

**COASTSIDE COUNTY WATER DISTRICT  
766 MAIN STREET  
HALF MOON BAY, CA 94019**

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

**December 10, 2002 – 7:30 p.m.**

**The Board of the Coastside County Water District reserves the right to take action on any item included on this agenda.**

- 1) **ROLL CALL:** President John Muller called the meeting to order at 7:30 p.m. Present were Directors Jim Larimer, James Marsh, Chris Mickelsen and Eleanor Wittrup. Also present were Ed Schmidt, General Manager; Dave Mier, Superintendent; Anthony Condotti, Legal Counsel; James Teter, Engineer; JoAnne Whelen, Administrative Assistant; Gina Brazil, Office Manager; Glenna Lombardi, Project Coordinator; and Sherry Hartwig, Recording Secretary. There were approximately 7 people in the audience.
- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.
- 3) **INTRODUCTIONS:** General Manager Ed Schmidt stated that there would be two brief presentations this evening; one from Mr. Lonnie Hayhurst of L.B. Hayhurst & Associates, regarding the current recruitment search for a new Superintendent of Operations/Engineer, and a second presentation from Mr. John Eidinger, Principle Investigator for G. & E. Engineering Systems, Inc., who will be reviewing his recent “Seismic Vulnerability Assessment” report to the CCWD.

The General Manager also stated that Mr. Steve Thornton (Item 7D) would be speaking to the Board this evening regarding his recent correspondence to the District about his urgent need for a water connection. He indicated that it would be best to hear this item following Item 8A – Consideration of an amendment to District’s Transfer Policy to permit non-same party transfers, transfers of partial capacity and staff approval of transfer applications.

President Muller stated that this would be Dave Mier’s last meeting before his retirement and congratulated him on his many years of public service to the community. Mr. Mier received well wishes from all.

- 4) **PUBLIC ANNOUNCEMENTS**  
Judy Taylor, 210 Main Street, Half Moon Bay, addressed the Board regarding annual public water usage, stating that it has escalated considerably since 1991. She would like to see the community respond with better water conservation practices and would like to see the Board become more aggressive with regard to creating better public awareness of conservation issues. The General Manager responded by outlining the District’s current programs to educate the public about different conservation methods. President Muller stated that he has concerns

about the possibility of drought in the coming year and would encourage the District to further escalate public awareness of conservation issues and programs.

- 5) **APPROVAL OF THE AGENDA:** The General Manager reiterated that he would like the Board to hear Item 7D (a request from Mr. Steve Thornton for a water connection) after discussion of Item 8A – Consideration of an amendment to District’s Transfer Policy to permit non-same party transfers, transfers of partial capacity and staff approval of transfer applications.

**ON MOTION by Director Wittrup, seconded by Director Mickelsen, the Board voted unanimously to accept the General Managers’ proposed revision to the Agenda.**

6) **CONSENT CALENDAR**

- A. Requesting the Board to review payment of claims for the month ending November 30, 2002 in the amount of \$530,423.15
- B. Acceptance of Financial Reports
- C. Minutes of the November 5, 2002 Board of Directors Special Meeting

**ON MOTION from Director Wittrup, seconded by Director Marsh to approve the Consent Calendar, included a discussion of a question from Director Marsh concerning the General Ledger. Dave Mier provided an explanation for the several figures that Director Marsh was questioning. Following Director Marsh’s acceptance of Mr. Mier’s clarification, President Muller asked that the vote continue to accept the Consent Calendar. The vote was unanimous to approve the Consent Calendar its’ entirely.**

7) **REPORT OF THE GENERAL MANAGER**

- A. Report on status of recruitment of CCWD Superintendent/Engineer position – Presentation by Lonnie Hayhurst of L.B. Hayhurst & Associates.

Director Marsh excused himself from the Board table and the ensuing discussion, due to his interest in applying for the position. Mr. Lonnie Hayhurst stated that recruitment activities would begin in approximately two weeks and distributed a copy of the brochure that will be sent to qualified candidates who have been identified by L.B. Hayhurst and Associates. This mailing will be followed by phone calls to these individuals to assess their interest. Once the finalist candidates have been selected, interviews will be scheduled and background/reference checks will be undertaken. Mr. Hayhurst will keep the Board apprised of the process.

