

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA, 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

February 1, 2005

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 1:40 p.m. Present at roll call were Directors Jim Larimer, Everett Ascher, Ken Coverdell and John Muller.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; and JoAnne Whelen, Administrative Assistant/Recording Secretary.

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

- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements made at this time.

- 4) **SPECIAL ORDER OF BUSINESS:**

A. **Discussion and possible direction to staff regarding the possible Disposition of Coastside County Water District's ten (10) remaining non-priority water connections**

The item was introduced by the General Manager who provided background and historic information concerning the ten (10) remaining non-priority water connections. The district's legal counsel addressed legal issues affecting disposition of the connections. Board discussion followed.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted by roll call vote for the district to sell the ten (10) remaining non-priority water connections:

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

The Board agreed to further discuss specific details regarding the sale of the ten connections for the purpose of determining the most appropriate way of disposing of the connections.

ON MOTION by Director Ascher and seconded by Director Muller, it was proposed that of the ten connections that the Board agreed to sell, four connections will be available for the four failed wells recently identified by San Mateo County. The connections must be purchased by March 1, 2005 at the price set by the Board. The remaining connections can be purchased at any time after the March 1, 2005 date, at the price established by the Board. If the owners of the four failed wells decide not to purchase a connection, those connections would be added into the "pool".

The Board continued to discuss many aspects of the motion. Mr. Condotti requested an opportunity to further research the pricing issues to confirm that the district has a legally defensible position, and to prepare a draft purchase agreement. The Board then voted on the proposed motion by roll call vote as follows:

Director Larimer	No
Director Ascher	Aye
Director Coverdell	No
Director Muller	Aye
President Mickelsen	Aye

Further Board discussion focused on the price of the 10 unsold connections.

ON MOTION by Director Coverdell and seconded by Director Larimer, it was proposed that the price for the ten non-priority connections available for sale for the district would be \$27,000.

Further Board discussion took place concerning the sale price of the 10 unsold non-priority connections.

ON MOTION by Director Coverdell his original motion was amended to set the price on the sale of the ten non-priority connections at \$26,000 each. The motion amendment was seconded by Director Larimer.

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Muller	No
President Mickelsen	Aye

President Mickelsen suggested that a sub-committee be formed to begin negotiations with the City of Half Moon Bay and the County of San Mateo to discuss ways to get all residents within the district boundaries, off of wells. The discussion continued including ideas about sending out surveys in order to determine the number of domestic wells within the district, and the importance of locating and developing alternative water sources. It was also suggested that possible grant funding be explored through various governmental agencies that may assist residents in discontinuing the use of their wells.

The General Manager requested direction from the Board regarding the distribution of the ten non-priority connections. He mentioned that some of the well owners might need more than a 5/8" connection, if their home has more than a thirty-fixture unit count. The direction consisted of the following conditions: the price is \$26,000 for a single 5/8" connection; no multiple purchases - only one connection may be purchased per person but they can purchase a 3/4" connection if needed; payable by cashiers check or money order; must be installed within one year from the purchase date and is non-transferable. The process to distribute the remaining six connections will be considered at a future Board meeting.

President Mickelsen then briefly adjourned the meeting for a break at 3:30 p.m. and the meeting reconvened at 3:45 p.m.

B. Discussion and possible direction to staff regarding the conditions placed upon Coastside County Water District's Coastal Development Permit by the City of Half Moon Bay Planning Commission

The General Manager introduced this item and offered copies of the City of Half Moon Bay's agenda and staff report. The district's legal counsel then summarized this issue and reviewed Special Condition # 27, proposed by the City of Half Moon Bay staff, contained in the Coastal Development Permit (CDP) for the Carter Hill West Pipeline Replacement Project. Mr. Condotti pointed out that there is a jurisdictional problem with this condition in that it applies to future projects throughout the district, notwithstanding the fact that the City of Half Moon Bay's permit authority is limited to the development within the City limit. Mr. Condotti explained that CCWD had responded to the City regarding this specific condition and that the language had been

modified in response to CCWD's concerns, but the jurisdictional issue was not resolved.

The Board then discussed the issues involved in accepting the condition and moving forward with the project or appealing the CDP to the City of Half Moon Bay and possibly the California Coastal Commission.

ON MOTION by Director Larimer it was proposed that the district accept the Coastal Development Permit *and* send a letter with the acceptance to the City of Half Moon Bay stipulating the district's strong objections to the conditions and state that the district does not believe that the conditions are valid constraints.

Director Coverdell seconded the motion with the addition that the district be prepared for an appeal and in the event that the CDP is appealed, the district is prepared to challenge that specific condition.

Mr. Condotti expressed some concerns with regard to uncertainty created by the motion as to whether the District's intent is to accept or challenge the condition, and explained the process for appealing an administrative decision.

Director Larimer withdrew his motion and Director Coverdell withdrew the second.

ON MOTION by Director Muller and seconded by Director Coverdell, the Board voted as follows to accept the conditions contained in the Coastal Development Permit as issued by the City of Half Moon Bay for the Carter Hill West Pipeline Replacement Project:

Director Larimer	No
Director Ascher	No
Director Coverdell	Aye
Director Muller	Aye
President Mickelsen	Aye

President Mickelsen then briefly adjourned the meeting for a break at 4:40 p.m. and the meeting reconvened at 4:50 p.m.

C. **Discussion and possible direction to staff regarding the proposed changes to the General Plan Amendment proposed by the City of Half Moon Bay**

Copies of the City of Half Moon Bay's LCP Update Workshop # 7: Review of Foundation Policies were distributed and the Board proceeded to discuss the document.

Mr. Jack Liebster, City of Half Moon Bay Planning Director addressed the Board and provided an update on the LUP process and policies. Mr. Liebster also responded to questions from the Board.

The General Manager then played an audio tape recorded at the December 10, 2003 California Coastal Commission Hearing for the El Granada Pipeline Replacement Project in San Francisco, CA with the following comment from Chairman Mike Reilly: "As a local government person, let me tell you a secret, requiring people to maintain adequate infrastructure does not control or determine growth, local land use policies and allowances are what determines that".

The Board continued to discuss the district related issues contained within the City of Half Moon Bay's proposed changes. It was recommended that CCWD go through the document and interpret and flag the impacts on CCWD's system. The Board also requested that this topic be added to CCWD's Board meeting agendas, so that the issues and status can be continuously tracked. The Board also decided to notice and agendize the City's Local Coastal Plan / General Plan (LCP/GP) joint workshop scheduled for Thursday, February 3rd, to allow for a quorum of CCWD directors to have an opportunity to attend.

It was decided that the district's Legal Counsel and General Manager would meet with the Engineer Advisory Committee meeting prior to the next City of Half Moon Bay workshop on February 24, 2005, to review the document in preparation for the presentation of the district's response to the City's proposed changes to the LCP/GP.

5) ADJOURN:

The Special Meeting was adjourned at 5:35 p.m. The next meeting of the CCWD Board of Directors is scheduled for Tuesday, February 8, 2005 at 7:30 p.m.

Respectfully submitted,

Ed Schmidt, General Manager

Chris Mickelsen, President