

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES SPECIAL MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, July 13, 2010**

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Chris Mickelsen, Vice-President Bob Feldman and Directors Ken Coverdell and Jim Larimer. Also present: David Dickson, General Manager.
  
- 2) **PUBLIC COMMENT** - There were no public comments.
  
- 3) **CLOSED SESSION**  
**Conference with Labor Negotiator**  
Pursuant to California Government Code §54957.6  
Agency Designated Representatives: General Manager  
Employee Organization: Teamsters Union, Local 856
  
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 7:00 p.m., immediately prior to commencement of the regular meeting, at which time President Mickelsen announced that no reportable action was taken during the closed session.
  
- 5) **ADJOURNMENT**

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**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, July 13, 2010**

- 1) **ROLL CALL** - President Chris Mickelsen called the meeting to order at 7:09 p.m. Present at roll call: Vice-President Bob Feldman and Directors Ken Coverdell, Jim Larimer and Jerry Donovan.

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 COMMENTS**

Leonard Woren - Stated that he is receiving complaints in regards to one of the District's recent projects, located near the east end of the Mirada Surf area, where a contractor has cut through a new road between the easement road that leads to Quarry Park in El Granada. He respectfully requested that the road be blocked off so that no motorized vehicles can access that new road.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending June 30, 2010 - Claims: \$494,677.94; Payroll: \$74,234.56 for a total of \$568,912.50.
- B. Acceptance of Financial Reports
- C. Minutes of the June 8, 2010 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. June 2010 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for June 2010
- J. Notice of Completion – Miramar Tank Recoating Project
- K. Notice of Acceptance – Canada Cove Non-Complex Pipeline Extension Project
- L. Approval of Water Service Agreement – Andreini Family Ranch Pipeline Extension Project
- M. Resolution Adopting Association of California Water Agencies Health Benefits Authority Amended and Restated Bylaws and Joint Powers Agreement
- N. Approval of Amendments to California Special Districts Association Bylaws

Vice-President Feldman reported that he had reviewed the monthly financial claims and found all to be in order.

Director Larimer noted that Mr. Andreini was in the audience and suggested that he may wish to address the Board regarding the water service agreement for the Andreini Family Ranch Pipeline Extension Project. Agenda item 4L was pulled from the Consent Calendar for further discussion.

**ON MOTION BY Director Coverdell and seconded by Vice-President Feldman, the Board voted as follows, by roll call vote, to accept the Consent Calendar with the exception of agenda item 4L:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Feldman</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Donovan</b>	<b>Aye</b>
<b>President Mickelsen</b>	<b>Aye</b>

- L. Approval of Water Service Agreement – Andreini Family Ranch Pipeline Extension Project

Eddie Andreini – Briefly explained the nature of the water service agreement, noting that the service would be connected to the Half Moon Bay storage tanks via a booster station and pipeline located on District Property. He also expressed a concern with some of the language contained within the water service agreement regarding the right of entry permit section.

The Board briefly discussed this portion of the agreement, Mr. Miyaki provided further explanation of the condition and Mr. Dickson also explained the options that the District had explored to address the right of entry permit issue. Board discussion continued and Mr. Miyaki advised that he felt the agreement was protective of the District, as his client, and also protects Mr. Andreini as well because the agreement includes a condition regarding the District's ability to revoke the right to be on the property.

Leonard Woren - Referenced Section 10 "Conveyance of Title to Protect Utility System" of the agreement and questioned whether the agreement defined the Project Utility System.

**ON MOTION BY Vice-President Feldman and seconded by President Mickelsen, the Board voted as follows, to approve Consent Calendar item 4L - Water Service Agreement - Andreini Family Ranch Pipeline Extension Project:**

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

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

There were no reports on meetings attended by Board members.

