

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE SPECIAL BOARD WORKSHOP**

**December 12, 2006 – 6:00 p.m.**

- 1) **ROLL CALL:** President Ascher called the meeting to order at 6:03 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen, and Bob Feldman.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager. TRC Essex consultants Steve Stielstra and Kevin Janik were also present. Several invited guests and agency representatives were also in attendance.

- 2) **PRESENTATION BY ENVIRONMENTAL CONSULTANT TRC ESSEX ON PROPOSED DENNISTON RESERVOIR RESTORATION PROJECT**

President Ascher welcomed everyone to the workshop and explained that the Coastsides County Water District's Board of Directors has taken the initiative to work cooperatively with County, City, State and Federal Agencies to adopt "balanced approaches" to the District's projects. President Ascher expressed the importance of the District's responsibility of stewarding and protecting the essential domestic water supply, which our watersheds provide to coastsides residents. He further explained that the District recognizes that others depend on these limited water resources as well, including sensitive aquatic and riparian species, safe beaches and parks, and agricultural irrigation and also have rights to these waters based on State and Federal mandates or vested water rights for their beneficial use.

President Ascher shared that the basis of this philosophy is an expectation that all users will negotiate honestly and fairly, seeking only those resources which "protect" their needs.

President Ascher then provided a brief background of the project, including retaining the services of TRC Essex Environmental to assist the District in developing the path which leads to the continuation of the District's historical use and long-term maintenance of the Denniston Creek Facilities. He also shared the goals of this project, including consideration of the irrigation water needs of the agricultural operator adjacent to this stream and to consider protection and possibly enhancement of the natural attributes of this stream and all associated plant and animal habitats. President Ascher concluded his introduction, stating that the District hopes that TRC Essex and the range of State and Federal Agency partners can help the District achieve these goals.

Mr. Ed Schmidt, Coastside County Water District's General Manager introduced the District's consultants, TRC Essex, expressing the District's appreciation for their interest and expertise in this project. He then provided a brief background of the project, introduced TRC Essex's Project Manager, Kevin Janik and distributed copies of their power point presentation.

Mr. Janik then displayed his power-point presentation and reviewed the material, including background information for the project, the project services TRC is providing, their work involving agency consultation, their background research, the GIS mapping services and general site assessment. Mr. Janik also reported on the stakeholder discussions, and stream flow data, their permitting strategies and discussed the next steps to be scheduled, including work with professional hydrologists to develop a water budget and stream flow monitoring program, as well as scheduling meetings with Peninsula Open Space Trust representatives to discuss the future goals and project parameters.

Mr. Schmidt reported that every year, over the past ten years, CCWD has purchased more and water from the San Francisco Public Utilities Commission and that last June had realized a 20% increase in their water rates. He also reported, that the relatively inexpensive water supply from Denniston has decreased, despite the periodic maintenance of the reservoir. He explained that the last significant maintenance of the project was in 1982, when approximately 20,000 yards of sediment was removed. Due to the changing environmental regulations, financial situation (high SFPUC charges), the CCWD Board and staff recognize the importance in taking a new approach with the project this time. Mr. Schmidt then thanked the TRC Essex staff and invited comments from the general audience.

Leonard Woren – El Granada - Requested a review of how the increase in the reservoir capacity would affect stream flows during the wet and dry seasons,

especially where it crosses Prospect Way in Princeton, right before the creek enters the harbor.

Mr. Janik reported that this had not been determined at this point and that he did not believe that an increased capacity in the reservoir would greatly affect the water flow. Mr. Schmidt agreed with Mr. Janik and conferred with the District Engineer, Mr. Jim Teter, who stated that he was also in agreement with the statement.

Paul Ringgold, Director of Land Stewardship with the Peninsula Open Space Trust Organization: – Inquired about the results of Mr. Janik’s meetings with other agencies, in terms of their suggested mitigation alternatives, and asked whether a report has been written for review on the concepts that are currently being discussed and how it will affect POST.

Mr. Janik addressed this question by explaining that intentionally, they had not proceeded to that level yet with the project, and it had already been determined that the POST representatives should be participating in the project discussions and meetings before any decisions or even a project description can be developed.

