

COASTSIDE COUNTY WATER DISTRICT  
Minutes of the Regular Meeting of the Board of Directors  
766 Main Street, Half Moon Bay, CA 94019  
September 10, 2002 – 7:30 p.m.

- 1) ROLL CALL: President John Muller called the meeting to order at 7:32 p.m. Present were Directors Jim Larimer, James Marsh, Eleanor Wittrup and Chris Mickelsen. Also present were Ed Schmidt, General Manager; Dave Mier, Superintendent; Anthony Condotti, Legal Counsel; James Teter, Engineer; JoAnne Whelen, Administrative Assistant; and Linda Goetz, Recording Secretary. There were approximately six people in the audience.
- 2) PLEDGE OF ALLEGIANCE: Everyone stood for a moment of silence in recognition of the eve of September 11, 2001, then recited the Pledge of Allegiance.
- 3) INTRODUCTIONS: The General Manager introduced Stephanie Burnham, the new District Office Specialist who is replacing Gina Brazil, recently promoted to Office Manager.
- 4) PUBLIC ANNOUNCEMENTS: None.
- 5) APPROVAL OF THE AGENDA:

**ON MOTION by Director Wittrup, seconded by Director Mickelsen, the Board unanimously approved the Agenda as presented.**

- 6) CONSENT CALENDAR:
  - A. Requesting the Board to review payment of claims for the month ending August 31, 2002 in the amount of \$333,240.59.
  - B. Acceptance of Financial Reports.
  - C. Minutes of Meeting of August 13, 2002.
  - D. Request for Transfer of Non-Priority Water Service Connection, same owner, Keet Nerham.

Director Marsh reported a positive review of the Chart of Accounts, and the following action was taken:

**ON MOTION by Director Wittrup, seconded by Director Mickelsen, the Consent Calendar was unanimously approved in its entirety.**

- 7) REPORT OF THE GENERAL MANAGER:
  - A. Annual Independent Financial Audit for the years ending June 30, 2002 and 2001: The General Manager reported that the independent public accountability corporation of Maze and Associates announced that the CCWD financial statements clearly represent the financial condition of the

District. Mr. Scott Maze presented an overview of the financial statements, as well as minor internal control recommendations, most of which the General Manager stated had already been implemented. In response to Directors' questions, Mr. Maze also explained the concept of depreciation in detail. Director Wittrup encouraged staff to take full advantage of training, especially regarding implementation of GASB 34. By consensus, the Board approved the audit and the General Manager's request to implement the auditor's recommendations.

- B. 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 General Manager reported that the appeal will probably be heard at the California Coastal Commission meeting scheduled for the second week in December in San Francisco. He also indicated that he had been advised that the District should receive access to the California Coastal Commission staff report on November 22, 2002.
- C. Proposal for a Groundwater Basin Geotechnical and Economic Feasibility Study, Lower Pilarcitos Creek Groundwater Basin Project: The Proposal Screening and Recommendation Group, composed of the General Manager, the Superintendent, District Engineer, and Director Marsh, reported that they reviewed nine proposals for compliance with the scope of work. They presented their recommendation and described the process used for recommending Todd Engineers. The Engineer and Superintendent responded in detail to Director Larimer's questions regarding the technical process of how to measure without pumping. Staff also answered questions regarding the proposal's compliance with the scope of work, and the District Engineer explained the concept that this is a water balance approach, and could be considered a "first-step" approach to establish an answer on the water balance, in order to determine if a project exists at all. Staff also advised that the District will need the approval of the City of Half Moon Bay on the consultant recommended to perform the project.

**ON MOTION by Director Wittrup, seconded by Director Muller, the Board unanimously accepted the proposal of Todd Engineers as recommended and directed staff to begin negotiations of a contract. Staff was also authorized to transfer \$17,787 from the \$2 million unrestricted funds account to fund this project and to contact Public Works Director of Half Moon Bay for approval of the consultant.**

- D. Discussion and possible adoption of Resolution 2002-13: “Approving Adoption of Amendment to Deferred Compensation Plan.” The General Manager reported that loans are now available to the District’s 457 plan participants, and presented Resolution 2002-13 to amend the Deferred Compensation Plan to make that option available to participants.

**ON MOTION by Director Wittrup seconded by Director Mickelsen, the Board unanimously adopted Resolution 2002-13: “Approving Adoption of Amendment to Deferred Compensation Plan” effective January 1, 2002 by roll call vote:**

**Director Larimer     Aye**  
**Director Marsh       Aye**  
**Director Mickelsen   Aye**  
**Director Wittrup      Aye**  
**President Muller      Aye**

BREAK: At this point in the meeting the Board took an eight minute break.

- E. Second Reading and Adoption of Resolution 2002-14 to amend Coastside County Water District’s contract with California Public Employees Retirement System to provide Section 21354.4 (2.5% @ 55 Modified Formula): Upon presentation by the General Manager, the following action was taken:

**ON MOTION by Director Marsh, seconded by Director Wittrup, the Board unanimously adopted Resolution No. 2002-14 “Authorizing an Amendment to the Contract” by roll call vote:**

**Director Larimer     Aye**  
**Director Marsh       Aye**  
**Director Mickelsen   Aye**  
**Director Wittrup      Aye**  
**President Muller      Aye**

- F. Customer Service Satisfaction Survey: The General Manager presented a draft survey and received favorable feedback from the Directors. Staff was directed to distribute the survey to customers, incorporating the Board members’ suggestions.

