

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 9, 2010 - 6:00 p.m.

- 1) **ROLL CALL** - The Closed Session convened at 6:00 p.m. Present at roll call: President Chris Mickelsen, Directors Ken Coverdell and Jerry Donovan. Vice-President Bob Feldman arrived at 6:06 p.m.

- 2) **PUBLIC COMMENT** - There were no public comments.

- 3) **CLOSED SESSION**
Anticipated Litigation, Pursuant to California Government Code 54956.9(c)
Initiation of Litigation: One Case

Conference with Real Property Negotiator Pursuant to California Government Code 54956.8
Property: APN 036-300-070, 037-320-280, 037-320-280, 037-320-180, 037-320-220, 037-320-260, 037-320-100
Agency Negotiator: David Dickson, General Manager
Negotiating Parties: Peninsula Open Space Trust
Under Negotiation: Price/consideration and terms of payment

- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 7:02 p.m., immediately prior to commencement of the regular meeting, at which time Mr. Miyaki announced that no reportable action had been taken during the Closed Session.

- 5) **ADJOURNMENT**

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, November 9, 2010 - 7:00 p.m.

- 1) **ROLL CALL** - President Mickelsen called the meeting to order at 7:11 p.m. Present at roll call: President Chris Mickelsen, Vice-President Bob Feldman, and Directors Ken Coverdell, and Jerry Donovan.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Cathleen Brennan, Public Outreach/Program Development/Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary; Gina Brazil, Office Manager; and Steve Twitchell, Water Treatment Plant Supervisor.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS**

Jeff Peck - El Granada - Relayed information he had recently obtained from the San Mateo County Local Agency Formation Commission (LAFCo) regarding the two parcels planned for development west of the local airport known as the Big Wave Project. Additionally, he requested clarity on the District's ability to possibly provide water service to the project.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending October 31, 2010 - Claims: \$715,269.71; Payroll: \$112,833.07 for a total of \$828,102.78
- B. Acceptance of Financial Reports
- C. Minutes of the October 12, 2010 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. October 2010 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for October 2010

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

ON MOTION BY Director Donovan 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	Aye
Director Larimer	Absent
Director Donovan	Aye
President Mickelsen	Aye

5) MEETINGS ATTENDED / DIRECTORS COMMENTS

Director Coverdell provided a brief report on his recent meeting with Art Jensen, CEO of the Bay Area Water Supply and Conservation Agency (BAWSCA). He suggested that staff provide a presentation to the Board on the District's current activities with BAWSCA.

6) GENERAL BUSINESS

A. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal year Ended June 30, 2010

Mr. Dickson reported that the members of the District's Finance Committee had recently met and reviewed the audit and associated reports. He then introduced Mr. Joe Arch, CPA, the District's Independent Auditor. Mr. Arch reported that the financial statements fairly represent the financial position of the District and that no exceptions or concerns were noted. He informed the Board that after a thorough audit of the District's financial statements, the District had once again

received a rave review, an “unqualified opinion”, which is the best possible rating from an auditor.

ON MOTION BY President Mickelsen, and seconded by Vice-President Feldman, the Board voted as follows, by roll call vote, to approve the Basic Financial Statements for Fiscal year Ended June 30, 2010:

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

B. Terrace Avenue Services Replacement Project

Jerry Steinberg, 591 Terrace Avenue, Half Moon Bay – Stated that he had several comments to make about this agenda item. He reported that approximately one month ago his lateral line was leaking and after calling the District to report the leak, a District field technician appeared immediately, and was extremely professional and knowledgeable and quickly repaired the leak. He also complimented the District Board and staff and stated that he was very impressed with the maturity in the District’s negotiations that resulted in the cost for the Terrace Avenue lateral replacement being partially offset by a donation of twelve non-priority connections from Ailanto Properties to the District. He concluded his comments by stating that he was somewhat concerned with the impact on the current sewer system of the 63 future homes, of approximately 4,000 to 5,000 square feet each and hoped that the City of Half Moon Bay can follow CCWD’s example in negotiating a successful solution to this potential problem. He reiterated his appreciation to the District.

The Board had no questions or comments about this agenda item.

ON MOTION BY Director Coverdell, and seconded by Director Donovan, the Board voted as follows, by roll call vote, to authorize staff to contract with Andreini Brothers to replace plastic services on Terrace Avenue for \$77,960.00:

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

C. Approval of Springbrook Version 7 Software Upgrade

Mr. Dickson provided the background of this agenda item, explaining that after evaluating the latest version of the District's software over the past year, staff recommends that the District proceed with this major upgrade to the software. He outlined the reasons that staff feels this upgrade is necessary and valuable and answered questions from the Board.

ON MOTION BY Director Coverdell, and seconded by Director Donovan, the Board voted as follows, by roll call vote, to authorize staff to execute a Version 7 upgrade agreement with Springbrook Software for an estimated cost, not to exceed \$63,413.00:

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

Mr. Miyaki took this opportunity to state that, in addition to the District's regularly scheduled Board meeting, the District also noticed a Special Meeting, for the sole purpose of providing the opportunity for one Director to participate via teleconference and that the District was in compliance with the procedural Brown Act requirements. He also confirmed with Director Larimer via telephone, that he was located in a publically accessible location and that if there were members of the public in attendance, they had the ability to hear the meeting discussion.

