

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, December 11, 2007 - 7:00 p.m.

- 1) **ROLL CALL:** President Larimer called the meeting to order at 7:01 p.m. Present at roll call were Directors Ken Coverdell, Chris Mickelsen and Bob Feldman. Director Ascher arrived at the meeting at 7:07 p.m.

Also present were: David Dickson, General Manager; Tony Condotti, 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** - None. President Larimer announced that he would be re-ordering the agenda, in order to move the election of the Board President and Vice-President to the end of the meeting.

- 4) **SPECIAL ORDER OF BUSINESS**

- Administration of Oath of Office to Newly Elected Directors Ken Coverdell, Robert Feldman, and James Larimer

District Legal Counsel, Tony Condotti, administered the Oath of Office to the three newly elected Directors.

5) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month Ending November 30, 2007 – Claims: \$398,768.77; Payroll: \$96,640.71 for a total of \$495,409.48
- B. Acceptance of Financial Reports
- C. Minutes of the November 13, 2007 Board of Directors Meeting
- D. Approval to proceed to solicit bids for the purchase of 15 automated filter operating valves at the Denniston Water Treatment Plant
- E. Award of contract, subject to District Counsel review and approval, for the El Granada Tank # 1 Site Modification Project

Mr. Dickson reviewed the bid results for the El Granada Tank # 1 Site Modification Project, reporting that the low bid was received from Lewis and Tibbitts, Inc. in the amount of \$196,875.00. Director Ascher reported that he had reviewed the claims and found all to be in order.

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

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

President Larimer acknowledged that several elected officials had arrived, including Half Moon Bay City Council Members Marina Fraser and John Muller and San Mateo County Supervisor, Rich Gordon. He also acknowledged the presence of representatives from the Montara Water & Sanitary District and the Sewer Authority Mid-Coastside, Paul Perkovic and Bob Ptacek.

6) GENERAL BUSINESS

- A. **Presentation from Martha Poyatos, Executive Officer of the San Mateo County Local Agency Formation Commission (LAFCo) regarding the local Municipal Service Review process**

Mr. Dickson introduced Ms. Poyatos and she proceeded to provide a power point presentation including an overview of the Municipal Service Review process and determinations for the coastside, and LAFCo's background, local government, and the special districts and agencies in San Mateo County that are currently under study. Ms. Poyatos also addressed several questions from Board members.

B. Discussion and acceptance of Basic Financial Statements for Fiscal Years Ending June 30, 2007 and 2006, Management's Discussion and Analysis (MD&A) and Internal Control Structure Report – Presentation by Vikki Rodriguez of Maze & Associates

Mr. Dickson provided the background of this item, and reported that the Auditor's letter attests that the financial statements fairly represent the financial position of the district, with no exceptions or concerns noted, which is the best possible conclusion of an audit. Ms. Rodriguez reiterated that upon conclusion of the audit, Maze & Associates were issuing an "unqualified opinion", which is the "cleanest" opinion that can be issued. President Larimer requested that the next completed audit for fiscal year 2007/2008 be submitted so that it can be posted in a digital format on the District's website.

C. Discussion and direction to staff regarding contract with Carollo Engineers for Construction Management Services for the El Granada Phase 3 Pipeline

Mr. Dickson reviewed the background of this item, and informed the Board that Staff had interviewed two construction management firms and were recommending that the District contract with Carollo Engineers for construction management services for Phase 3 of the El Granada Pipeline Replacement Project for a not to exceed cost of \$401,400. Mr. Dickson introduced Mike Britten, Partner with Carollo Engineers, noting that Mr. Britten had experience working on the coastside as he had been involved in the Sewer Authority Mid-Coastside expansion project. Mr. Dickson and Mr. Condotti addressed several questions from the Board. Discussion ensued, with the Board requesting that language be added to the contract under item 4 Contract Amount, which would add "to oversee completion of the El Granada Pipeline Phase 3 Construction Project" and that Carollo's insurance limits be increased.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted by the following roll call vote to authorize execution of a contract with Carollo Engineers for construction management services for the El Granada Pipeline Phase 3 Project for a cost not to exceed \$401,400.00 with the following contract revisions to be incorporated: inclusion of the phrase “to oversee completion of the El Granada Pipeline Phase 3 Construction Project” in section 4 of the contract and the general liability insurance limits be increased from \$1,000,000. to \$3,000,000:

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

D. Board of Directors Strategic Planning Retreat

Mr. Dickson introduced this agenda item, advising the Board that his goal is to arrive at a format that will allow the District to analyze issues which may possibly result in policy decisions on some complex issues. He also suggested that as an alternative to trying to cover all of the topics of interest to the Board in a single day’s far-ranging discussion, that the Board possibly consider an approach that would allow a series of shorter four hour work sessions, each focused on one strategic planning area. He proposed the following four topics for discussion: Water Supply Planning, Infrastructure and Capital Improvements, Funding the District and District Organization. He also recommended that these sessions be held in addition to the Board’s regular monthly meetings.

