

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

March 15, 2007

1) CLOSED SESSION

Before the meeting was closed, Alan and Susan O'Driscoll addressed the Board concerning their water service connection transfer application processed by the District in January 2004.

- A. Conference with Legal Counsel - Anticipated Litigation
Initiation of litigation pursuant to subdivision (b) of Section 54956.9
Two (2) potential cases
- B. Review of Draft General Manager Employment Agreement

2) RECONVENE TO OPEN SESSION

- A. The Board reconvened to open session at approximately 7:00 p.m., at which time Mr. Condotti announced that no reportable action was taken by the Board in the closed session.
- B. **ON MOTION by Director Coverdell, and seconded by Director Ascher, the Board voted as follows, by roll call vote, to approve the Amendment to Employment Agreement with the General Manager, effective February 1, 2007, establishing a base annual salary in the amount of \$145,000, modifying the performance evaluation process and containing certain other non-substantive changes:**

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

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

March 15, 2007

- 1) **ROLL CALL:** President Larimer called the meeting to order at 7:15 p.m. Present at roll call were Directors Ken Coverdell, Chris Mickelsen, Everett Ascher and Bob Feldman.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Joe Guistino, Superintendent of Operations; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**
3) **PUBLIC ANNOUNCEMENTS**

There were no public announcements.

- 4) **MEETINGS ATTENDED / SCHEDULED - BOARD OF DIRECTORS INCLUDING COMMITTEES, CUSTOMERS, OTHER AGENCIES, ETC.**

A. **Committee Reports**

- **District Personnel - February 21, 2007 and March 2, 2007**

Director Ascher stated that the Board discussed the Personnel Committee members' recommendations and that the outcome was reported when the Board reconvened after the closed session of this meeting.

- **SFPUC Policy Advisory & Future Water Resources Committee**

Director Mickelsen reported that the consultant hired for the Pilarcitos Restoration project was introduced at this committee meeting. He also referenced the meeting notes, provided under the correspondence section of the agenda (item 8F). He reported that there was good representation at the meeting, and very positive and productive results.

Director Ascher also reported that he had attended a California Special District's Association Symposium in Dana Point, California. He reported that the session was very informative, and featured topics such as eminent domain, Proposition 218, ethics and communications, including interpretation of the Brown Act and inter-generational issues within the work force.

Director Feldman reported that he had recently attended a very informative Special District's Governance seminar in San Francisco and informed the Board that he had learned that there are approximately 2,300 Special Districts in California, ranging from water districts to mosquito control districts. He stated that based on the leadership parameters discussed at the seminar, that the Coastside County Water District measured quite well. He also shared what he had learned about long-term planning processes, ethics in government, managing financial and human resources policies and procedures, and building effective Board/Manager relations.

5) CONSENT CALENDAR

- A.** Requesting the Board to review disbursements for the month ending February 28, 2007 - Claims: \$318,478.04 Payroll: \$58,467.39 for a total of \$376,945.43
- B.** Acceptance of Financial Reports
- C.** Minutes of the February 13, 2007 Board of Directors Meeting
- D.** Monthly Water Transfer Report
- E.** Installed Water Connection Capacity and Water Meters Report
- F.** Total CCWD Production Report
- G.** CCWD Monthly Sales by Category Report
- H.** February 2007 Leak Report
- I.** Rainfall Reports
- J.** San Francisco Public Utilities Commission Hydrological Conditions Report for January 2007
- K.** San Francisco Public Utilities Commission Hydrological Conditions Report for February 2007
- L.** Engineering Projects Received for Review during February 2007
- M.** General Manager Activity Report

Director Coverdell reported that he had reviewed the financial statements and found everything to be in order. He inquired about the difference in the actual income for the month versus the amount of income that was budgeted, which was addressed by Mr. Schmidt. The Board also discussed the amount received for late penalties, which Mr. Schmidt advised that between ten and fifteen percent of the District's customers incur, despite the measures put into place two years ago, when the late fees were put into affect.

Director Feldman stated that he felt the quality of the Board meeting Minutes produced each month by the recording secretary, JoAnne Whelen, were worthy of being noted, remarking that he felt that the Minutes were a very accurate and well articulated reporting of the results and discussions of the Board meetings. Mr. Schmidt agreed that the Minutes are produced in a professional and timely manner, and that District staff takes great pride in the fact that the Minutes are promptly produced and posted on the District's website. Director Coverdell stated that he would also like to compliment and express his appreciation to Ms. Whelen for the accuracy of the meeting Minutes, particularly the Minutes from the February 13, 2007 Board meeting, which reported comments and support from his fellow Board members. He expressed his gratitude that those particular comments, expressed by the Board, were a part of a permanent record of the District.

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

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

President Larimer then announced that the agenda would be re-ordered to accommodate two members of the audience who were scheduled to be introduced under the General Manager's report. The agenda continued to include discussion of all of the items contained in the General Manager's Report, followed by the remaining agenda items (7) Superintendent of Operations Report; (8) District Engineer's Report and (9) Agenda Items and Director Comments.

8) **GENERAL MANAGER’S REPORT**

A. **Update on recruitment of the Public Outreach/Program Development/Water Resources Analyst Position**

Mr. Schmidt congratulated and welcomed Ms. Cathleen Brennan, and introduced her to the Board, providing a brief background of her skills and experience. He also thanked Directors Ascher and Feldman for assisting him in the interview process.

Ms. Brennan thanked the Board and staff for this opportunity, and said that she was looking forward to starting employment with Coastside County Water District.