D. Approval of Application to transfer Uninstalled Non-Priority Water Service Connections: Gary Podesta TR and Wayne Podesta to Charles J. Keenan, III, TR: APN: 056-310-120 to 115-520-170

Mr. Dickson explained that the District had received an application for the transfer of 92 uninstalled non-priority water service connections from property owned by Gary and Wayne Podesta to a property designated by Assessor's Parcel Number 115-520-170, which is a developed condominium at the Beach House Inn. He provided further background about these particular connections, advising the Board that these connections were originally associated with the proposed Beachwood Project, which were later moved to the Podesta Property before the City of Half Moon Bay took ownership of the Beachwood property.

Mr. Dickson advised that the District's staff and counsel have reviewed the application and all documentation and found everything to be in order. He noted that the applicants have not submitted a letter from San Mateo County indicating that the receiving property is "potentially developable", and the District has waived this requirement in the past for properties that are already developed. Mr. Dickson stated that the District's transfer policy contains no requirements that connections transferred to a property must be used on that property, and there is also no requirement that the transferee property must have the potential to use all of the connections assigned to it. He advised that there are a number of past instances in which the District has approved transfers which result in "parking" of multiple connections on property which cannot use the connections.

Director Larimer, via telephone, inquired whether there was a precedent for transferring water connection(s) to a property that cannot use the connection, and whether the District allows the transfer of connection(s) to a property where the owner of the connection and the owner of the property are different.

Mr. Dickson stated that there has been a precedent, and cited specific details of previous transfer transactions and explained that the District's records track the water service connections assigned with assessor parcel numbers, not necessarily by the names of the connection owners.

Mr. Miyaki reviewed aspects of the District's transfer policy, provided a few examples of similar transfer transactions and noted that this particular transfer was somewhat unique in that there has not been a previous situation where the transferee property was a fully developed condominium receiving 92 water connections. Board discussion ensued, with Mr. Miyaki and Mr. Dickson addressing their questions and comments.

Director Larimer made a motion to deny the request to approve the transfer of the 92 uninstalled non-priority connections from APN 056-310-120 to APN 115-520-170. The motion failed due to the lack of a second.

ON MOTION BY Vice-President Feldman, and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve the transfer of 92 uninstalled non-priority connections from APN 056-310-120 to APN 115-520-170:

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

E. Approval of Resolution 2010-08 - Supporting the Association of California Water Agencies (ACWA) Policy Principles on Implementation of State and Federal Endangered Species Act

Mr. Dickson stated that the Association of California Water Agencies (ACWA) is requesting its member agencies to show their support in formally endorsing the set of policy principles on Endangered Species Act Implementation by adopting this Resolution.

ON MOTION BY Director Coverdell, and seconded by Director Donovan, the Board voted as follows, by roll call vote, to adopt Resolution 2010-08 - A Resolution of the Coastside County Water District Board of Directors Supporting the Association of California Water Agencies (ACWA) Policy Principles on Implementation of State and Federal Endangered Species Act (ES).

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

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

- **Connection Sale Status** - Mr. Dickson provided an update on the status of the connection sales, advising that 32 application submittals had been received by the District to date, and that staff was working on the processing of these connection sales. He noted that one purchaser will be eligible to purchase an additional 5/8" connection for a duplex, and two purchasers may need an additional half connection to accommodate higher fixture counts. He reported that these connection sales resulted in revenue to the District of \$462,128.00, in addition to \$16,000 in administrative fee payments.

- **Water Reclamation Update** – Mr. Dickson reported that he had recently met with SAM’s Manager, Steve Leonard, but that there was nothing new to report this month on this matter.
- **SFPUC State of the Water System Report** – Mr. Dickson advised that the San Francisco Public Utilities Commission (SFPUC) has issued its *2010 State of the Regional Water System Report* and provided the website where the report is available.

A. **Operations Report** – Mr. Steve Twitchell, Water Treatment Supervisor, summarized the highlights of the Superintendent of Operation’s monthly report, including the Pilarcitos East Pipeline, the Nunes Short Term Improvements Project and the recently completed Denniston Dredging.

Glenn Reynolds, Princeton - Suggested that the District consider acoustic data-loggers, which could be beneficial in locating pipeline leaks.

B. **Water Resources Report** – Ms. Brennan provided an update on the regional combined water-energy rebate program for residential high efficiency clothes washers, advising that effective January 1, 2011, CCWD’s rebate amount will be reduced from \$125.00 to \$50.00 per washer and that Pacific Gas & Electric will continue to rebate \$50.00 per washer.

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

9) **ADJOURNMENT**

The meeting was adjourned at 8:39 p.m. The next regular meeting of the Coastside County Water District’s Board of Directors is scheduled for Tuesday, December 14, 2010.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Chris R. Mickelsen, President
Board of Directors