

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA, 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

February 8, 2005

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 7:33 p.m. Present at roll call were Directors Everett Ascher, Ken Coverdell and John Muller, Director Larimer was absent.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Judy Nosecchi, Superintendent of Operations; Amanda Cox, Water Conservation Coordinator, JoAnne Whelen, Administrative Assistant/Recording Secretary; Gina Brazil, Office Manager, Bridget Burns, Office Specialist and Craig Lunow, Office Specialist.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.
- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements made at this time. President Mickelsen took this opportunity to introduce and recognize John Muller as Chairman of the State of California Regional Water Quality Control Board, recently appointed to the Governors office. An additional announcement was made regarding the Water Summit, scheduled for April 28, 2005 in Half Moon Bay, with more detailed information, as it develops, to be provided

- 4) **CONSENT CALENDAR:**
- A. **Requesting the Board to review disbursements for the month ending January 31, 2005 - Claims \$556,196.41; Payroll: \$48,400.06 for a total of \$604,596.47**
 - B. **Acceptance of Financial Reports**
 - C. **Minutes of the January 11, 2005 Meeting of the Board of Directors**
 - D. **Monthly Water Transfer Report**
 - E. **Notice of Completion and Acceptance of Field and Administrative Offices Remodel Project**

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

ON MOTION by Director Coverdell and seconded by Director Muller, the Board voted unanimously to accept the Consent Calendar in its entirety:

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

5) WATER CONSERVATION COORDINATOR'S REPORT

Amanda Cox, CCWD's Water Conservation Coordinator reviewed the information contained in her written staff report. She displayed one of the literature stands that has recently been placed in the participating local nurseries. She also reviewed the details of the Pre-Rinse Spray Valve Program and the Commercial Clothes Washer Rebate Program and reported on the recent Urban Water Management Plan workshop she attended. She concluded her report with an update on the hydro-seeding of the Casa Del Mar Pipeline Replacement Project site, at which time the Board directed that a request to the residents be included in the letter/survey being distributed, that explains about the hydro-seeding and the importance of avoiding parking on the seeded area.

6) A. REPORT OF THE GENERAL MANAGER

Request from Mr. Ronald Chapel for a waiver of a late fee of \$4.08 on his water bill

The General Manager explained the nature of this item, reviewed the invoice billing and mailing process with the Board and addressed their questions. He also reviewed the distribution of the series of notices that were sent to all customers, providing notification to them of the new billing policy, procedures and effective dates.

The general consensus of the Board was to deny the request for the waiver of the \$4.08 late fee and the General Manager received direction to notify the customer of the Board's decision.

B. Crystal Springs Assessment District - Series 1998 - 2004/2005 Annual Report - Presentation by Greg Davidson of NBS

The General Manager introduced the discussion item and Mr. Greg Davidson of NBS, who proceeded to review highlights of the 2004/2005 annual report, which included (1) An Annual Levy Reduction of \$367,000; (2) A Delinquency Rate for Fiscal Year 2003/2004 of less than 1%; (3) Arbitrage Rebate Calculation Results: no payment due to the Internal Revenue Service and (4) The last payment due for the Crystal Springs Assessment District is scheduled for September 2, 2005, which means early District Retirement and Final Closeout. Mr. Davidson further explained that all bonds will be called ahead of schedule on September 2, 2005, the final arbitrage rebate calculation will be ordered and NBS will process a release of lien for the district. Mr. Davidson concluded his presentation by reporting that the financial health of the district continues to be excellent. After addressing a few brief questions from the Board, they thanked Mr. Davidson for the fine job he had performed with the Crystal Springs Assessment District.

C. Discussion of the recent Joint Workshop of the City of Half Moon Bay Planning Commission and the Half Moon Bay City Council on the City's Local Coastal Program / General Plan Update

The General Manager referenced the special Coastside County Water District Special Board of Directors meeting on February 1, 2005, and reiterated the Board's direction that a meeting of the Engineering Advisory Committee be scheduled to discuss the proposed changes to the Local Coastal Program/General Plan (LCP / GP) by the City of Half Moon Bay. The General Manager also reported that there were three additional workshops to address the City's LCP /GP update scheduled by the City of Half Moon Bay, so the district would have several opportunities to provide comments. He also advised the Board that he had invited Mr. Jack Liebster, City of Half Moon Bay Planning Director to attend tonight's Board meeting and indicated that he would extend an invitation to attend the CCWD March Board of Directors meeting as well.

Director Muller then stated that he felt it was appropriate to share a few comments on this subject and proceeded to state that the Coastside County Water District has proven to be strong in management and leadership, (like the assessment district) and was disturbed that others are trying to interfere with the water district's accomplishments. He feels that they should realize that "we know water best". He then appealed to the Half Moon Bay City Council, to allow Coastside County Water District some flexibility in continuing to deliver water the way we have been doing for the last sixty-years. He concluded by saying that he understands that the City and County want to include information in their documents about how water is moved and delivered throughout the community, but felt that the City and County have a multiple of issues to deal with. He said he hoped that they realize that CCWD only deals with water, and requested that they allow us to continue to serve this community.

