

COASTSIDE COUNTY WATER DISTRICT  
Minutes of the Regular Meeting of the Board of Directors  
766 Main Street, Half Moon Bay, CA 94019  
April 9, 2002 – 7:30 p.m.

- 1) ROLL CALL: President Eleanor Wittrup called the meeting to order. Present at roll call were Directors Chris Mickelsen, James Marsh, and Jim Larimer. Also present were Ed Schmidt, General Manager; Dave Mier, Superintendent; Anthony Condotti, Legal Counsel; James Teter, Engineer; JoAnne Whelen, Executive Secretary; Glenna Lombardi, Executive Assistant; and Linda Goetz, Recording Secretary. There were approximately 15 people in the audience.
- 2) PLEDGE OF ALLEGIANCE: Everyone stood for the Pledge of Allegiance.
- 3) PUBLIC ANNOUNCEMENTS: None.
- 4) SPECIAL ORDER OF BUSINESS; ADMINISTRATION OF OATH OF OFFICE TO NEWLY-APPOINTED DIRECTOR - JOHN H. MULLER: Mr. Al Adreveno, former CCWD Director, spoke of Mr. Muller's qualifications and then administered the oath of office to Mr. Muller.
- 5) APPROVAL OF THE AGENDA: The General Manager requested that Item 6-B be withheld from approval until after discussion. President Wittrup reordered the Agenda by placing Item 13-D before Item 7-C.

**ON MOTION by Director Marsh, seconded by Director Larimer, the Agenda was unanimously approved as amended.**

- 6) CONSENT CALENDAR:
  - A. Requesting the Board to review payment of claims for the month ending March 31, 2002 in the amount of \$300,212.63.
  - B. Acceptance of Financial Reports.
  - C. Minutes of Special Meeting of February 27, 2002.
  - D. Minutes of Meeting of March 12, 2002.
  - E. Notice of Completion - Acceptance of Pipeline Extension to 606 Vallejo Street, El Granada.

Director Marsh noted the increase in property insurance rates, and the General Manager explained that the District is currently receiving the best rate available through membership in the ACWA/JPIA.

**ON MOTION by Director Mickelsen, seconded by Director Marsh, Items 6-A, C, D and E of the Consent Calendar were unanimously approved as presented. Director Muller later abstained from approval of the Minutes since he was not present at the February 27, 2002 or March 12, 2002 meetings.**

- 6-B Acceptance of Financial Reports: The General Manager clarified specific items of the Financial Reports.

**ON MOTION by Director Marsh, seconded by Director Larimer, the Board unanimously accepted the Financial Reports as presented by roll call vote.**

7) REPORT OF THE GENERAL MANAGER:

- A. Discussion and possible direction regarding the 1915 Act Assessment District Professional Administrative Consulting Services for the Crystal Springs Project: Mr. Tim Siefert of NBS Government Finance Group provided an overview of the service they would provide under their proposal and answered questions from the Board.

*Paul Perkovic, Montara*: asked whether funds that have not been expended in the CSP project would need to be refunded. After some discussion, staff was directed to investigate the issue and report back to the Board.

**Director Larimer MOVED and Director Mickelsen SECONDED to authorize the General Manager to enter into the Professional Services Agreement with NBS Government Finance Group to administer the final three years of the Crystal Springs Assessment District as presented. After further discussion, the Board unanimously APPROVED by roll call vote.**

During discussion Director Larimer recommended increasing the General Manager's spending authority to allow him to act on certain budget items without bringing them to the Board for approval. Staff will bring a policy change recommendation to the Board at the next meeting.

- B. Update on recent activities regarding El Granada Pipeline Appeals at the California Coastal Commission and possible direction to provide additional information: The General Manager advised that he has recently provided the California Coastal Commission with information as directed by the Board. He requested direction to provide specific additional information and authorization to respond immediately to the California Coastal Commission's questions and requests without consulting the Board for approval. Director Larimer recommended asking the California Coastal Commission to advance this issue on its calendar. Director Muller asked whether the Board has determined the specifics of their presentation to the California Coastal Commission.

**ON MOTION by Director Larimer, seconded by Director Mickelsen, by roll call vote the Board unanimously authorized the General Manager to act as their spokesman to the California Coastal Commission and to respond to the Coastal Commission directly and as quickly as possible. They also directed him to express a sense of urgency to have this matter heard at the earliest opportunity.**

Item 13-D was discussed at this point in the meeting, and is reported in proper sequence of the agenda in these minutes.

- C. Discussion of previously approved schedules for water pipeline segments recently modeled by Water Resource Associates (El Granada, Carter Hill West and Main Street) and possible further direction to staff: The General Manager advised that certain action needs to be taken if the Board wants to adhere to the tentative schedule as approved at the January 8, 2002 meeting. Director Marsh suggested this may be the time to review all projects as a whole.

