

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, August 11, 2009

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

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 July 31, 2009 - Claims: \$332,157.61; Payroll: \$67,809.87 for a total of \$399,967.48
- B. Acceptance of Financial Reports
- C. Minutes of the July 14, 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. July 2009 Leak Report
- I. Rainfall Reports
- J. S.F.P.U.C. Hydrological Conditions Report for July 2009

K. Pilarcitos Well # 1 Rehabilitation

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

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to accept the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell provided details of his recent tour of the Hetch Hetchy Water System. He also advised that he had attended a meeting of the District's Finance Committee.

Director Ascher reported on his attendance at meetings of both the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) and the San Mateo Special District's Association.

Director Larimer added that he had also attended the San Mateo Special District's Association meeting on August 4, 2009, as well as a meeting of the District's Water Reclamation Committee.

6) GENERAL BUSINESS

A. Approval of the New Water Supply Agreement with San Francisco and of Coastside County Water District's Individual Agency Water Sales Contract

Mr. Dickson provided a detailed background of the new water supply agreement with San Francisco, as well as the District's individual sales contract with San Francisco. He also reviewed the recommendations with regard to adopting the three Resolutions pertaining to the respective agreements and he and Mr. Miyaki addressed questions and comments from the Board members.

ON MOTION by Director Coverdell and seconded by Ascher, the Board voted as follows, by roll call vote, to adopt Resolution 2009-08 Approving Water Supply Agreement with the City and County of San Francisco:

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

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted as follows, by roll call vote, to adopt Resolution 2009-09 Approving Individual Water Sales Contract with the City and County of San Francisco:

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

ON MOTION by Director Larimer and seconded by Director Ascher, the Board voted as follows, by roll call vote, to adopt Resolution 2009-10 Adopting Findings for Purposes of the California Environmental Quality Act in Connection with Approval of a Water Supply Agreement with the City and County of San Francisco:

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

Director Coverdell complimented Mr. Dickson and Mr. Miyaki and expressed his appreciation for their efforts and success in negotiating the agreement on the District's behalf.

B. California Special Districts Association (CSDA) - 2009 Board Elections - Region 3, Seat A

Mr. Dickson explained that, as a member of CSDA, the CCWD Board has the opportunity to participate in the Board elections process by casting a vote for one of the three candidates seeking to represent Region 3. He reviewed the candidates, including Dr. James Kohnen, the incumbent, Vincent Ferrante, and Kathryn Slater-Carter.

Brian Ginna, a Half Moon Bay Resident - Commented on the importance of strong and responsible leadership, stating that after reviewing the candidate's resumes, he would encourage the Board to vote for the incumbent, Dr. James Kohnen.

Director Ascher advised the Board that he has attended CSDA meetings and also serves on the CSDA Legislative Committee and recommended that the Board cast their vote for Dr. James Kohnen. President Mickelsen agreed with the recommendation.

ON MOTION by Director Ascher and seconded by Director Larimer, the Board voted as follows, to cast the District's vote for Dr. James Kohnen to serve on Seat A for Region 3 of the CSDA's Board of Directors:

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

C. Water Reclamation Update

Mr. Dickson reviewed the letter received August 5, 2009 from Bruce Russell from Kenmark Real Estate Group, Inc., which outlined a very different approach than was originally proposed in a previous letter sent to the District in March of 2009. He reviewed the concepts outlined in the letter, which align with CCWD's policy on the distribution of recycled water within the District's service boundary, as established in Resolution 2008-10. He summarized the concepts and key terms proposed in the letter, noting that he felt it was a positive approach and provides a basis for specific

discussions to move forward with Kenmark and the Sewer Authority Mid-Coastside (SAM).

Brian Ginna, a Half Moon Bay Resident – Stated that after attending a number of meetings with regard to water reclamation both at CCWD and SAM, he felt this was a positive approach that he hoped CCWD and SAM would both find favorable.

Director Larimer stated that he and Vice-President Feldman had attended a few water reclamation meetings and had discussed the contents of this letter prior to Vice-President Feldman leaving for vacation. He added that they were both enthusiastic about the letter and shared the view that it was a positive step forward that recognizes that CCWD will exercise its authority as the agency solely responsible for distributing recycled water to customers within the District's service boundary. He reviewed a few points that will have to be negotiated in regards to reaching terms in a possible agreement.

Director Ascher congratulated Mr. Dickson, Mr. Miyaki and the members of the CCWD Water Reclamation Committee for their recent work and commented that he was pleased to see Mr. Russell in the audience and he felt that the potential project was now moving in the right direction.

Marina Fraser, City of Half Moon Bay, SAM Chair and member of the SAM Recycled Water Committee – Stated that she was encouraged by the letter and agreed that this was a positive step forward for all the entities. She noted that the SAM Board had not yet reviewed this letter, but would do so at their meeting scheduled for the end of August.

Director Coverdell inquired whether CCWD had received the information and materials pertaining to their recent public record request from SAM. Mr. Dickson advised that CCWD had in fact received the 2,900 pages of materials, which he had briefly reviewed and to date had not identified anything worthy of significant discussion.

President Mickelsen reported that Vice-President Feldman had also been in contact with him prior to leaving town and requested that

he relay that he also felt that this was a positive approach and that Kenmark had been very responsive to comments expressed by the CCWD Board at the meetings that have transpired over the past several months. He encouraged staff and the committee members to continue to work diligently to arrive at conditions that will satisfy all parties, with an end result of bringing recycled water to this community in the near future.

D. Connection Sale Survey

Mr. Dickson reviewed the background of this subject matter, and referenced the draft survey prepared by staff. He explained that upon the Board's approval of the survey, staff would proceed with the distribution, in order to determine the level of customer interest in purchasing the non-priority connections.

Board discussion ensued, including pricing of the connections, and potential restrictions on their use. Mr. Dickson reviewed the proposed general concepts for the sale and purchase of the connections contained in the survey and reiterated that staff is presenting a survey, not an actual contract at this time. Mr. Miyaki added that some very good and interesting ideas had come from the discussion, which will need to be evaluated in further detail to establish and develop such criteria as an allocation policy, contract terms, setting pricing and fees, etc. The Board continued to discuss various aspects and options regarding the survey and the prospective sale of connections.

ON MOTION by Director Larimer and seconded by Director Ascher, the Board voted as follows, to table discussion of the survey and agendize further discussion of the prospective sale of the connections until the next Board meeting, in September:

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

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY

INFORMATIONAL REPORTS

Mr. Dickson shared his comments regarding the recent tour of the Hetch Hetchy Water System. The Board had no questions or comments regarding the Monthly General Manager's Report.

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

Mr. Guistino addressed questions from Directors Ascher and Larimer regarding the Operations Report.

Ms. Brennan explained the State of California Department of Housing and Community Development's adopted new gray water standards.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Agenda items discussed to place on the September Board of Directors meeting agenda included the sale of water connections and a review of the District's transfer policy.

9) ADJOURNMENT

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted unanimously to adjourn the August 11, 2009 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 9:45 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, September 8, 2009.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

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