

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

August 12, 2003 - 7:30 p.m.

- 1) **ROLL CALL:** President Muller called the meeting to order at 7:30 p.m. Present at roll call were Directors Jim Larimer, Everett Ascher, Ken Coverdell and Chris Mickelsen.

Also attending were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Ed Lambing, Superintendent of Operations; James Teter, Engineer; JoAnne Whelen, Administrative Assistant; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.

- 3) **INTRODUCTIONS:** President Muller offered condolences to the General Manager, Ed Schmidt, on the recent passing of his father. The General Manager thanked the Board of Directors and employees for their sending cards and flowers to his father's memorial service. The General Manager then introduced new employee Bridget Burns, who has been hired temporarily to take the place of Stephanie Burnham, and Craig Lunow, who has been promoted from Maintenance Worker to Office Specialist, taking over the position of retiring employee Virginia Whelen.

- 4) **PUBLIC ANNOUNCEMENTS:**

Jim Marsh read a letter he had written to the Board regarding the recent groundwater report done by Todd Engineers, and he urged the Board to commit the necessary resources to the proposed Pilarcitos Creek well study. He then addressed the Board regarding the settlement of the Bueth lawsuit and asked if all of the findings in the case had been published, as he had recently found some documentation that might have some bearing on the case. Mr. Condotti replied that the settlement had been approved by the Court of Appeals in mid-June, that the documentation that Mr. Marsh was referring to had been included in and put to rest during the court proceedings, and that the settlement is currently in the process of being implemented. President Muller, Director Larimer, Director Mickelsen and Mr. Condotti made comments and briefly reviewed the history of the litigation and agreed that the issue has been finalized.

Oscar Braun, Half Moon Bay, speaking as a representative for the Coastside Fire Safe Council, expressed support for CCWD Board and encouraged the Board to move forward with the upgrade of the El Granada pipeline, adding several comments related to the recent decision by the California Coastal Commission (CCC).

- 5) **APPROVAL OF THE AGENDA:**

**As there were no questions or issues related to accepting the Agenda, the Board voted unanimously, without a Motion, to approve the Agenda in entirety.**

**6) SPECIAL ORDER OF BUSINESS**

Recognition of Coastside County Water District Office Specialist II, Virginia Whelen, in appreciation of her twenty years of commitment to the success of the Coastside County Water District - Resolution 2003-14.

President Muller brought Virginia Whelen to the front of the room and offered a brief “history lesson”, regaling the Board and audience with several humorous stories on his long time friendship with Virginia and congratulating her on her many years of excellent service to CCWD and the community. Virginia spoke of her deep appreciation for her long association with the staff of CCWD and expressed her mixed feelings about leaving. General Manager Ed Schmidt read the proposed Resolution in recognition of her commitment and contribution to the District and expressed appreciation from all the District employees.

**ON MOTION by President Muller and seconded by Director Coverdell, the Board voted unanimously to accept the Resolution recognizing Virginia Whelen’s long commitment and significant contribution to CCWD.**

**7) CONSENT CALENDAR**

- A. Requesting the Board to review payment of claims for the month ending July 31, 2003 in the amount of \$328,930.46
- B. Acceptance of Financial Reports
- C. Minutes of the July 8, 2003 Board of Directors Meeting
- D. Monthly Water Transfer Approval Report

President Muller acknowledged that he had reviewed all of the reports for the month of July and found them all to be in order.

**ON MOTION by Director Ascher and seconded by Director Larimer, the Board voted unanimously to accept the Consent Calendar in its’ entirety.**

**8) REPORT OF THE GENERAL MANAGER**

- A. 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

President Muller expressed his disappointment in the manner in which the California Coastal Commission (CCC) has handled the issue of the El Granada pipeline project at their recent hearing. He remarked that he was surprised at the dramatic change in their staff recommendations regarding the pipeline project but stated he felt it was a significant learning experience for CCWD in spite of the last-minute submission of the ten page addendum presented the day before the hearing. He stated that he felt that CCWD had done the best they could have under the circumstances.

Mr. Condotti remarked that it appeared to him that the continuation of the appeal was a foregone conclusion and that he had never been given notice of the meeting addendum until it was released just prior to the meeting.

Director Larimer made remarks directed at Section 5 of the CCC document, agreeing with some statements in the document but confused by others, including the issue of pipeline redundancy raised by the CCC as making no sense. He also made reference to Item 4D, which Mr. Condotti explained that, although the document wording is somewhat unclear, it appears to specify that the number of water connections sold to private owners in the late 1980's would have to be reduced in order to finance the pipeline project and this would seem to indicate that those water connections would have to be taken away from the current owners.