**ON MOTION by Director Larimer, seconded by Directors Muller and Marsh, the Board unanimously directed staff to review the existing Mitigated Negative Declaration for the Carter Hill West Pipeline and provide a progress status report to the Board at the May meeting. Further, they directed the District Engineer to complete the designs of Phase III (A) and III (B) of the El Granada pipeline project.**

BREAK: The Board took a ten minute break from 9:00 p.m. to 9:10 p.m.

- D. Conservation Billing Insert to Promote Earth Day, Drinking Water Week and Water Awareness Month: Glenna Lombardi, the District's Water Conservation Coordinator, discussed the District's recognition of these conservation events and described the District's conservation program. Staff will investigate District participation in any local Earth Day activities.
- E. Request for Resolution and letter of support from the Bay Area Water Users Association (BAWUA) on Senate Bill (SB 1870) and Assembly Bill (AB) 2058: After the General Manager presented BAWUA's request for support, Director Marsh cautioned against creating more government. The other Directors presented their reasons for supporting the bills, and the following action was taken:

**ON MOTION by Director Mickelsen, seconded by Director Larimer, the Board directed staff to send resolutions and letters of support on behalf of the District, for State Senate Bill 1870, "The Bay Area Water Reliability Financing Authority Act," and State Assembly Bill 2058, "The Bay Area Regional Water Supply and Conservation Agency Act," to the Assembly Local Government Committee. The Motion passed 4 to 1, as follows:**

<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Marsh</b>	<b>No</b>
<b>Director Muller</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>President Wittrup</b>	<b>Aye</b>

- F. Discussion and possible direction regarding the District's High Water Bill Relief Policy: The General Manager presented his reasons for his recommendation to eliminate the high water bill relief policy, stating that it will eliminate staff time and involvement in customers' private property. In response to some Directors' concerns for hardship cases or an appeal process, staff pointed out that customers still have the opportunity to challenge a meter's accuracy and utilize the water bill amortization program.

**ON MOTION by Director Marsh, seconded by Director Larimer, the Board unanimously eliminated the existing CCWD high water bill relief policy by roll call vote.**

- G. Discussion and possible direction to staff regarding audit of the General Purpose Financial Statements for the year ending June 30, 2002: President Wittrup explained why she felt it was important to put the auditing contract out to bid as standard practice. However, no one voiced objection to the performance of the current auditor or expressed an interest in going through the bid process.

*Paul Perkovic, Board member of the Montara Sanitary District,* offered that it is merely a matter of whether the Board wants to go through the bid process.

The following action was taken:

**ON MOTION by Director Larimer, seconded by Director Mickelsen, the Board unanimously directed staff to sign the services engagement letter with Maze & Associates for the Coastside County Water District audit for the fiscal year ending June, 30, 2002 by roll call vote.**

- H. Human Resource Consultant Services Update: The General Manager reported on the status of the study. Director Muller suggested an informal get-together with staff and Board members in approximately July or August to give staff and the Board an opportunity to share viewpoints. Staff will provide Director Muller with an overview of the staff statistics, including the current number of employees, seniority, number of employees eligible for retirement, etc.
- I. Discussion and possible direction to staff to participate in the Seismic Assessment Project proposed by John Ummel, BAWUA Staff Analyst: The General Manager provided BAWUA's recommendation to participate in the seismic analysis services offered to BAWUA members.

*Paul Perkovic, Montara,* urged the Board to support the project.

**ON MOTION by Director Muller, seconded by Director Marsh, the Board unanimously accepted the work plan from G & E Engineering Systems, Inc. and directed staff to participate in the seismic vulnerability analysis as recommended by the BAWUA at a cost of \$4,000 by roll call vote.**

- J. Active Projects List/ Perennial Calendar: The General Manager presented an updated version of the calendar and a current projects list. There was no discussion or action taken.
- K. General Manager Activities: The General Manager presented his written report of his activities. No action was required.

*Paul Perkovic, Montara*, requested to speak, and Director Mickelsen stated for the record that Mr. Perkovic is not a CCWD ratepayer. Mr. Perkovic responded that he is an elected member of the MidCoast Community Council which covers the service area of the District. Mr. Perkovic then thanked the General Manager for attending their meeting on March 13<sup>th</sup> and voiced his appreciation for the General Manager's help with regard to the water service acquisition efforts in Montara.

- L. CORRESPONDENCE: There was no comment or discussion of the following correspondence: 1) Letter from HMB Fire Protection District dated March 12, 2002; 2) Letter from Gary & Judy Wood dated March 21, 2002; 3) Letter from Sewer Authority Mid-Coastside dated April 1, 2002; 4) Letter from Senator Barbara Boxer dated March 26, 2002:

8) ENGINEER'S REPORT: The Engineer presented his written report as informational, and responded to Board comments.

