

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Thursday, October 2, 2008

1) ROLL CALL

President Ascher called the meeting to order at 2:00 p.m. Present at roll call for the Closed Session portion of the meeting were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

2) CLOSED SESSION

**A. PUBLIC EMPLOYMENT
(Cal. Govt. Code Section §54957)
Title: General Counsel**

3) RECONVENE TO OPEN SESSION

The Closed Session concluded at 2:34 p.m., at which time the Board reconvened to Open Session, which included attendance by David Dickson, General Manager, Patrick Miyaki, Attorney from Hanson, Bridgett, LLP, and JoAnne Whelen, Administrative Assistant/Recording Secretary.

President Ascher reported the following action from the Closed Session: The Board has decided, given the conflicts which may arise as a result of District Legal Counsel Atchison, Barisone, Condotti & Kovacevich's representing both the District and the City of Half Moon Bay, that Coastside County Water District will engage the firm of Hanson, Bridgett, LLP as the District's Legal Counsel.

4) PUBLIC ANNOUNCEMENTS

There were no members of the public in attendance at this time.

5) **GENERAL BUSINESS**

A. **Discussion and possible action regarding distribution and sale of recycled water within District service boundary**

Mr. Dickson reviewed the facts and information contained in his written staff report, noting that the Board had discussed this issue at the Water Supply Planning Workshop in June and had assigned Directors Larimer and Feldman to serve on a Water Reclamation Committee at the August Board meeting. He explained that implementing a coastside water recycling project will require cooperation among several local agencies, including CCWD, Sewer Authority Mid-Coastside (SAM), and SAM's member agencies (Montara Water & Sanitary District (MWSD) Granada Sanitary District and the City of Half Moon Bay. He stated that a legal analysis had recently been prepared by Hanson Bridgett LLP and introduced Mr. Patrick Miyaki from Hanson Bridgett LLP to review the summary of the legal analysis of CCWD's water reclamation franchise.

Mr. Miyaki thanked the Board, on behalf of Hanson Bridgett, for selecting their firm to represent CCWD as District Counsel. Summarizing his legal analysis, he advised the Board that CCWD has the authority to distribute recycled water within the District's service boundary. He proceeded to outline some of the critical facts and the statutory framework in the analysis, which were also provided in written form, as an attachment to the General Manager's staff report for this agenda item.

Mr. Miyaki stated that the Water Recycling Act of 1991 establishes the relationship between the retail water supplier (CCWD) and the recycled water producer (SAM), which states that the retail water supplier is responsible for supplying recycled water within its service boundary. He also reviewed the Water Recycling Act of 1991, whose provisions establish that CCWD, as the water retailer, has the lead role in distributing recycled water within its service boundary and that a customer may not obtain recycled water from a producer such as SAM without CCWD's permission.

Board discussion ensued, with Mr. Miyaki and Mr. Dickson addressing various questions from the Board.

ON MOTION by Director Coverdell and seconded by Director Larimer, with suggested revisions to the language of the motion proposed by Mr. Miyaki, the Board voted as follows, by roll call vote, to direct staff to prepare policy to establish that Coastside County Water District desires to be the recycled water provider within its service area and is prepared to exercise its legal rights to do so:

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

The Board continued to discuss this matter, with each of the Board members expressing points reiterating the value in the District's establishing this policy, including many ultimate benefits both to the District and to the entire community. It was also decided that staff would present the draft policy to the Board at the regular meeting scheduled for Tuesday, October 14, 2008. President Ascher stated, that in light of the analysis and subsequent Board discussions, he hoped that the SAM Board would appoint committee members from their agency to start communication with CCWD's Water Reclamation Committee in order to start moving forward on water recycling for the general benefit of the entire coastside.

Paul Perkovic – Montara Water & Sanitary District President and Alternate SAM Board Representative – Stated that he felt that there may be some miscommunication about the action that transpired at the last SAM Board meeting. He stated that he was looking forward to cooperation among the districts and thought that the coastside agencies could work together to achieve this successfully.

President Ascher expressed his thanks to Mr. Perkovic for his comments, stating that Coastside County Water District was also looking forward to working with the Montara Water & Sanitary District, the Sewer Authority Mid-Coastside, the Granada Sanitary District and the City of Half Moon Bay, with the goal of establishing a successful recycling program on the coastside.

6) ADJOURNMENT

The meeting was adjourned at 3:20 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