Discussion ensued among the Board of the proposed tentative schedule and the suggested discussion topics. Direction was given to staff to schedule and prepare for a one day facilitated retreat in February 2008, for general discussion and planning for the District, to include topics such as its strengths and weaknesses and potential opportunities and threats and to set the framework for the four additional strategic planning sessions recommended by Mr. Dickson, that would follow within the next several months after this initial Board Retreat.

7) GENERAL MANAGER’S REPORT

Mr. Dickson stated that he had placed this item on the agenda in case any last minute items had come up after the agenda had been distributed, but that he had nothing new to report here and encouraged the Board to take this opportunity to express any thoughts, questions or suggestions that they may have regarding the agenda.

President Larimer opened discussion of the new agenda format, which lists many items under the topic of Monthly Informational Reports. Mr. Dickson explained that these items provide information only and routine District business items, and do not necessarily require any discussion by the Board or further reporting by staff at the Board meetings. He also explained that this allowed for the meetings to focus more on subjects that require decisions to be made by the Board.

Director Coverdell stated that he had recently met the Water Resources Specialist for the Contra Costa Water Department who had shared some very complimentary comments in regards to Ms. Cathleen Brennan’s work at the District. He also commented that this staff member had also expressed how impressed they were with the valuable information available on the District’s website and noted that she was using our website as a model for their own website, especially in regards to the water conservation data.

8) DIRECTOR COMMENTS / MEETINGS ATTENDED

There was no discussion of this agenda item.

9) MONTHLY INFORMATIONAL REPORTS

President Larimer suggested that item 9H – the Water Shortage and Drought Contingency Plan Update Report be discussed in further detail. Mr. Dickson advised that this is an area that District staff has been actively focusing on, including regular staff planning sessions and meetings with the District’s largest commercial water customers. He advised the Board of Ms. Brennan’s recent outreach activities, including the direct mailing postcard providing the water shortage advisory update to all customers and also advised that staff would be presenting a draft Drought Contingency Rate Ordinance to the Board in the near future. Mr. Dickson

also informed the Board that the subject of the Water Shortage and Drought Contingency Plan would be a separate topic for detailed discussion at the January Board meeting.

Ms. Brennan addressed the Board and reiterated some of her recent activities and briefly discussed some of the strategies and plans currently being discussed by staff in regards to proposed water allocations among the District's customer classes, which will be presented in further detail at the January meeting.

Concluding dialogue of the monthly informational reports, President Larimer announced that discussion would move to the second article under item 4 – Special Order of Business.

4) SPECIAL ORDER OF BUSINESS

➤ Election of Board President and Vice-President

President Larimer opened the election for the positions by nominating Director Everett Ascher to serve as the Board's President for the next year, which was seconded by Director Feldman. Director Coverdell nominated Director Chris Mickelsen, which was seconded by Director Ascher. Nominations were then closed and discussion by the Board ensued. Prior to voting on filling the President position, Director Mickelsen withdrew his name from nomination.

ON MOTION by President Larimer and seconded by Director Feldman, the Board voted by the following roll call vote for Director Everett Ascher to serve as President of the CCWD Board for the 2008 year term:

Director Coverdell	Aye
Director Ascher	Abstain
Director Feldman	Aye
Vice President Mickelsen	Aye
President Larimer	Aye

ON MOTION by Director Feldman and seconded by Director Ascher, the Board voted unanimously for Director Chris Mickelsen to serve as Vice-President of the CCWD Board for the 2008 year term:

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

President Larimer concluded the meeting by thanking the Board for electing him as President, and reflected on the Board's accomplishments and consensus in their commitment to serving the community.

10) ADJOURNMENT

The meeting was adjourned at 9:25 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, January 8, 2008.

Respectfully submitted,

David Dickson, General Manager

Everett Ascher, President
Board of Directors
Coastside County Water District