

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Tuesday, June 9, 2009

- 1) **ROLL CALL:** The Closed Session convened at 5:30 p.m. with President Mickelsen and Vice-President Feldman and Directors Coverdell, Larimer and Ascher present. David Dickson, General Manager, and Patrick Miyaki, District Legal Counsel were also present.
- 2) **PUBLIC ANNOUNCEMENTS:** There were no Public Announcements.
- 3) **CLOSED SESSION**
 - A. **Conference with Legal Counsel - Anticipated Litigation**
Pursuant to Government Code Section §54956.9(b)
One potential case
- 4) **RECONVENE TO OPEN SESSION**

Mr. Miyaki announced that the Board had heard a report in regards to the closed session agenda item and that no action was taken, which concluded the report on the closed session that occurred at the Special Meeting of the Board.

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Tuesday, June 9, 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) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending May 31, 2009 - Claims: \$588,707.23; Payroll: \$104,249.93 for a total of \$692,957.16
- B. Acceptance of Financial Reports
- C. Minutes of the May 12, 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. May 2009 Leak Report
- I. Rainfall Reports

- J. San Francisco Public Utilities Commission Hydrological Conditions Report for May 2009
- K. Notice of Acceptance - 475 Avenue Alhambra Non-Complex Pipeline Extension
- L. Approval to retain Joseph J. Arch, Certified Public Accountant (CPA) for Financial Auditing Services

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

ON MOTION by Director Ascher and seconded by Vice-President Feldman, 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) DIRECTOR COMMENTS / MEETINGS ATTENDED

Director Ascher commented on the present financial state of California, and how it could possibly affect enterprising special districts, advising that we should be prepared for a possible loss of property tax revenue and plan accordingly when considering the fiscal year budget. Director Ascher requested, through the Chair, that the President direct District Legal Counsel to review the District's current reserves and to designate, as appropriate, those reserves as special or emergency reserves.

President Mickelsen reported on a local workshop he attended in regards to a wildfire protection management program.

6) GENERAL BUSINESS

A. Approval to Award Contract for Crystal Springs Soft Starts

Mr. Dickson announced that Mr. Guistino would be reporting on the first two general business items.

Mr. Guistino explained the nature and the need for the soft start equipment, noting that the original soft starts for these two motors are now eighteen years old and have exceeded their useful life. He also advised that the newer units run at lower temperatures, which will result in energy cost savings.

Mr. Dickson added that staff had originally considered and budgeted for variable frequency drives for these units, but upon further analysis, had decided on the soft starts, which results in a considerable cost savings to the District from the initial budgeted project amount of \$204,000 to an expenditure of \$27,400.00.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted as follows, by roll call vote, to authorize staff to award a contract to Eaton Electrical to procure and install soft starts for Pump 1 and Pump 3 at the Crystal Springs Pump Station at a cost of \$27,400:

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

B. Approval to Award Contract for Nunes Generator Radiator

Mr. Guistino provided the background of this item, explaining that staff became aware of the need for this project as a result of a power failure earlier this year, during which the Nunes Water Treatment Plant emergency generator failed to start.

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, by roll call vote, to authorize staff to award a contract to Cummins West Incorporated to retrofit the Nunes emergency generator with a radiated cooling system at a cost of \$17,517.00:

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

C. **Discussion and direction to staff regarding possible sale of non-priority water connections**

Mr. Dickson reminded the Board that discussion of this agenda item was initiated at the May 12, 2009 Board meeting, and reviewed some of the issues expressed at that meeting, including the Board's interest in giving priority to developed properties which are now being served by wells and in ensuring that connections purchased under this program are used in the near future, rather than held for speculation. He also informed the Board that given the current economic conditions, growth limitations and other factors, there is substantial uncertainty regarding the demand for the connections. He reviewed staff's proposed approach, which included developing a District wide survey to determine the level of interest in the water connections within the community.

Leonard Woren - Reiterated the comments he expressed at the May 12, 2009 CCWD Board meeting, urging the Board to reserve all of these connections to be designated for homeowners currently being served by wells.

George Muteff - 408 Redondo Beach Road - Requested that the Board consider the fact that there have been incidences where people have encountered difficulties and delays in constructing residences on buildable lots, particularly in Half Moon Bay, and possibly in San Mateo County as well. He recommended that the Board allow a generous amount of time for the consumer to utilize the water connections, should their project be delayed or appealed.

Board discussion regarding the proposed connections ensued, including possible conditions, restrictions, and pricing to be imposed, assessing the demand for the connections, and some components of the potential survey.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to direct staff to proceed with producing a survey, as outlined in the staff report presented, and report back no later than the August Regular Board of Directors Meeting:

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye

Director Ascher	Aye
President Mickelsen	Aye

D. November 3, 2009 Election

Mr. Dickson introduced this agenda item, reviewed the District's requirements in regards to the election process, including adoption of the proposed Resolution concerning the November 3, 2009 Election.