- G. General Manager Activities: The General Manager referred to his written report as contained in the agenda packet. In addition he requested direction on how to respond to an email from John Meador, regarding Mr. Meador's attendance at the next Hydraulic Model Committee Meeting. President Muller urged the members of the Hydraulic Model Committee to meet as scheduled.
- H. Correspondence: Items 1 through 3 below were presented without comment or discussion. With regard to Item 4, Ed Schmidt, General Manager, made note of the significant increase in election costs due to bilingual election requirements.
- 1) Letter from the Grand Jury dated August 12, 2002;
  - 2) Legislative Update on Assembly Bills 1823 and 2058 from Assemblyman Papan dated August 20, 2002;
  - 3) Letter from the Half Moon Bay Fire Protection District dated August 14, 2002;
  - 4) Letter from Warren Slocum, San Mateo County Chief Elections Officer, dated August 14, 2002:

8) ATTORNEY'S REPORT:

- A. Water Service Agreement between Coastside County Water District and Main and Arnold Senior Housing, Inc.: Counsel presented his analysis of the proposed water service agreement, noting that the applicant is requesting conditional approval, subject to payment of fees and costs upon funding. A representative of the Senior Housing Project, Tobias Liebermann, spoke to explain that a requirement of HUD funding requires that the project receive a "will serve" letter from the District to bring to the City of Half Moon Bay in order to secure the building permits. After discussion, the following action was taken:

**ON MOTION by Director Mickelsen, seconded by Director Larimer, the Board unanimously approved entering into a Water Service Agreement between Coastside County Water District and Main and Arnold Senior Housing, Inc. subject to payment of fees by the applicant, by roll call vote:**

<b>Director Larimer</b>	<b>Aye</b>
<b>Director Marsh</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Wittrup</b>	<b>Aye</b>
<b>President Muller</b>	<b>Aye</b>

9) ENGINEER'S REPORT:

- A. Engineering Projects Received in August 2002: The Engineer reported that he reviewed the re-submittal of the Final Submittal documents for the Main and Arnold Senior Housing Project and found them satisfactory .
- B. District Engineer Work Status Report:
  - 1. Paving and Drainage Improvements at the Alves Tank Site: Engineering work is currently completed until a CDP or an exemption from a CDP has been obtained by the District.
  - 2. El Granada Storage Tank 3 Site: Preparation of the contract drawings is in progress. Completed engineering design is scheduled for October 15, 2002.
  - 3. El Granada Transmission Pipeline. Tentative schedule previously sent to the Board.
  - 4. Carter Hill West Pipeline: Tentative schedule previously sent to the Board.

10) OPERATIONS REPORT: Superintendent Mier presented the information contained in his written report without comment. In response to President Muller, he added that the Alameda Pipeline Project is about 60 percent complete.

- A. Water Service Connections Installed, Priority and Non-Priority: Fourteen water meters were installed in August and 12.5 water connections.
- B. Capital Improvement Program Progress: \$62,421 was expended in August, \$46,183 of which was to relocate services and hydrants for the County project.
- C. Water Sample Report, Local Production, Water Purchases, Leaks, etc: Water production totaled 94.23 million gallons, and sales totaled 62.69 million gallons. The peak 24-hour demand period was on Saturday, August 10 at 3,192 gpm. Five leaks were repaired. .15 inches of measurable precipitation was recorded at the District office.
- D. Carter Hill West Pipeline Pressure Readings: Pressures were well above the minimum recommended psi, primarily because peak demands are down.

11) MEETINGS ATTENDED/SCHEDULED:

- A. Pilarcitos Creek Advisory Committee, August 22, 2002: Director Mickelsen reported that the efforts of the Committee are still in the preliminary stages, with the major concern being the SFPUC's willingness to release water.

- B. Montara Sanitary District, Mutual Interest Committee, August 28, 2002: Directors Marsh and Larimer attended the meeting. Director Marsh reported that the tone of the District was cooperative; and Director Larimer said he noticed a misconception of the resources of the District. The Board stressed the importance of maintaining open dialogue with Montara Sanitary District. The General Manager was directed to open up a dialogue with the new owners and operators of the water system in Montara.
- C. Transfer Policy Committee Meeting, September 3, 2002: Director Wittrup reported that the committee is preparing a proposed revision to the transfer policy that would make unused, non-priority connections more available to individuals in a position to use them upon receipt. Committee recommendations might be available at the next Board meeting.
- D. Mid Coast Community Council Meeting, August 28, 2002: Directors Mickelsen and Larimer, who attended the meeting, on their own, reported that they observed potentially misleading information concerning the District's pipeline, being disseminated from seemingly unqualified persons. Director Mickelsen suggested that District representatives give up some of their available evenings and attend these meetings in order to counter some of the mis-information that is put out there by our elected officials. It was also reported that the Mid-Coast Community Council agreed to read the engineer's report, before they decide what stance they should take on the issue.

12) AGENDA ITEMS AND DIRECTOR COMMENTS:

- A. Transfer policy recommendations will be on the October agenda.

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 9:47 p.m. Counsel will report any action taken in Closed Session in a separate memorandum.

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 October 8, 2002 at 7:30 p.m.

Respectfully submitted,

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Ed Schmidt, General Manager

APPROVED:

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John Muller, President

