

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday - November 18, 2008

1) CLOSED SESSION

A Conference with Labor Negotiators

(Cal. Govt. Code Section §54957.6) Agency Designated

Representatives: General Manager, IEDA

Employee Organization: Teamsters Union, Local 856

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 6:00 p.m. with President Ascher and Directors Larimer, Mickelsen, Coverdell and Feldman. David Dickson, General Manager was present and Austris Rungis, IEDA Representative participated in the discussion via telephone. The Closed Session concluded at approximately 7:00 p.m., immediately prior to commencement of the regular meeting, at which time Vice-President Mickelsen announced that the matter of the Memorandum of Understanding between Coastside County Water District and the Teamsters Union, Local 856 would be discussed later, during the open session portion of the meeting.

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MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, November 18, 2008

- 1) **ROLL CALL:** Vice-President Mickelsen called the meeting to order at 7:10 p.m., stating that President Ascher would be delayed, as he was in attendance at the Half Moon Bay City Council meeting to present a Resolution of recognition to former District Counsel Tony Condotti, for his accomplishments during the period he represented the District. Present at roll call were Directors Ken Coverdell, Jim Larimer, and Bob Feldman.

Also present were: David Dickson, General Manager; Patrick Miyaki, 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:** There were no public announcements. Vice-President Mickelsen introduced Mr. Patrick Miyaki with Hanson Bridgett and welcomed him back as CCWD's District Counsel, noting that Mr. Miyaki and Hanson Bridgett had previously served as the District's Legal Counsel for many years.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending October 31, 2008- Claims: \$654,258.07; Payroll: \$100,972.32; for a total of \$755,230.39
- B. Acceptance of Financial Reports
- C. Minutes of the October 14, 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. October 2008 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for October 2008
- K. Consideration of General Manager Performance Based Compensation Adjustment
- L. Approval of Memorandum of Understanding between Coastside County Water District and with Teamsters Union, Local 856

Vice-President Mickelsen announced that due to the request of one of the Directors, Item 4L “Approval of Memorandum of Understanding between Coastside County Water District and the Teamsters Union, Local 856”: was being pulled from the Consent Calendar and placed at the end of the agenda, for discussion following the conclusion of item 7C.

Director Coverdell announced that he had reviewed the monthly claims and found all to be in order.

ON MOTION by Director Larimer and seconded by Director Coverdell, the Board voted as follows, to accept the Consent Calendar, with the exception of item 4L - Approval of Memorandum of Understanding between Coastside County Water District and Teamsters Union, Local 856, which was pulled for further discussion later on in the agenda:

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

5) DIRECTOR COMMENTS / MEETINGS ATTENDED

Director Coverdell reported the results of a recent meeting of the Finance Committee. Director Feldman reported on two Water Resources Committee meetings pertaining to the Pilarcitos Integrated Watershed Management Plan. Director Larimer noted that the Water Reclamation

Committee had met on the previous day to discuss the two upcoming meetings with the Sewer Authority Mid-Coastside Recycling Committee and also the SAM November Board of Directors meeting.

6) **GENERAL BUSINESS**

A. **Approval of Basic Financial Statements for the Years Ended June 30, 2008 and 2007**

Mr. Dickson referenced his staff report, noting that the Auditor's letter attests that the financial statements fairly represent the financial position of the District. He then introduced Mr. Mark Wong with Maze & Associates to discuss the recent audit and answer any questions.

Mr. Wong proceeded to explain the audit process, and reviewed the Governmental Accounting Standards Board's (GASB) new reporting standards. He reiterated that upon completion of the audit, Maze & Associates are issuing an "unqualified opinion", which meets the highest audit standards. Mr. Wong addressed a few questions from the Board and provided a suggestion for the District to review and possibly update its current purchasing policy. Board discussion ensued, with direction given to staff to place this item, including a recommendation from staff, on the December 9, 2008 Board meeting agenda.

President Ascher returned to join the Board at 7:41 p.m.

B. **Award of Contract for the Nunes Filters 3 & 4 Media Replacement Project**

Mr. Guistino provided a brief background of this project and informed the Board that two bids had been received for the media replacement for filters 3 and 4, located at the Nunes Water Treatment Plant.

ON MOTION by Vice-President Mickelsen and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to award the contract for the Nunes Filters 3 and 4 Media Replacement Project to Cowan & Thompson Construction, Inc. in the amount of \$44,444.00:

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

C. Discussion and possible adoption of Resolution 2008-11 - A Resolution Declaring the Official Intent to Reimburse Expenditures from the Proceeds of Tax Exempt Securities

Mr. Dickson referenced his staff report, which included the background of this agenda item, and explained the purpose and nature of the Reimbursement Resolution, which would allow the District to use its current reserves for Capital Improvement Projects, then retroactively reimburse the reserves from the proceeds of a future bond issue.

ON MOTION by Director Coverdell and seconded by Vice-President Mickelsen, the Board voted as follows, by roll call vote, to approve Resolution 2008-11 A Resolution Declaring the Official Intent to Reimburse Expenditures from the Proceeds of Tax Exempt Securities:

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

D. Discussion of District's Cooperation with Sewer Authority Mid-Coastside (SAM) for Water Reclamation

Mr. Dickson explained that this item was placed on the agenda to allow the Board an opportunity to discuss the District's role in water reclamation and to possibly provide direction to staff and/or the District's Water Recycling Committee prior to the meeting scheduled with the Sewer Authority Mid-Coastside's (SAM) Recycling Committee on Monday, November 24, 2008. Mr. Dickson reviewed the benefits that he believes the District can bring to a water recycling partnership with SAM, including the ability to finance water recycling facilities, a commitment to purchase all the recycled water that SAM can produce at a certain cost for a certain number of years, and an

overall ability to finance the water reclamation effort. Additionally he stated that all of this can be accomplished at no risk to SAM or its ratepayers and that water reclamation will provide a substantial benefit to CCWD customers as well. Board discussion ensued, with each of the Directors sharing their comments in support of this prospective project. The Board also requested that staff arrange to have Mid-Coast Community Television (MCTV) film SAM's November 24, 2008 Committee and Board meetings.

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

Mr. Dickson referenced his staff report, updating the Board on the closeout of the El Granada Pipeline Phase 3 Replacement Project, advising them that the final Notice of Completion is anticipated for the December 9, 2008 Board agenda. He also reviewed the schedule of proposed dates for the additional strategic planning workshops, planned for January, February, and April of 2009.

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

Mr. Guistino and Ms. Brennan each answered a question relating to the information contained in their monthly report. President Ascher then announced that the Board would now discuss the consent calendar item 4L.

Approval of Memorandum of Understanding between Coastside County Water District and Teamsters Union, Local 856

President Ascher announced that the Board had discussed the Memorandum of Understanding (MOU) earlier during the closed session portion of the meeting and had expressed an interest in discussing it in further detail. Director Larimer expressed a few concerns with the MOU in regards to some employee benefit issues and the possible long-term effects of those changes. Each of the Directors then shared their comments regarding the MOU, concluding with President Ascher stating that the MOU accomplishes two tasks, managing the benefits of the District's present employees, while also looking out for the ratepayers. He added that he felt the District was on the

“right track” and in the long run the MOU will benefit the best interests of all parties concerned.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted as follows, by roll call vote, to approve the Memorandum of Understanding between Coastside County Water District and Teamsters Local 856 for the period of July 1, 2008 through June 30, 2011:

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

8) ADJOURNMENT

The meeting was adjourned at 8:44 p.m. The next regular meeting of the Coastside County Water District’s Board of Directors is scheduled for Tuesday, December 9, 2008.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District