Mr. Schmidt advised the Board that one of Ms. Brennan’s first tasks would be to update the annual Water Supply Evaluation Report. He reported that she would be providing support in the research, development, and refining of the District’s programs relating to the water rate fees for infrastructure, water demand issues, water sources, and unaccounted water. He stated that she would also be involved in programs related to global-warming issues.

B. **Discussion and direction to staff regarding proposal from Communication Leasing Services, Inc. for Wireless site Management Services**

Mr. Schmidt introduced this item, and Mr. Aaron Levinson, of Communications Leasing Services, Inc. He also provided a brief background, explaining that the purpose of this agreement is to enhance the District’s monthly income by the addition of more carriers to the CCWD sites within the next twelve to eighteen months, at rental rates that are much higher than what is currently being received by the District. Mr. Levinson then addressed a few questions from the Board.

ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted as follows, to direct staff to execute the agreement with Communication Leasing Services, Inc. for wireless site management services:

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

C. CONSIDER APPROVAL OF CHANGE ORDER TO DENNISTON WELLS RESTORATION PROJECT TO INCLUDE RESTORATION OF WELL NO. 3

Mr. Schmidt reported continued success with the current contractor, Maggiora Brothers, Drilling, Inc. and requested that the Board approve the change order to contract with Maggiora Brothers to include restoration of an additional well, Denniston well number 3. Mr. Schmidt also directed the Board's attention to the CCWD Well Data Master Plan worksheet, and reviewed some of the data, explaining that the District's Facilities Committee would be meeting the next day, to discuss the plan in further detail.

Mr. Guistino, Superintendent of Operations, answered a few questions from the Board and Mr. Schmidt confirmed that funds were available in the budget for the project and emphasized the value of maintaining stand-by water supplies.

ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve the change order to the contract with Maggiora Brothers, Drilling, Inc. for the Denniston Wells Restoration Project to include restoration of well number 3:

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

D. DISCUSSION AND POSSIBLE AUTHORIZATION TO STAFF TO PURCHASE NEW FLEET VEHICLE

Mr. Schmidt reviewed the background of the staff report, explaining the condition of the truck and the reasons that the current vehicle needs to be replaced.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted as follows, by roll call vote, to authorize staff to purchase a new Ford 250 4 x 2 pick-up truck from Serramonte Ford:

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

E. STATUS REPORT OF THE CURRENT MAJOR CAPITAL IMPROVEMENT PROJECTS

Mr. Schmidt referenced the report update and provided a few additional details of the progress on the consultant's work on Phase 3 of the El Granada Pipeline Replacement Project, including the recent archaeological site visit and investigation.

F. CORRESPONDENCE: (1) LETTER FROM AILANTO PROPERTIES DATED FEBRUARY 13, 2007 AND CCWD'S LETTER OF RESPONSE DATED FEBRUARY 23, 2007 (2) NOTES FROM MARCH 6, 2007 MEETING OF THE PILARCITOS RESTORATION WORKGROUP

There was no Board discussion in regards to the correspondence.

Mr. Schmidt announced the schedule for the Pilarcitos Watershed tour, which will be taking place on the morning of May 7, 2007 with a tour of the upper portion of the Pilarcitos Watershed, followed by a tour of the remaining portion (lower) of the Pilarcitos Watershed on the afternoon of July 9, 2007.

6) SUPERINTENDENT OF OPERATIONS REPORT

Mr. Guistino directed the Board's attention to his written staff report, and provided a few project highlights, including, the status of the Denniston Water Treatment Plant, and the Crystal Springs Telemetry equipment. He reported that due to the innovativeness of the field crew, especially John Davis, Distribution Supervisor, the inlets located at the Denniston Reservoir have been raised by approximately twelve inches, to alleviate some of the problems caused by the sand and sediment, which should improve and prolong the life of the pump.

Director Ascher raised concerns about the viability of the Denniston facility and requested that this issue be discussed by the District's Facility Committee. He also suggested that the committee review the telecommunications status and to research and investigate a possible electronic meter reading system.

7) DISTRICT ENGINEER'S WORK STATUS REPORT

A. DISTRICT ENGINEER WORK STATUS REPORT

Mr. Teter reported that an encroachment permit had been obtained from CalTRANS for the project soil borings and that the surveyors have completed their work on phase 3 of the El Granada Pipeline Replacement project.

The Board also discussed the concerns of a local business owner with the exposure of his driveway area during construction of the pipeline replacement project and requested that Mr. Teter and District staff personally meet with the business owner and explain the process and show him the area of this property that will be affected by the project.

Mr. Teter also provided an update on the status of the water treatment plant short-term improvement project.

The Board discussed some of the options for continuing to utilize the Denniston Reservoir source and agreed that it would be valuable for the District's Facility Committee to investigate some potential options and associated costs, and present a recommendation to the Board at a future meeting.

**B. BAY AREA WATER SUPPLY & CONSERVATION AGENCY -
LOCAL SYSEM SEISMIC IMPROVEMENT DRAFT
QUESTIONNAIRE**

The Board had no questions regarding this survey, completed by the District Engineer, Jim Teter.

9) AGENDA IEMS AND DIRECTOR COMMENTS

Director Coverdell provided a brief report on the limited snow pack in the Sierra Mountains, and stated that he felt it was alarming and thought it would be wise for the District to consider developing a plan for a possible drought or water rationing or restriction.

10) ADJOURNMENT

The meeting was adjourned at 8:55 p.m. The next meeting of the Coastside County Water District Board of Directors is scheduled for Tuesday, April 10, 2007 at 7:00 p.m.

Respectfully submitted

Ed Schmidt, General Manager

Jim Larimer, President