

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday - September 9, 2008

1) CLOSED SESSION

- A. Conference with Labor Negotiators**
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Gov. Code Section §54957)
Title: General Counsel

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 6:00 p.m. with President Ascher and Directors Larimer, Mickelsen, Coverdell and Feldman. The Closed Session concluded at approximately 7:00 p.m., immediately prior to commencement of the regular meeting, at which time President Ascher announced that no reportable action had been taken during the closed session.

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MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, September 9, 2008

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:10 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

Also present were: David Dickson, General Manager; Anthony 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**

Tom Clifford – 375 Poplar Street, Half Moon Bay – Expressed concern with his latest water bill, which had increased from an average of about \$50.00 every cycle to approximately \$580.00.

Mr. Dickson reviewed the present high-bill relief policy with the Board and informed them of the steps that staff has taken so far in examining the facts in this particular situation and that the investigation would continue until the matter is resolved.

Cathie Scalice – 864 Second Avenue, Half Moon Bay – Stated that she is a neighbor of Mr. Clifford and that she had also incurred a high bill recently of approximately \$300.00, which she cannot explain, but that her consumption has since returned to her normal average amount.

Elizabeth Honneyman – 405 Poplar Street – Stated that she has not had any problems with her water bills, but advised that she suspects that two leaks have been going on for quite some time on Poplar Street near the fire hydrant.

President Ascher thanked the individuals for attending the Board meeting and expressing their concerns, and assured them that District staff would investigate the situations and would provide a report containing their conclusions at the October 14th CCWD Board of Directors meeting.

4) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month Ending August 31, 2008– Claims: \$799,892.26; Payroll: \$68,413.45; for a total of \$868,305.71
- B. Acceptance of Financial Reports
- C. Minutes of the August 12, 2008 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. August 2008 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for August 2008
- K. Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal Year 2007-2008

Director Larimer commented that in previous years, the request for the Board to authorize the writing off of bad debts had included a report which contained a listing of those customers who were delinquent. Brief discussion ensued and the agenda item was removed from the consent calendar with direction provided to staff to place the item on the October 14, 2008 CCWD Board of Directors agenda, and include a complete listing of the bad-debt customer names.

Director Mickelsen reported that he had reviewed the monthly claims and found all to be in order. Staff addressed a few questions from the Board members concerning the monthly claims.

ON MOTION by Director Larimer and seconded by Mickelsen, the Board voted as follows, by roll call vote, to accept the Consent Calendar, with the exception of item 4K - Request for Board of Provide Authorization to Write Off Bad Debts for Fiscal Year 2007-2008, which had been removed from the Consent Calendar for placement on the October 14, 2008 Board of Directors Meeting Agenda:

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

5) DIRECTOR COMMENTS / MEETINGS ATTENDED

Directors Coverdell and Larimer stated that they had attended no meetings since the last CCWD Board meeting. Director Feldman reported that he and Vice-President Mickelsen had attended the recent Pilarcitos Integrated Watershed Management Plan Workgroup conference call meeting.

President Ascher reported on his attendance at Montara Water & Sanitary District 50th year celebration, where he presented CCWD's Resolution recognizing their District's accomplishments.

6) GENERAL BUSINESS

A. El Granada Pipeline Phase 3 Construction Progress Update

Mr. Dickson reported that construction was officially completed on September 2, 2008 and that the contractor's only remaining task is final site clean-up, which is expected to be finished by September 22, 2008. He stated that he will report the final construction costs at the October 14, 2008 Board of Directors meeting and reminded all that the project completion celebration was scheduled for the following day at the District office.

Each of the Board members shared a few comments, and Mr. Dickson addressed a few brief questions. President Ascher extended his appreciation to staff for the successful completion of the project.

B. Discussion and Direction to Staff Regarding Denniston High Turbidity Treatment Feasibility Study

Mr. Dickson introduced this item and explained the background of the current conditions at the Denniston Reservoir, and recommended that the District proceed with this High Turbidity Operations Feasibility Study. Board discussion ensued, with staff addressing the Board's questions and comments.