- A. Engineering Projects Received in March, 2002: Final submittal documents were approved for the Magnolia Park Subdivision. No Board action required.
- B. Engineering Projects in Progress: 1) Alves Tank Site Paving and Drainage Improvements, and (2) El Granada Tank No. 3 Hydro-Pneumatic Tank Replacement/Pump Station Rehabilitation Project. No Board action required.
- C. Water Reclamation Program Preliminary Economic Feasibility Study - Status of Request for Proposals: The Engineer reported that two proposals were received, and requested direction on whether the Board wishes to be involved in the selection process. The General Manager recommended that since the proposals are equal and there is no legal difficulty, that he be given responsibility to make the decision. The General Manager, Engineer and Superintendent all agreed that Carollo Engineers is the contractor of choice. Director Larimer stated that he would like to see

future recommendations by the Engineer in writing. The following action was taken:

**ON MOTION by Director Larimer, seconded by Director Marsh, the Board unanimously authorized the General Manager to enter into a contract with Carollo Engineers to conduct an economic feasibility study of the Water Reclamation Program as contained in their proposal, at an estimated cost of \$50,052, and a completion date of the end of November, 2002.**

- D. North Coast County Water District-Recycling Plan : The Engineer presented information about the recycling plan developed by the NCCWD in Pacifica, and answered questions from the Board. No action was taken.
- 9) OPERATIONS REPORT: Superintendent David Mier presented Items A through D without comment.
- A. Water Service Connections Installed, Priority and Non-Priority: Seventeen water connections were installed in March.
  - B. Capital Improvement Program Progress: \$59,773 was expended in March, \$58,810 of which was the Nunes Water Treatment Plant and revenue bond repayment.
  - C. Water Sample Report, Local Production, Water Purchases, Leaks, etc: Water production totaled 62.72 million gallons; all from local sources. Sales were 55.69 million gallons. The peak 24 hour demand was 1,848 gpm on March 14. 2.30 inches of rain were recorded at the District office in March, for a total since July of 20.63 inches.
  - D. Carter Hill West Pipeline Pressure Readings: Pressure readings were well above the minimum recommended psi.
  - E. Water Sampling Stations: The Superintendent presented a cost breakdown and tentative schedule for purchasing and installing twenty water-sampling stations. After answering questions about the locations of the stations, the following action was taken:

**ON MOTION by Director Marsh, seconded by Director Larimer, the Board unanimously authorized staff to proceed with the purchase and installation of water sampling stations at an estimated cost of \$15,978.**

- F. Alameda Pipeline Project - Update: The Superintendent announced that a CDP has been secured for the pipeline replacement project which will replace 6,000 feet of 52 year old two-inch pipeline with six-inch pipeline and has been budgeted for an amount of \$504,000. Directors Marsh and Mickelsen abstained from voting due to potential conflict of interest.

*Paul Perkovic, member of MidCoast Community Council:* complimented the General Manager and Superintendent for their communication to the public, which in his opinion helped to avoid the problems similar to those experienced in the El Granada project.

**ON MOTION by Director Muller, seconded by Director Larimer, the Board authorized staff to advertise for bids for the Alameda Pipeline Replacement Project and to solicit bids for the District-supplied materials.**

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

10) MEETINGS ATTENDED/SCHEDULED:

- A. Committee for Regional Water Supply Reliability - March 7, 2002  
Attended by Director Mickelsen: Director Mickelsen reported that pressure is continuing to be put on the SFPUC to guarantee a safe and adequate transmission system from Hetch Hetchy.
- B. Regional Water Summit - "Water - The Next Big Crisis?" Sponsored by BAWUA, City of San Jose, San Jose State University, San Jose Water Co., Santa Clara Valley Water District and SBC Pacific Bell - March 26, 2002 - San Jose State University: Director Mickelsen recommended that the District follow Pacifica's example in reclaimed water production. Support for tertiary treatment water was expressed by other Directors.
- C. ACWA 2002 Spring Conference, May 8-10, 2002 - Monterey Conference Center: The General Manager announced that he and the Superintendent will be attending, and Directors Wittrup and Muller expressed their interest as well.

11) CITIZENS COMMENTS:

*Donald Sheardon, 45 Medio, HMB:* cautioned the Board of possible conflict of interest issues for Director Mickelsen.

*Everett Ascher, 114 Cypress Pt. Rd, HMB:* expressed his gratitude for a complete Board with the appointment of John Muller, and recommended they make decisions to operate the District in the best interest of the ratepayers.

*Barbara Maas, P.O. Box 1294, El Granada:* said it was important for the District to "right-size" the water system and perform an EIR.

**ON MOTION by Director Larimer, seconded by Director Mickelsen, the Board unanimously approved to extend the Board meeting by roll call vote**

12) AGENDA ITEMS AND DIRECTOR COMMENTS:

Director Mickelsen responded to Donald Sheardon by advising that the process for acquiring priority connections is open to anyone.

