommendation. He concluded the comments by thanking staff for placing this matter for discussion on the agenda.

The Board took a brief break and the meeting was reconvened at 9:15 p.m.

B. 475 Avenue Alhambra – Water Services Agreement

Mr. Dickson introduced this item, provided the background and details regarding the recommendation to approve the Water Services Agreement for this project, which provides service to one residence.

Mr. Teter added that a slight revision should be made to the approval to require relocation of a blow-off valve.

ON MOTION by Director Ascher and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve the Water Service Agreement between Coastside County Water District and Robert Kulda for construction of a pipeline extension to serve real property at 475 Avenue Alhambra, subject to the relocation of the blow-off valve, as recommended by the District Engineer:

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

C. Mid-Year Financial Review

Mr. Dickson reviewed the CCWD Period Budget Analysis for the period ending December 31, 2008, noting that the District is

approximately \$50,000 behind in the budget in net revenue. He outlined the associated details and advised that this will be a challenging budget year for the District, particularly as we approach drought conditions and as we continue to deal with the shut down of the Denniston Water Treatment Plant.

D. Revisions to District Purchasing and Check Signing Policy

Mr. Dickson explained that this was a follow up to a recommendation from the auditor and to Board concerns discussed at the November 2008 Board meeting. He outlined the significant changes, which included the elimination of purchase orders for purchases under \$500.00, the elimination of the requirement to obtain quotes for purchases in the range of \$500.00 to \$5,000.00., and the requirement of obtaining two quotes, instead of three, for purchases of \$5,000. to \$15,000.00 . He also advised that a revision to the check signing policy included the requirement to obtain a signature of the Board President or Vice President for checks in the sum of \$25,000. 00 or over.

ON MOTION by Director Larimer and seconded by Director Feldman, the Board voted as follows, by roll call vote, to approve the proposed revisions to the District's Purchasing and Check Signing Policy as presented. An amendment was added by Director Ascher and accepted by Directors Larimer and Feldman, stating that the effective date for the new Check Signing Policy would be July 1, 2009:

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

E. Water Reclamation – Status and Next Steps

Mr. Dickson introduced this item, emphasizing that he strongly believes that the most logical next step in developing a successful water reclamation project is to form a partnership with the Sewer Authority Mid-Coastside (SAM) as the recycled water producer. He stated that he felt the CCWD Board has taken every possible step in pursuing this partnership, but has been unsuccessful with achieving any results. He referenced his letter to Mr. Jack Foley, Manager of SAM, requesting SAM's cooperation in order to pursue this project.

Mr. Dickson outlined proposed next steps consistent with CCWD's role as recycled water distributor: Analyze CCWD's Water Supply Needs, Develop Preliminary Reclaimed Water Pricing and Terms Scenarios, and Initiate Discussion with Key Reclaimed Water Users.

Board discussion ensued, with Mr. Dickson addressing several questions from the Board.

8) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

The Board had no questions or comments regarding the General Manager's report.

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

Ms. Brennan answered questions regarding the Water Shortage and Drought Contingency Plan and Mr. Guistino and Mr. Dickson addressed questions in regards to the present situations at the Denniston Reservoir and the Canada Cove Mobil Home Park.

9) ADJOURNMENT

The meeting was adjourned at 10:02 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, February 10, 2009.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

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