**B. Report on Seismic Vulnerability Assessment for CCWD Facilities - Presentation by John Eidinger, Principal Investigator, G & E Engineering Systems, Inc.**

Mr. Eidinger discussed numerous items and issues, including maps of local water systems and faults, earthquake probability in various Bay Area communities, a complete CCWD pipe inventory, major vulnerabilities in the system due to ground shaking, liquefaction and pipe breakage, what things would need to be done for restoration of the systems (including man hours to make needed repairs), and how this would all affect the Coastside's raw water supply. He followed this with his recommendations for a Seismic Improvement Program and the potential costs of implementation. President Muller asked about the viability for CCWD headquarters to be used as a base of operations for strike teams and repair functions. Director Marsh asked about what other water districts are doing in this regard and how they determine the necessary upgrades. Mr. Eidinger discussed community feedback and approval of an improvement program and related rate increases in order to cover costs. The General Manager complemented Mr. Eidinger on his report, as it was prepared on time and within the budget and the Board expressed appreciation for Mr. Eidinger's well-done presentation and excellent report. The report will be reviewed by the Hydraulic Model Committee and further discussion by the Board about proceeding forward with improvement projects will be scheduled for future meetings. The General Manager stated that the specific recommendations will be seen in future Capital Improvement Budgets.

**C. Correspondence and request from Mr. John Abe for an adjustment on a water bill for 636 Myrtle Street, Half Moon Bay.**

The Board recommended, and President Muller so ordered, that staff send the proposed letter (currently in draft form) from the General Manager to Mr. Abe advising that the District does not have a high bill adjustment policy.

**D. Correspondence and request from – Mary and Steve Thornton, 263 Yale Avenue, for a water connection.**

This item was postponed until discussion could take place regarding Item 8A about the Transfer Policy. Please see remarks following Item 8A.

E. Update on recent activities regarding the El Granada Pipeline Project Appeals and possible direction to staff regarding the California Coastal Commission Hearing for Appeal Nos. A-2-SMC-99-65 and A-1-HMB-99-20.

The Board discussed the recent correspondence from the City of Half Moon Bay's Mayor, Dennis Coleman to the California Coastal Commission regarding the El Granada Pipeline Appeals. The General Manager reported that results based on the new data submitted for the hydraulic model would be available in early January. President Muller recommended that the District wait until all information is available and then be forwarded to the California Coastal Commission as a complete package.

F. General Manager Activities

The General Manager referred to his written report as contained in the agenda packet. The Board had no questions or comments regarding the activities.

**8) ATTORNEY'S REPORT**

A. Consideration of an amendment to District's Transfer Policy to permit non-same party transfers, transfers of partial capacity and staff approval of transfer applications.

Mr. Condotti presented his memorandum regarding the Board's proposed consideration of an amendment to the District's Transfer Policy to permit non-same party transfers, transfers of partial capacity, and staff approval of transfer applications. He reviewed the Board's conceptual approval, during the November 5<sup>th</sup>, 2002 Special Meeting of the Board of Directors, of the amendment to Section U, "Transfer of Water Service Connections" in the four points outlined in his memorandum. The Board then reviewed, item by item, a six-page blue-line draft of proposed revisions to the Transfer Policy.

There was extensive and lengthy discussion among the Board members regarding this issue, interspersed with remarks by General Manager, Ed Schmidt, Superintendent Dave Mier, Project Coordinator, Glenna Lombardi, and audience members, including:

Judy Taylor, 210 Main Street, Half Moon Bay: spoke several times and discussed external and internal processes related to water connection transfers and some of the complexities related to these processes, and she also addressed several of the issues raised in Dennis Coleman's letter to the District dated December 9, 2002 regarding Transfers of Water Service Connections.. She encouraged the Board to pass the amendments to the Transfer Policy tonight.

Larry Kay, 12 Sunset Terrace, Half Moon Bay: suggested that the Board get the City of Half Moon Bay and the County of San Mateo involved in the water transfer process, as he thinks the current transfer policy involves the CCWD excessively in land use, which is not the CCWD's business.

Claude Windell, P.O. Box 370303, Montara: encouraged the Board to simplify the transfer process which he feels would allow the marketplace to determine if a piece of land is developable and a water connection is marketable.

Matt Francois of Cassidy, Shimko & Dawson, 20 California St., San Francisco: Matt spoke on behalf of Ailanto Properties in support of the revisions to the water transfer policy. He also spoke regarding Mayor Dennis Coleman's letter to the District.