Mr. Schmidt took this opportunity to advise that a draft report had been received from TRC Essex, distributed to the Board and that copies are available for distribution the public. He also informed the audience that this item, the Discussion of the Draft Initial Report Findings from TRC Essex on the Denniston Restoration Project, appears later on in the agenda for the regular monthly Board meeting.

John Muller – 923 Miramontes, Half Moon Bay - echoed Mr. Ringgold’s comments, stating that he is in support of finding a way to ensure that the history of agriculture stays on this property. He also stressed the importance of balancing the environment, the operation, and CCWD’s need for water to serve the coastside residents. He also suggested researching “wet-weather banking” as an option.

President Ascher then requested comments from each of the Directors.

Director Coverdell thanked the attendees and stated that he was very excited about the project and felt that the District had demonstrated a very balanced approach to the project by including the many valuable players to work together to protect our limited resources. He also stated that he liked the idea

that it was an inter-agency approach. He also expressed his concern of the expensive SFPUC water rates and the importance and value of our local water sources.

Director Mickelsen noted that Director Coverdell had touched on many important subjects. He reported that he is CCWD's representative to the twenty-nine member agencies that make up the Bay Area Water Supply and Conservation Agency. He stated that the San Francisco Public Utilities Commission is currently involved in a 4.3 billion dollar retro-fit program, which may result in a 300% increase in wholesale water rates. He stressed the importance in the District maintaining some self-sufficiency, such as the Denniston Reservoir, should a natural disaster, such as an earthquake occur, which may affect the pipelines ability to supply water from the San Francisco Public Utilities Commission to the coastside residents. Director Mickelsen also reiterated the importance in maintaining a history of cooperation in sharing the reservoir water with the local farmer and stated that this could be a "win-win" situation where the needs of the farmer, the District, the District's customers and the environment are all respected.

Director Feldman stated that although he did not have a historical perspective to share because he is a new member to the community and the Board, he referenced his experience and background in the Information Technology (IT) field and within his career in IT, customer service was established as the highest goal. He explained that they accomplished this by being proactive and working directly with the customers to determine their needs and expectations and then ensured that those items were delivered. He noted that he is discovering that CCWD operates in much the same way, that CCWD also believes in this philosophy and is very diligent in trying to meet the objectives of the community, as demonstrated with the approach to this project by involving so many others with a goal to ensure that their needs are met as well.

Director Larimer stated that over the past six years that he has served as a member of the CCWD Board, one of the major emphasis and accomplishments has been to replace the District's aging infrastructure. He reminded the Board that CCWD has an obligation to SFPUC to develop and maintain our local sources and stated that he sees this as an opportunity to take a local action to do our part as a community, to be better citizens, regionally and locally. He commented that there are a lot of stakeholders involved in this project, including the agricultural industry and that several of the District's largest customers are industrial agriculture and if the District's costs of water increase, these businesses could be endangered, which also endangers the community. He also stated that he felt that this project allowed another opportunity for the

District and the community, which is to protect the environment. Director Larimer concluded his comments by noting that there are a lot of stakeholders involved in this project and the District has not yet introduced a plan at this point, because no plan has been developed yet. And the purpose of this meeting is to identify the stakeholders and allow them an opportunity and an invitation to come to the District and voice their concerns so that they can be taken into consideration. He also commented that he is very optimistic, and that he felt this was a wonderful opportunity for the District and the community to do something really good and all be very proud of the accomplishment.

President Ascher thanked all of the attendees and agency representatives and stated that he felt that the District had opened a door to a vision, a vision of what can be done to take a stream which has deteriorated over the years and restore it to its former grandeur. He stated that he felt this could be accomplished in such a way that the various interests that need to be protected are protected, that the District's ratepayers benefit and that the landowner, Peninsula Open Space Trust is supported in their mission, and that the agricultural interests are assured as well. President Ascher concluded his statements by saying that he felt that the Coastside County Water District has demonstrated how they conduct its business and how they intend to conduct business in the future, in an open, hospitable manner, seeking input and working with others and at the end of the day, arrive at a point where the common ground among all has been achieved. And once the project is completed it will have been constructed with the certainty that all of the vital interests of all of the stakeholders have been protected. He thanked the attendees once again for their input, comments and questions, all of which were very valuable.

### 3) ADJOURNMENT

President Ascher adjourned the special board workshop at 6:52 p.m.

Respectfully submitted,

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Ed Schmidt, General Manager

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Jim Larimer, President