Ric Lohman, 421 1<sup>st</sup> Avenue, Miramar, asked about Director Larimer's comments about the requirement by the CCC to use current water usage data in the pipeline project study. Mr. Lohman questioned that information, stating the CCC report is based on a twenty-year plan and they do not believe that the figures used by CCWD are in line with the CCC findings for the twenty-year projection. Mr. Lohman also addressed a request from the CCC for additional information that they have been asking for from CCWD for some time. President Muller and Jim Teter both stated that all the information requested by the CCC had been provided to them as requested. Director Larimer then referred Mr. Lohman to a specific line in the CCC report for validation of his comments about usage data figures.

Leonard Woren, El Granada, asked to know the number of non-priority connections that are currently not hooked up and was told there are approximately 1400. He commented on the question of taking back some of the Crystal Springs connections in order to aid in the financing of the pipeline project and also commented on the fact that the total number of vacant land parcels between Half Moon Bay and El Granada far surpass the 1400 available water service connections.

John Meador remarked that if CCWD has no ability to support community build-out, then the build-out issue is moot. He believes that the CCC report, which he interprets as potentially requiring CCWD to establish a substandard public infrastructure, is something that he believes could create safety issues.

Director Larimer expressed his concern about the potential for vacant land to be de-valued by the lack of ability to get water and what this could mean to landowners and CCWD, should litigation arise against CCWD due to that de-valuation.

Paul Perkovic, Montara, introduced himself as the Chairman of the Midcoast Community Council, indicating that he was speaking as an individual. He briefly reviewed his record of service to coastside communities and stated that he shares the Board's disappointment in the treatment they received at the CCC hearing. He also expressed his interest in a pipeline project for his own district.

Director Mickelsen stated that he had been in attendance at the California Coastal Commission Hearing and was a little surprised that the two directors from the district to the north actually spoke against the project and doesn't quite understand what that was all about, when some day they may come to us in need of water, as they were this summer. He also stated his belief that the CCC staff, in preparing their report, responded to a misinformation campaign, reiterated that the pipeline project is not about growth but is a fulfillment of Phase I, and that it undershoots all conservative build-out numbers. Director Mickelsen stated that he did leave the meeting optimistic and believes that the project can get approval in spite of the problems the District is experiencing. He also stated that he thinks the project needs to be based on facts and good engineering practices, stressing again that he will continue to support the system that the community deserves.

Director Ascher asked that staff prepare a report to include an estimate of the additional legal costs, engineering costs and an auxiliary costs to provide a response to all of the latest CCC requests and, added to that, the legal costs and other non-construction costs incurred by CCWD since 1999. Director Coverdell asked if there would be a follow up meeting and President Muller indicated that the District would be responding right away. The General Manager indicated that staff would be in contact with the CCC staff and the City of Half Moon Bay Planning Director, Jack Liebster, before proceeding with any further studies or analysis. Director Mickelsen agreed, remarking that Mr. Reilly had stated that coastal growth would be dictated by the land use plan and not CCWD pipeline project, which should put the growth issues to rest. Director Larimer thought it would be a good idea to try to work out any misunderstanding with the CCC and asked that all appropriate agencies be included in any future discussion.

**B. Discussion of Midcoast Local Coastal Plan (LCP) Update and possible direction to staff.**

The General Manger briefly remarked on the twenty-three tasks identified as needing to be addressed in the update of the Mid-Coast LCP and indicated that CCWD staff will attend the October 22, 2003 meeting of the County of San Mateo County Planning Commission. The General Manager also announced that George Bergman, Senior Planner, with San Mateo County, has been invited to attend the September CCWD Board Meeting.

**C. Resolution 2003-15 - Association of California Water Agencies (ACWA) - Nomination of John Muller for Candidate position of President of the Association of California Water Agencies**

**ON MOTION by Director Ascher that John Muller's name be placed in nomination to serve as President of the general membership of ACWA and seconded by Director Mickelsen, the Board voted unanimously by roll call vote as follows:**

Director Larimer	Aye
Director Ascher	Aye
Director Coverdell	Aye
Director Mickelsen	Aye
President Muller	Aye

**D. Discussion and possible adoption of Resolution 2003-16- Ordering Judicial Foreclosure of Delinquent Assessments Installments Pursuant to the Improved Bond Act of 1915 and Ordering that the Tax Collector be Credited with Those Installments**

The General Manager briefly reviewed the Resolution, stating that this is an annual occurrence and discussed how the foreclosure process on delinquent accounts is handled by CCWD staff.

**ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted unanimously to accept the Resolution Ordering Judicial Foreclosure of Delinquent Assessments.**

**E. General Manager Activities**

The General Manager briefly reviewed his activities in the past month. He stated that he would be calendaring the debates of the upcoming election candidates and that, per directions from President Muller he will be sending out information packages to all of CCWD Board candidates. President Muller expressed his appreciation and indicated that he, and other directors as well, have encouraged distributing as much information to candidates as possible and any materials requested by the candidates, to the best of staff's abilities, should be provided so that everyone can be knowledgeable and on the same wave-length.