ON MOTION by Director Feldman and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to authorize execution of an agreement with Kennedy / Jenks Consultants to perform a Denniston Water Treatment Plant High Turbidity Operations Feasibility Study at a cost not to exceed \$30,000.00:

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

C. Discussion and Possible Adoption of Resolution 2008-06 Establishing a Water Supply Policy of the District

Mr. Dickson recapped this item, noting that the Board discussed a draft statement of water supply policy principles at the August Board meeting, with direction provided to staff to bring the revised policy statement back to the Board in the form of a Resolution for further Board discussion and possible adoption.

ON MOTION by Director Larimer and seconded by Director Coverdell, a revision was proposed to add "and environmentally responsible" in the first bullet point of the Resolution. Director Coverdell proposed an amendment, placing the statement in the last paragraph starting with "Whereas", to read: "Whereas, the Board concluded, based on its findings, that the District must develop additional water supply sources to meet the needs of its current and future customers *in an environmentally responsible way*". The amendment containing the alternative language was accepted by Director Larimer and the Board voted to accept the amendment, by roll call vote as follows:

Director Coverdell	Aye
Vice President Mickelsen	Aye
Director Larimer	Aye
Director Feldman	Aye
President Ascher	No

Director Mickelsen raised issues with the paragraph contained in the Resolution stating the 1% to 1.5% growth rate, including the statement that it will be likely to reach the limits of the District’s water supply within ten to fifteen years. Board discussion ensued with the following motion proposed:

ON MOTION by Vice-President Mickelsen and seconded by Director Coverdell, an amendment to the Resolution was proposed to eliminate the fourth paragraph referencing the growth rate. Additional Board discussion continued, with Director Coverdell proposing an amendment to include the following language: “Whereas, the Board found that the growth which is projected to occur within the District’s service area will eventually reach the limits of the District’s water supply”. The amendment containing the alternative language was accepted by Vice-President Mickelsen, and the Board voted to accept the amendment(s) to the Resolution, by roll call vote as follows:

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

D. San Mateo County Local Agency Formation Commission (LAFCo) - Sphere of Influence Update / Review Report for City of Half Moon Bay and Unincorporated Midcoast

Mr. Dickson referenced the recent report received from LAFCo and noted that if the District is interested in submitting any comments that they are due by September 22, 2008. He advised the Board that he had already provided the comment that Coastside County Water District’s powers include distribution of recycled water, which was omitted in LAFCo’s report. Each of the Board members provided their comments on the document and briefly discussed the proposed project in the community that is currently not able to obtain water service and the Board’s desire to include mention of this matter in the District’s comments to LAFCo.

ON MOTION by Director Larimer and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to include the following statement (along with their review comment submitted to LAFCo consisting of the mention of the District’s power to include distribution of recycled water): in previous discussions of this particular proposed project, the position of the Coastside County Water District is that CCWD is either ready to serve water service to this project ourselves,

or to serve the project in an interim period until another water district is able to serve the project. Additionally it should be noted that the property is located adjacent to CCWD's infrastructure and it would not be difficult for CCWD to serve this project, CCWD is the only agency likely to serve it in the near term and that the CCWD is willing to provide water service to the project, even on a temporary basis."

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

7) **GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson provided the Board with an update on the recent meeting with Ailanto Properties, advising the Board that the District would be following up with a letter to them emphasizing that they should ensure that their water infrastructure plans have been approved by the District before any such plans are incorporated into the project's Coastal Development Permit. He also informed the Board that so far Ailanto Properties has given the District every indication that they plan to comply with the District's regulations and that he had spoken with a new engineer for the project, who wants to schedule a meeting with the District so that they can understand CCWD's regulations.

Jerry Steinberg, 591 Terrace Avenue, Half Moon Bay, CA – Expressed his appreciation to Mr. Dickson for following up on this matter and requested that a copy of the District's letter to Ailanto Properties also be sent to the California Coastal Commission (CCC). He then distributed a copy of a letter that CCWD had sent to the CCC dated January 12, 2001, stating the District's regulations and the submittal process for the proposed project.

- A. **Monthly Water Resources Report**
- B. **Water Shortage and Drought Contingency Plan Update**
- C. **Operations Report**

Mr. Dickson noted that the above referenced written reports were contained in the Board packet and he or staff could address any questions or comments from the Board about the subject matter.

8) ADJOURNMENT

The meeting was adjourned at 8:45 p.m. The next regular meeting of the Coastside County Water District’s Board of Directors is scheduled for Tuesday, October 14, 2008.

Respectfully submitted,

David Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District