**6) GENERAL BUSINESS**

**A. Resolution Adopting Policy for Sale and Purchase of Non-Priority Water Service Connections and Rules and Regulations for Sale and Purchase of Non-Priority Water Service Connections**

Mr. Dickson recapped the background of this item, including the survey conducted by District staff in January of 2010, for the purpose of determining how many property owners would be interested in purchasing a non-priority water service connection from the 72 connections the District now holds. Results of the survey, presented to the Board in February 2010, indicated that 227 property owners were interested in purchasing a connection, and of those positive responses, 57

were owners of residential properties currently served by wells. He added that the Board had directed staff to develop a connection sale process, focused exclusively on owners of developed residential parcels served by wells. Mr. Dickson and Mr. Miyaki then reviewed the documents prepared by District staff to implement the sale, including the Resolution Adopting the Policy for the Sale and Purchase of Non-Priority Water Service Connections and Rules and Regulations for the Sale and Purchase of Non-Priority Water Service Connections. Mr. Dickson advised that should the Board approve the Resolution, it must make two additional determinations consisting of the number of connections to be sold and the amount of the non-refundable administrative fee to be charged. President Mickelsen then announced that he would be taking comments from members of the public.

John Bermingham - Suggested that the 72 water service connections be available for undeveloped parcels, which would generate substantial local work and income for the community.

Leonard Woren - Recommended that the District sell the 57 water service connections to the interested residents that are currently being served by wells and eliminate selling any additional connections at this time.

Mr. Dickson reviewed further details of the sale documents, including the findings in the Resolution and conditions for the sale and purchase of the non-priority water service connections. Board discussion ensued with Mr. Dickson and Mr. Miyaki addressing the Directors' comments and questions. The Board agreed with staff's recommendations to offer 36 of these connections for sale, with an additional 4 connections available should some purchasers need additional capacity beyond a standard 5/8" water service connection. The Board also discussed and questioned the basis for the proposed administrative fee of \$500.00 per connection. Staff responded that the proposed fee was based on actual expenses to date and an estimate of future expenses related to the sale. Director Donovan indicated his disagreement with the approach of using an estimate and his feeling that the fee charged should be tied to actual expenses in order to ensure that the District recovers all costs of the sale from the purchasers.

**ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve the Resolution Adopting Policy for Sale and Purchase of Non-Priority Water Service Connections and Rules and Regulations For Sale and Purchase of Non-Priority Water Service Connections:**

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye
Director Donovan	No
President Mickelsen	Aye

President Mickelsen announced that there would be a brief recess. The meeting reconvened at 8:35 p.m.

**B. Consider approval of Resolution Establishing Appropriations Limit Applicable to District during fiscal year 2010-2011**

Mr. Miyaki explained that this is an annual "housekeeping" item and briefly explained that the appropriations limit is the maximum amount of proceeds of taxes which the District can appropriate during the fiscal year and referenced the calculations provided. Mr. Miyaki then addressed questions from the Board.

**ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to adopt Resolution 2010-05 Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2010-2011**

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

**C. California Special Districts Association (CSDA) - 2010 Board Elections Region 3, Seat B**

Mr. Dickson introduced this agenda item and explained that the District Board has the opportunity to participate in the CSDA Board Elections process by casting a vote for one of the two candidates seeking to represent the available seat on Region 3.

**ON MOTION BY President Mickelsen, and seconded by Director Larimer, the Board voted as follows, to complete the CSDA mail ballot to select Sherry M. Sterrett as the District's choice to represent the CSDA Region 3 Seat B:**

Director Coverdell	Aye
Vice-President Feldman	Aye
Director Larimer	Aye
Director Donovan	No
President Mickelsen	Aye

**D. Resolution of Intention to Approve an Amendment to Contract Between the Board Administration, California Public Employees' Retirement System and the Board of Directors, Coastside County Water District**

Mr. Dickson explained that this is the first step in the process of implementing a two-tiered retirement program within CALPers, under which new employees would be covered by a less expensive plan than is currently in place. He reviewed details of both the existing program and the new proposed plan, which is based on a 2% at 60 years of age program, with benefits calculated based on three-year final compensation.

