

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, December 8, 2009**

- 1) **ROLL CALL** - The meeting convened at 5:46 p.m. Present at roll call: President Mickelsen, Vice-President Feldman, and Director Ken Coverdell. Also present: David Dickson, General Manager, Patrick Miyaki, Legal Counsel, and JoAnne Whelen, Administrative Assistant/Recording Secretary. Director Larimer arrived at 5:49 p.m.
- 2) **PUBLIC ANNOUNCEMENTS** - There were no public announcements.
- 3) **SPECIAL ORDER OF BUSINESS**
  - A. Administration of Oath of Office to Newly Elected Directors  
  
District Legal Counsel, Patrick Miyaki, administered the Oath of Office to Directors Mickelsen and Donovan.  
  
Half Moon Bay City Council Representatives Mayor Marina Fraser, Naomi Patridge, and John Muller were in attendance and each congratulated the newly elected Directors.
- 4) **CLOSED SESSION**

Pursuant to California Government Code Section §54956.9(b)  
Conference with Legal Counsel - Anticipated Litigation  
Significant Exposure to Litigation: One Case

The Closed Session convened at 5:50 p.m., and was attended only by the Board of Directors, Mr. Dickson and Mr. Miyaki.
- 5) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at approximately 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.

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**MINUTES OF THE BOARD OF DIRECTORS MEETING**

**Tuesday, December 8, 2009**

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 7:02 p.m. Present at roll call: Vice-President 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 ANNOUNCEMENTS:** There were no public announcements.

- 4) **SPECIAL ORDER OF BUSINESS**

Election of CCWD Board President and Vice-President

President Mickelsen opened the nomination period, at which time Director Coverdell nominated Director Mickelsen to serve as Board President, which was seconded by Vice-President Feldman. Director Larimer then nominated Director Feldman for the role as President of the Board.

Vice-President Feldman stated that he appreciated the nomination but chose to decline at this time.

Director Larimer then nominated Director Coverdell to serve as Board President, which was seconded by Director Donovan, at which point President Mickelsen closed the nomination period.

Director Coverdell noted several factors why he felt it would be beneficial for Director Mickelsen to continue serving as President for the next year, with Director Feldman continuing to serve as Vice-President. He stated that he was honored to be nominated, and he had served twice as Board President previously, but advised that he wished to focus his attention on his business over the next year, which would make it difficult to devote the time necessary to do a quality job as the Board's President. He requested that his name be removed from the nominations, and Director Larimer did so.

**Director Coverdell moved that Director Mickelsen's nomination for President and Director Feldman's nomination for Vice-President be by acclamation, which was approved unanimously by the Board.**

**5) CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending November 30, 2009 - Claims: \$394,404.22; Payroll: \$72,198.44 for a total of \$466,602.66
- B. Acceptance of Financial Reports
- C. Minutes of the November 10, 2009 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. November 2009 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for November 2009
- J. Notice of Completion - Pilarcitos Culvert Replacement Project

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

**ON MOTION by Director Larimer 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 Donovan	Aye
President Mickelsen	Aye

6) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Coverdell reported that he had attended the Bay Area Water Supply and Conservation Agency (BAWSCA) meeting and provided an update on the successful progress of the Hetch Hetchy retrofitting project.

Vice-President Feldman shared highlights of the recent Association of California Water Agencies (ACWA) Fall Conference he attended in San Diego, CA.

7) **GENERAL BUSINESS**

A. **CCWD Basic Financial Statements and Independent Auditors Report for the Year Ended June 30, 2009**

Mr. Dickson advised that in June 2009, the Board approved retaining the services of Joseph Arch, CPA, as the District's Independent Auditor, and that he had recently completed the audit. He then introduced Mr. Joseph Arch.

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 the opinion of the financial statements was considered an "unqualified" opinion, which is the best possible rating from an auditor.

**President Mickelsen moved that the Board accept the Basic Financial Statements, which was approved unanimously by acclamation.**

B. **Fiscal Year 2008-2009 Year End Budget Review**

Mr. Dickson reviewed details of the revenue and operating expenses associated with the fiscal year 2008-2009 year-end budget analysis. There were no questions from the Board.

C. **Proposed Increase in Transmission and Storage Fees:**

Mr. Dickson provided the background of this agenda item, explaining that the District has not had an increase in Transmission and Storage (T & S) fees since 1987. He referenced the report prepared by Bartle Wells Associates, which recommended that the District adjust the T & S fees for inflation in accordance with the Engineering News-Record 20-City Average Construction Cost Index (ENR CCI), which would adjust the T & S fee for a 5/8" connection from \$6,970.00 to \$13,592.00. He further explained the process, which includes issuance of a notice of proposed increase in the District's T & S fees and the scheduling of a public hearing to be conducted at the Board's regular meeting on February 9, 2010, with the proposed increase in fees going into effect on April 15, 2010.