D. Update on status of San Mateo County investigation of nitrate levels in drinking water wells in the Miramar Area and subsequent offer to sell CCWD non-priority water connections

The General Manager reviewed the conditions involved in the Board's recent decision to sell the district's ten (10) non-priority water connections, which included: (1) only one connection may be purchased per person; no multiple purchases; (2) the connections would be offered to the four (recent) failed well owners first and that they would be given until March 1, 2005 to purchase one of these connections; (3) the price is \$26,000 for a single 5/8" connection, which would be nontransferable and (4) at a later date, a process would be set up for dealing with the remaining connections for sale.

Mr. Schmidt also advised the Board that the San Mateo County Health Department had extended the deadline until July 1, 2005 for the failed well owners to secure a CCWD connection or provide adequate treatment.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted as follows, for Coastside County Water District to extend the deadline to purchase one of the ten non-priority connections to the four failed well owners, from March 1, 2005 to June 1, 2005.

Director Larimer	Absent
Director Ascher	Aye
Director Coverdell	Aye
Director Muller	Aye
President Muller	Aye

E. Status Report on major Capital Improvement Projects

The General Manager referenced his staff report on the status of the current major Capital Improvement Projects. Director Muller thanked the staff and the local contractor, Stoloski & Gonzalez, Inc. for their hard work and dedication in accomplishing so many ongoing capital improvement projects. The General Manager also thanked the Board for their contributions. Director Ascher added his comments that he appreciated that staff and the contractor had performed the work, quickly, efficiently, and with little disruption to the public and property owners. President Mickelsen reiterated the comments, and added that the customer satisfaction surveys have proven those points.

F. General Manager Activities

There were no questions or comments on this specific agenda item, however, Director Ascher had a few questions regarding the district's change in payroll system from an in-house task to contracting with an outside payroll service, ADP. Gina Brazil, Office Manager addressed the questions, indicating that utilizing a service would cut back on the hours she will have to devote to payroll, and would have the added benefit of ADP handling all of the payroll related taxes.

7) ENGINEER'S REPORT

A. Engineering Projects Received in January 2005

Mr. Teter reported that there had been no new projects received during the month of January, 2005.

B. District Engineer Work Status Report

Mr. Teter provided the Board with an update on the Engineer's current projects, including Phases 3A & 3B of the El Granada Pipeline

Replacement Project. The Board discussed meeting with the City of Half Moon Bay Planning Department prior to applying for a Coastal Development to inquire about the City's potential requirements, prior to applying for the project CDP.

C. Denniston Water Treatment Plant Filter Rehabilitation Project

Mr. Teter updated the Board on this project and advised the Board that the amount of the low bid was actually below the Engineer's estimate for the project, and also that the firm met the criteria to be "qualified". Mr. Teter concluded by recommending to the Board that they award the contract for the project to ERS Industrial Services, Inc.

ON MOTION By Director Coverdell and seconded by Director Ascher, the Board voted by roll call as follows, to award the contract to ERS Industrial Services in the amount of \$270,346.79 for the Denniston Water Treatment Plant Filter Rehabilitation Project:

Director Larimer	Absent
Director Ascher	Aye
Director Coverdell	Aye
Director Coverdell	Aye
President Mickelsen	Aye

8) OPERATIONS REPORT

- A. Superintendent of Operations Monthly Report**
- B. Water Service Connections Installed, Priority and Non-Priority**
- C. Capital Improvement Program Progress**
- D. Total CCWD Production, Sales by Category, Monthly Leak Report, Rainfall Reports**
- E. San Francisco Public Utilities Commission Hydrological Conditions Report for December 2004**

Superintendent Judy Nosecchi updated the Board with the monthly progress of several of the on-going construction projects, and thanked all members of the field and office staff for their assistance with the many aspects of the projects.

Ms. Nosecchi additionally reported on the recent damage to a fire hydrant on Highway 92, and the Board requested to be informed of the total expenses incurred in connection with the hydrant repair. The General Manager added that the district is in the process of obtaining an easement, so that this hydrant could be relocated.

9) MEETINGS ATTENDED/SCHEDULED - BOARD OF DIRECTORS

Director Muller reported on a recent Association of California Water Agencies meeting that he had attended in Monterey, CA, where the state of California Water Plan was discussed, as well as the impact of the loss of revenue to California water districts. Additionally, Director Muller expressed his appreciation to Judy Nosecchi and her staff for their assistance and contributions to him in the preparation of the materials for his recent talk to the Belmont Industrial Association on chloramines and chlorine.

Director Muller also reported that the meeting of the United States Environmental Protection Agency Advisory Committee would take place next week, here on the coast.

10) AGENDA ITEMS AND DIRECTOR COMMENTS

11) ADJOURN

The meeting was adjourned at 8:35 p.m. The next meeting of the Coastside County Water District Board of Directors is scheduled for Tuesday, March 8, 2005.

Respectfully submitted,

Ed Schmidt, General Manager

Chris Mickelsen, President