**ON MOTION BY Director Coverdell, and seconded by President Mickelsen, the Board voted as follows, to approve the Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration California Public Employees' Retirement System and the Board of Directors Coastside County Water District:**

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

**E. Approval of Revised Memorandum of Understanding Between Coastside County Water District and Teamsters Local 856**

President Mickelsen announced that, at the request from staff, this item was to be pulled from the agenda at this time. Mr. Dickson noted that he would like to say a few words about this topic, at which time Mr. Miyaki recommended that Director Donovan remove himself for any discussion of this matter, due to the fact that his son is employed by the District and additionally serves as the Union Steward Representative as well. Director Donovan then left the Board room.

Mr. Dickson advised the Board that this agenda item was not pulled due to any significant disagreements between the Teamsters Union 856 and the District, but due to the fact that there are a few technicalities that staff would like to resolve before the Memorandum of Understanding (MOU) is presented in final form to the Board for approval. Mr. Dickson also informed the Board that, in addition to the District's position that there would be no performance-based merit salary increases issued this fiscal year, that there have also been discussions regarding the 3% Cost of Living increase due July 1, 2010, per the Union contract. He reported to the Board that it was significant that the District's Union Employees, out of concern for the District, have agreed to defer the Cost of Living adjustment, which will result in a substantial cost savings to the District. He commented that he thought it reflected a real concern for the District on the employees' part. Mr. Dickson also advised that even though there are a few details to be resolved, the District does have an agreement with the Union that is expressed in the MOU and both sides have honored the agreement.

Director Larimer stated that he felt it was an incredibly generous offer on the employees' part and thanked the employees for this action. President Mickelsen also expressed his appreciation to staff. Vice-President Feldman commended the staff for their willingness to work with the District and the community to help defray some of the costs the District is facing. Director Coverdell agreed with the other Board member's comments, adding that the reason he has served as a CCWD Board member for so many years is due to the high quality of people employed with the District and this type of willingness to participate in this manner during difficult times is a real tribute to the staff of this District. He thanked the employees and stated that it was a pleasure to work with all of them.

**7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson stated that there is no progress to report with regard to developing a recycled water agreement between the Sewer Authority Mid-Coastside (SAM) and the District. He also advised that the SAM Board approved a budget on May 24, 2010, which provides no funding for recycled water project activities in Fiscal year 2010-2011.

Mr. Dickson also referenced the July 7, 2010 article in the *San Francisco Chronicle*, citing a study that found high mercury levels in fish taken from the Crystal Springs Reservoir, noting that, as pointed out in the article, fish concentrate mercury and other contaminants and that the presence of mercury in fish does not indicate that there are unsafe levels of mercury in the water. He further advised that the District tests both treated and raw water sources at least annually, and has never had a result above the detection limit of the analysis. He informed the Board that drinking water standards set the maximum allowable level of mercury in treated water at 2 parts per billion, and based on the District's data, there should be no concern over mercury in our water.

**A. Operations Report**

Mr. Guistino reported on the staff initiated changes in PG&E's rate classifications, which will result in an annual savings of approximately \$40,000 in energy costs to the District. He also reported on some of the current meter issues, storage tank conditions and the status of the Crystal Springs Improvements.

**B. Water Resources Report**

Ms. Brennan provided details of the fall schedule of Bay Area Water Supply and Conservation Agency (BAWSCA) sponsored landscape classes, which includes a series of free classes during August, September and October.

The Board briefly discussed the impacts of the new Indoor Water Efficiency Ordinances and a strategy for working with the City of Half Moon Bay and the County of San Mateo for implementation of the new ordinance requirements. Mr. Dickson indicated that he would schedule a special water conservation study session within the next several months, which would provide an opportunity for the Board to discuss some of the complex issues associated with the new ordinances.

**8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**

**9) ADJOURNMENT**

The meeting was adjourned at 9:33 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, August 10, 2010.

Respectfully submitted

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David R. Dickson, General Manager  
Secretary of the Board

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Chris R. Mickelsen, President  
Board of Directors