Sally Campbell, Harbor Commissioner: Explained that she also is involved in real estate. She believes that the current Transfer Policy is not an equitable policy, as she knows of people who have suffered due to the current restrictions. She believes that the resolution to revise the Transfer Policy should be passed.

James Allen, Pacifica: Explained to the Board that he has been trying for many years to develop a piece of land that he owns in the Miramar area and has been unable to purchase a water connection. He believes that the proposed revisions to the current Transfer Policy may help him in accomplishing that goal.

**ON MOTION by Director Larimer, seconded by Director Mickelsen, that the Board accept the amended resolution to the CCWD Transfer Policy.**

Director Marsh stated that he would like to see an additional, revised draft of the proposed changes to the Transfer Policy at the January meeting. President Muller stated that a motion, and a second to that motion, to accept the revisions as presented tonight had already been put forth, and that an additional draft review in January would only re-open similar discussion again. At this point in time he called for a roll call vote by the Board to move forward with the Motion by Director Larimer to accept the proposed changes to the Transfer Policy as outlined in the draft presented by Mr. Condotti during this meeting.

**The Roll Call vote to accept the proposed changes to the Transfer Policy was as follows:**

<b>Director Larimer</b>	<b>Yes</b>
<b>Director Marsh</b>	<b>No</b>
<b>Director Mickelsen</b>	<b>Yes</b>
<b>Director Wittrup</b>	<b>No</b>
<b>President Muller</b>	<b>Yes</b>

Following the completion of the discussion regarding the Transfer Policy, the Board returned to address Item 7D, as follows:

Mr. Steve Thornton, of 263 Yale Avenue in Half Moon Bay, made a plea to purchase a water connection for his 50 year-old home, which has, until recently, shared a water connection with the house located at 267 Yale Avenue. The Board stated that although the situation is unfortunate, could not have been predicted and is truly a serious hardship; the District currently does not have any water connections available. Director Wittrup and Director Mickelsen both encouraged Mr. Thornton to contact members of tonight's audience, as any changes made this evening to the Transfer Policy may be to his benefit.

**9) ENGINEER'S REPORT**

- A. Engineering Projects Received in November, 2002
- B. District Engineer Work Status Report (which will include an update on the Water Reclamation Study)

Due to the late hour of the meeting, this item was tabled for the next meeting to be held on January 14, 2003.

**10) OPERATIONS REPORT**

- A. Notice of Completion - Acceptance of Alameda Pipeline Project

Superintendent Mier briefly discussed Item 10A.

**ON MOTION by Director Wittrup, seconded by Director Marsh, the Board voted unanimously to accept Item 10A in its' entirety.**

- B. Acceptance of Water System Improvements for the Pillar Point Harbor Village Water Pipeline Extension

Superintendent Mier briefly discussed Item 10B.

**ON MOTION by Director Wittrup and seconded by Director Larimer, the Board voted unanimously to accept Item 10B in its' entirety.**

- C. Water Service Connections Installed, Priority and Non-Priority
- D. Capital Improvement Program Progress
- E. Water Sample Report, Local Production, Water Purchases, Leaks, etc.

**ON MOTION by Director Wittrup and seconded by Director Larimer, the Board voted unanimously to accept reports related to Items 10C, 10D, and 10E in their entirety.**

**11) MEETINGS ATTENDED/SCHEDULED – BOARD OF DIRECTORS**

- A. Scheduled – Environmental Analysis Workshop – Tues., January 28, 2002
- B. Main & Arnold Senior Housing Groundbreaking Ceremony – Monday, December 16, 2002

The Board briefly reviewed Items 11A and 11B. The Arnold Senior Housing Groundbreaking Ceremony has been set for 4:00 p.m. on the afternoon of the 16<sup>th</sup>. President Muller reminded everyone to calendar this coming Friday evening, December 13, for the CCWD Holiday Party and hopes that all will attend.

**12) AGENDA ITEMS AND DIRECTOR COMMENTS:** None

**13) CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL  
EXISTING LITIGATION (Cal. Government Code Section 54956.9)  
Beuth v. Coastside County Water District – SMSC Case No. 407917**

The Board went into Closed Session at approximately 11:45 p.m.

**14) ADJOURN:** The Recording Secretary was not present for adjournment, which occurred after the Closed Session. The next meeting of the Board of Directors will be a Regular Meeting on January 14, 2003 at 7:30 p.m.

Respectfully submitted,

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Ed Schmidt, General Manager

APPROVED:

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John Muller, President