Director Wittrup reminded everyone of two items for the next agenda: 1) increasing the General Manager's spending authority, and 2) a discussion of what type of items the Board would like to have come before them.

Director Marsh requested a status report on the California Coastal Commission investigation of the El Granada Pipeline compliance.

Director Larimer stated the District is two to three years behind schedule of infrastructure projects and suggested moving forward as rapidly as possible to get them completed.

13) ATTORNEY'S REPORT:

- A. Discussion and Possible Staff Direction Concerning El Granada Transmission Pipeline Appeal: The Attorney presented a budget to provide a comprehensive analysis and documentation for the substantial issue findings identified by the California Coastal Commission staff for presentation to the Commission to become part of the administrative record. During extensive discussion, the Superintendent reminded the Board that the City and County did not detail how the project complied with specific policies in their LCPs.

Director Larimer MOVED and Mickelsen seconded to direct staff to distribute to the Board an attorney-client analysis of the issues involving compliance with the LCP. Extensive discussion ensued regarding whether the document should be sent directly to the California Coastal Commission staff when complete or remain within attorney-client privilege until adopted. Director Larimer AMENDED the Motion to read as follows:

**ON MOTION by Director Larimer, seconded by Director Mickelsen, the Board unanimously directed staff to prepare an analysis directed to the Board of Directors, for California Coastal Commission consideration, explaining why the project is consistent with the LCP's, taking into consideration the four phases of analysis as presented in the Attorney's memorandum.**

- B. Overview of Agreements for Purchase of Water from City and County of San Francisco: The Attorney presented his summary overview of the agreements the District is currently entered into to purchase San Francisco



water. During discussion it was noted that an amendment would be required to serve water to the north coast, and that San Francisco approval would be necessary in order to proceed with the reclaimed water study.

BREAK: The Board took a ten minute break from 11:25 to 11:35 p.m.

- C. Coastside County Water District Director Residency: The Attorney presented his Summary Opinion, supported by facts and legal analysis, and determined that President Witttrup is currently a legal resident of the District for purposes of qualification for office as a member of the CCWD Board of Directors. Director Larimer questioned in what sense she was still a member of the community.
  
- D. Overview of District's Responsibility Under CEQA for Determining Whether to Adopt EIR or Negative Declaration for District Projects: Tony Condotti, District Counsel provided a summary of his written analysis of the District's responsibility as lead agency as taken from CEQA guidelines and case law. During discussion he answered compliance questions specific to the El Granada Pipeline Project and explained the purpose of the Initial Study when determining whether to adopt an EIR or Negative Declaration. The issue of long-range planning and development of a master plan was raised, and the General Manager noted that it is scheduled for discussion in May. No action was required.

*Paul Perkovic, Montara*: asked about the process of the State Clearing House for disseminating comments to reviewing agencies.

*Barbara Maas, P.O. Box 1294, El Granada*: Reminded the Board that they are directly reportable to ratepayers and requested a full EIR.

*Mary Ascher, 114 Cypress Pt. Rd., HMB*: urged a negative declaration to get the project underway.

*Everett Ascher, 114 Cypress Pt. Rd., HMB*: felt that the right thing for the rate payers is to get around to building the pipeline.

- E. Consideration of Amendment to the Employment Agreement between Coastside County Water District and the General Manager to modify the provision governing administrative leave: The Attorney presented a First Amendment to the General Manager's Employment Agreement and the Board took the following action:

**ON MOTION** by Director Marsh, seconded by Director Mickelsen, the Board unanimously accepted the First Amendment to Employment Agreement between the District and the General Manager by roll call vote, as follows: *"In addition to vacation, Employee shall be entitled to 120 hours paid administrative leave per year, effective as of April 9, 2002, and accrued annually on the anniversary of this Amendment. Said administrative leave shall not accumulate from year to year. It must be used in the year in which it accrues. Employee will not be paid for administrative leave which is unused, either at the end of each year or at the time of Employee's termination or retirement."*

The Board went into Closed Session at 11:45 p.m. to discuss Items 13 F through H.

- F. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS: Agency Designated Representative: District Legal Counsel. Un-represented employee: General Manager:
- G. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS/ PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Agency Designated Representative: General Manager, District Legal Counsel. Position being considered: District Engineer:
- H. 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 Attorney will present a written report of action taken in Closed Session to be attached as part of these Minutes.

- 14) ADJOURN: The Recording Secretary was not present for adjournment which occurred after Closed Session. The next regular meeting of the Board of Directors will be on May 14, 2002 at 7:30 p.m.

Respectfully submitted,

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Ed Schmidt, General Manager

APPROVED:

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Eleanor Wittrup, President