**ON MOTION by Director Coverdell and seconded by Vice-President Feldman, the Board voted as follows, by roll call vote, to authorize the issuance of a notice of proposed increases in the District's Transmission and Storage fees and to schedule a public hearing on the proposed increases to be held at the Board's regular meeting on February 9, 2010:**

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

**D. Appointment of CCWD Board Member Representatives and Alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) Election of Officers**

Mr. Dickson reviewed the background of this matter, informing the Board that LAFCo recommends that standing voting representatives be designated in case a special district selection committee is called due to a vacancy, and the District's presiding officer is not able to attend the meeting.

Director Larimer stressed the importance of participating in meetings of the local California Special Districts Association chapter and encouraged all Directors to attend when possible.

**ON MOTION by Director Coverdell and seconded by Director Donovan, the Board voted as follows, by roll call vote, to designate President Mickelsen as the District's voting representative to participate in the San Mateo County Local Agency Formation Commission election of officers, followed by the designation of Directors Feldman, Coverdell, Larimer, and Donovan to serve as alternates.**

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

E. **Appointment of CCWD Board Member Representative and an alternate to serve on the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA)**

Mr. Dickson advised the Board that it is also necessary to appoint a CCWD Board Member and an alternate to serve as the District's representative to the ACWA/JPIA:

**ON MOTION by President Mickelsen and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to designate Vice-President Feldman as the District's representative to serve the ACWA/JPIA.**

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

**ON MOTION by Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to designate Director Donovan to serve as the District's alternate to ACWA/JPIA.**

F. **Coastside County Water District Advisory Committees**

President Mickelsen advised that Director Ascher's departure from the Board had created vacancies in several of the District Advisory Committees and that he would be filling the positions. He stated that he felt the vacancy on the District's Finance Committee would best be filled by Director Feldman. President Mickelsen then assigned Director Donovan to fill the vacancy on the CCWD/Montara Water and Sanitary District Mutual Interest Committee and stated that he would be serving on the Human Resources Committee.

G. **Water Reclamation Update**

Mr. Dickson stated that he has been involved in working on two recent items developed in cooperation with the Sewer Authority Mid-Coastside

(SAM) staff. He reported that the first consisted of an outline of proposed principles for a CCWD/SAM agreement on recycled water, which he reviewed in detail with the Board. Mr. Dickson explained that, subject to the Board's review and input, the next step in developing a CCWD/SAM agreement would be for the staff of both agencies to work with their respective legal counsel to draft a more detailed set of principles with consideration by both boards.

Board discussion ensued, with Mr. Dickson addressing the Board's questions and concerns regarding the proposed agreement. The Board supported ongoing efforts from the staff of both agencies to continue to work together in further refining the principles of the agreement.

Mr. Dickson introduced the second concept, which proposed that both CCWD and SAM jointly hire a project manager, independent of either agency, whose activities both agencies would jointly direct, and whose costs would be shared. He outlined the tasks and process involved, that could potentially result in retaining a water recycling project manager. The Board discussed the concept and in addressing their questions, Mr. Dickson elaborated that he would be working together with SAM's General Manager, Mr. Foley, to define the scope for the project manager role, which would largely focus on items that need to be coordinated between the two agencies, including the definition of the project, the environmental process, the permitting process, and the project funding. The Board also supported further development of the concept of the recycled water project management services.

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

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

Mr. Dickson referenced his staff report, noting that for this month's report, he would be highlighting recent important District activities, including presentations on a planned unidirectional flushing program by Superintendent of Operations Joe Guistino, and on current water conservation programs by Cathleen Brennan, Water Resources Analyst.

Mr. Guistino provided a power point presentation on the unidirectional flushing program that he designed to achieve the routine flushing of

sediment out of the District's transmission system. Following the presentation, he answered questions from Board members.

Cathleen Brennan then provided an in-depth presentation on current water conservation activities, including Water Conservation Senate Bill 7 (the "20% by 2020" law) and the Bay Area Water Supply and Conservation Agency's (BAWSCA) proposed Water Conservation Implementation Plan (WCIP). Her presentation outlined key challenges, including a limited water supply, projected increase in water demands, and new regulations and agreements. She discussed development of a District water conservation plan that will meet the requirements of Senate Bill 7 and the requirements of the Memorandum of Understanding for the California Urban Water Conservation Council (CUWCC), as well as meeting the measures listed in the BAWSCA's Water Conservation Implementation Plan. Following her presentation, Ms. Brennan addressed questions from the Board.

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

There were no Director comments.

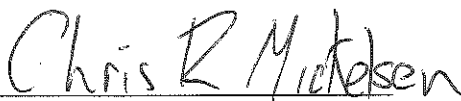
10) **ADJOURNMENT**

The meeting was adjourned at 9:21 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, January 12, 2010.

Respectfully submitted,



David R. Dickson, General Manager  
Secretary of the Board



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