ON MOTION by Director Ascher and seconded by Director Larimer, the Board voted as follows, by roll call vote, to adopt Resolution 2009-02 Calling for and Giving Notice of a Regular District Election to be held on Tuesday, November 3, 2009, and Requesting the County Elections Department to Conduct the Election:

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

E. Water Reclamation Update

Mr. Dickson outlined the latest developments, which included letters from CCWD to the Sewer Authority Mid-Coastside (SAM) and to Mr. Bruce Russell with Kenmark. He also reported on SAM's meeting of May 26, 2009 and his recent telephone conference with Jack Foley, SAM's Manager, and Tanya Yurovsky with SRT Consultants.

Leonard Woren - stated that he wanted to emphasize that SAM is only looking for delegation in regards to the pilot project to serve the Ocean Colony golf courses.

Brian Ginna - 417 Greenbrier, Half Moon Bay - Commented that he thought that CCWD's May 27, 2009 letter to SAM was very clear and concise and he felt that the SAM Board's characterizations of CCWD stated at their last Board meeting were both inaccurate and unnecessary. He further commented that even if SAM only distributed a minimal amount of water, it would set a dangerous precedent and he felt strongly that SAM should not be distributing

anything without CCWD's involvement. He also stated that he agreed with CCWD's Resolution adopted in August 2008 to not delegate the authority. He urged the Board to reiterate to SAM their desire to obtain recycled water from SAM and added that he supported CCWD's handling of the issue and believed the CCWD Board is on the right track.

Board discussion of the current activities and possible next course of actions ensued, including discussion of potential letters to be drafted to SAM and local public legislators. Mr. Dickson reviewed the points to be emphasized in the letter to SAM, which consisted of the following: a public records request specifying copies of records documenting negotiations or discussions between SAM and Ocean Colony Partners or any other potential recycled water users; acknowledge their approval of the test plant in concept, and advise SAM that CCWD would like to participate and contribute and that CCWD is the agency that would distribute the water and would like to cooperate with SAM to bring a benefit to this effort. Mr. Miyaki indicated that he would be working with Mr. Dickson on the letter and that the public records request act would address some timelines for responses and obligations on behalf of SAM and would include no ambiguity about the records CCWD is requesting.

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, to direct staff to send a letter to SAM, under the Board President's signature, addressing the points discussed:

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

Concluding discussion of this agenda item, at 8:45 p.m., President Mickelsen announced that there would be a short recess. The meeting reconvened at 8:59 p.m.

F. Discussion of conducting additional CCWD Board of Directors meetings

Mr. Dickson advised that, due to a significant number of issues set to come before the Board over the next two to three month period, the suggestion has been raised to possibly consider either instituting a temporary schedule of additional Board meetings each month, or scheduling some special Board meetings. Each of the Board members commented and agreed, that given the number of urgent and important issues, there is a definite need to conduct extra Board meetings over the next month or two. Direction was given for Mr. Dickson to work with President Mickelsen to generate a list of potential agenda items and poll the Board to determine their availability for the scheduling of these meetings.

G. Appointment of Director to the Board of the Bay Area Water Supply & Conservation Agency (BAWSCA) and the Bay Area Regional Water System Financing Authority (RFA)

President Mickelsen introduced this item by providing a brief history and background of the agencies, including highlights of their roles, purposes, projects, and accomplishments. Noting that Director Coverdell had recently expressed an interest in serving in these positions, President Mickelsen stated that he would not be pursuing re-appointment to these Boards.

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted as follows, to appointment Ken Coverdell to serve on the Boards of the Bay Area Water Supply & Conservation Agency (BAWSCA) and the Bay Area Regional Water System Authority (RFA):

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

Director Ascher then announced that he had a second motion.

ON MOTION by Director Ascher and seconded by Director Larimer, the Board voted as follows, for a Resolution to be prepared, thanking President Mickelsen for his commitment to the BAWSCA and RFA Boards, recognizing his accomplishments and expressing the Board's deep appreciation for his eight years of serving on the Boards, on behalf of the Coastside County Water District:

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

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

Mr. Dickson reviewed the highlighted topics in the report; consisting of a recommendation of the Finance Committee to schedule a budget workshop and an additional special meeting to address the District's individual water supply agreement with the San Francisco Public Utilities Commission. Discussion about the agreement ensued with Mr. Dickson and Mr. Miyaki explaining the process and addressing the Board's questions and concerns. Mr. Dickson also reviewed details of the District's annual Consumer Confidence Report.

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

The Board had no specific questions regarding the monthly informational reports.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Mr. Dickson advised the Board that due to the fact that this Board does not have any specific rules governing how items are placed on the Board agenda, and therefore the provisions of the Brown Act applies, which states that items can be placed on the agenda by the presiding officer or by a majority of the Board. The Board then discussed various options for placing issues on the agendas.

Leonard Woren – stated that speaking as a Board President on the Granada Sanitary District Board for four out of his eleven years on that Board, he recommended that the Board President confer with the General Manager to ensure that any given meeting is not too long, and can defer any agenda

item that may result in extensive meeting times. He urged the Board to discourage the ability for other Directors to force items on specific

agendas and to not allow the Board President to unilaterally block agenda items.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted as follows, to establish a procedure whereby items can be placed on the Board agenda either by the General Manager, by the Board President or by any two Directors.

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

9) ADJOURNMENT

ON MOTION by Director Ascher and seconded by Vice-President Feldman, the Board voted unanimously to adjourn the June 9, 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 9:58 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, July 14, 2009.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

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