The General Manager then announced to the Board that on Wednesday, October 15, 2003 at 7:30pm, CCWD, in collaboration with the League of Women Voters, will sponsor a candidate forum for the election candidates.

**F. Correspondence:**

- (1) Letter from State of California, Department of Water Resources dated July 16, 2003 regarding Fiscal Year 2002-2003 Application Status - Local Groundwater Management Assistance Act of 2000 - Assembly Bill 303

The General Manager commented that this letter is in regards to Coastside County Water District's efforts to obtain a grant to get reimbursed for expenses for the reclaimed water study.

- (2) Letter from San Francisco Bay Area Water dated July 21, 2003 regarding Request for General plan to support improvements to the San Francisco Regional Water System

The General Manager briefly reviewed a letter from Mr. Barry Pearl of the San Francisco Public Utilities Commission.

- (3) Letter from Local Agency Formation Commission (LAFCO) dated July 21, 2003 regarding notice of intent to circulate a petition for annexation of the lands of Big Wave, LLC to the Coastside County Water District

- (4) Letter to Vincent and Patricia Bail from CCWD dated July 29, 2003 regarding Emergency Water Service Connection for Failed Well at 117 Alameda, HMB

The General Manager offered a brief update on the status of the emergency water service connection for Mr. and Mrs. Bail that was approved by the Board at their July meeting.

**9) ENGINEER'S REPORT**

**A. Engineering Projects Received in July 2003**

None were received during July.

**B. District Engineer Work Status Report**

Mr. Teter stated that this was a standard report, with the exception of one project added from the capital improvement plan. Filbert and Metzger have been added to the work assignments.

**C. EI Granada Pipeline Project Phases 3A & 3B**

Mr. Teter recommended that the Board direct staff to distribute a Request For Proposal to obtain land survey and photogrammetric mapping services, which he believes could take up to six months. He has prepared the RFP document and has compiled a list of six firms he would like to have it sent to in order to solicit their bids. The General Manager indicated that he agrees with Mr. Teter that this work needs to be done and would like to see the RFP distributed. He also stated that he would like to have Mr. Teter start on the design of the remaining sections of the EI Granada Pipeline. The Board discussed the cost of the survey and mapping project, and discussed questions related to the level of detail and quality that would be required for the initial engineering design for Phases 3A and 3B of the pipeline project design and agreed to the concept of designing the remaining sections.

**ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted unanimously to authorize the District Engineer to solicit RFP's for land survey and photogrammetric mapping services related to Phases 3A and 3B of the EI Granada Pipeline project.**

**10) OPERATIONS REPORT**

**A. Water Service Connections Installed, Priority and Non-Priority**

Superintendent of Operations, Ed Lambing, stated that this had not substantially changed from last month.

**B. Capital Improvement Program Progress**

Mr. Lambing said that water sales are up, which is expected for this time of year, and have doubled from last month.

**C. Water Sample Report, Local Production, Water Purchases, Leaks, etc.**

He then reviewed recent leaks, repairs, and coastal rainfall. He also discussed the use of the portable pump in several instances and took questions from the Board.

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

**A. Bay Area Water Supply and Conservation Agency and San Francisco Bay Area Regional Water System Financing Authority Board of Directors Meetings – July 23, 2003 - attended by Representative, Director Chris Mickelsen**

Director Mickelsen briefly discussed his attendance at the July 23<sup>rd</sup> combined meetings of BAWSCA and the Financing Authority. He stated that the meeting dealt with more formalities related to the transition from the Bay Area Water Users Association (BAWUA) to BAWSCA and that the Financing Authority reviewed the issuing of bonds to finance the upgrade of the Hetch Hetchy water system. The next meeting of these agencies is scheduled for September.

Director Coverdell then spoke briefly about his observation of the substantial change in the water level in Lake Shasta between spring and August. The Board then undertook some discussion about the possibility of having a monthly report on the status of the water supply in the Hetch Hetchy system. The General Manager stated that he receives a monthly report on the water levels in all of the Bay Area reservoirs. President Muller suggested it would be good to include the report in the monthly Board meeting packet and that the significant changes in water levels around the Bay Area are a constant reminder for everyone to conserve water.

**12) AGENDA ITEMS AND DIRECTOR COMMENTS**

Director Mickelsen requested that the November Board meeting be moved from the 11<sup>th</sup> of November to the 18<sup>th</sup>. Mr. Condotti stated that this would be acceptable, although it would be technically agendized as a “Special Meeting” due to its’ occurrence on a day other than the standard scheduled monthly Board meeting.

The Board took a short break at 9:25 p.m. and closed the public portion of the meeting.

**13) CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957: Title: General Manager**

**14) ADJOURN**

The Recording Secretary was not present for Adjournment since it occurred following the closed session of the Board. The next Board meeting is scheduled for Tuesday, September 9<sup>th</sup>, 2003.

Respectfully submitted,

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Ed Schmidt, General Manager

Approved:

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John Muller, President