

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**June 13, 2006**

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:31 p.m. President at roll call were Directors Jim Larimer, Ken Coverdell and John Muller. Director Chris Mickelsen arrived at 7:33 p.m.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Joe Guistino, Superintendent of Operations; Amanda Cox, Water Conservation Coordinator; JoAnne Whelen, Administrative Assistant/Recording Secretary and John Parsons, CPA.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.

- 3) **PUBLIC ANNOUNCEMENTS:**

President Ascher announced that Director Muller and his wife would be celebrating their thirty-seventh wedding anniversary this week. He also expressed condolences to Director Coverdell for the recent loss of his father-in-law and sister-in-law. Director Coverdell thanked the CCWD Board and staff for the floral arrangement delivered to his home.

President Ascher distributed the framed certificates issued to the Directors and General Manager acknowledging their recent successful completion of the Ethics Training session.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month ending May 31, 2006 - Claims: \$300,802.56 Payroll: \$60,087.42 for a total of \$360,889.98

- B. Acceptance of Financial Reports
- C. Minutes of the May 16, 2006 Board of Directors Meeting
- D. Monthly Water Transfer Report
- E. Water Service Connections Installed, Priority and Non-Priority Report
- F. Total CCWD Production Report
- G. CCWD Water Use by Category Report
- H. May 2006 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for April 2006
- K. Engineering Projects Received for Review during May 2006
- L. General Manager Activities Report

**ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted unanimously to accept the Consent Calendar in its entirety:**

|                           |            |
|---------------------------|------------|
| <b>Director Coverdell</b> | <b>Aye</b> |
| <b>Director Larimer</b>   | <b>Aye</b> |
| <b>Director Mickelsen</b> | <b>Aye</b> |
| <b>Director Muller</b>    | <b>Aye</b> |
| <b>President Ascher</b>   | <b>Aye</b> |

**5) PUBLIC HEARING - PROPOSED RATE INCREASE**

- **Public Hearing to consider proposed amendment of Rate and Fee Schedule to increase water rates 7%**
- **Consider Resolution 2006-12 - A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates**

President Ascher acknowledged that there were no members of the public in attendance for the Public Hearing for the proposed rate increase.

Mr. Schmidt provided the background, including a recap of the meetings that had transpired with the Finance Committee, and the procedures followed in noticing the Public Hearing. He also reported on his annual visits, along with Amanda Cox, Water Conservation Coordinator, with some of the District's commercial customers, and referenced some of the comments provided by those customers.

The Board discussed the impact of the San Francisco Public Utilities Commission rate increases and the importance of developing bigger and better local water sources. Appreciation was expressed to the Finance Committee for their work and contributions with the budget and to Mr. Schmidt and Ms. Cox for their visits with the commercial customers.

Mr. Condotti then reviewed two suggested revisions to the proposed Resolution amending the rate and fee schedule to increase water rates and distributed copies of the revised Resolution.

**ON MOTION by Director Larimer and seconded by Director Mickelsen, the Board voted unanimously to accept the recommended revisions to the proposed Resolution Amending the Rate and Fee Schedule to Increase Water Rates:**

|                    |     |
|--------------------|-----|
| Director Coverdell | Aye |
| Director Larimer   | Aye |
| Director Mickelsen | Aye |
| Director Muller    | Aye |
| President Ascher   | Aye |

**ON MOTION by Director Larimer and seconded by Director Coverdell, the Board voted unanimously, by roll call vote, to adopt Resolution 2006-12 A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates:**

|                    |     |
|--------------------|-----|
| Director Coverdell | Aye |
| Director Larimer   | Aye |
| Director Mickelsen | Aye |
| Director Muller    | Aye |
| President Ascher   | Aye |

**6) WATER CONSERVATION COORDINATOR'S REPORT**

**A. Water Conservation Report**

Ms. Cox referenced her staff report and reported on the recent meetings with the commercial customers, the new toilet and clothes washer rebate programs and also explained a new rebate program that will be available for the District's commercial customers in August 2006.

**7) SUPERINTENDENT OF OPERATIONS REPORT**

**A. Superintendent of Operations Monthly Report**

Mr. Guistino referenced his written staff report and provided additional updated information on the Denniston Filter Media Replacement Project, the Nunes Influent Control Valve Project, and the installation of the intrusion alarms at the water treatment plants. Mr. Guistino also reported that three of the field staff members had recently taken their T2 exams and that the results were pending.

Director Muller stated that he felt it was important that the District consider looking into possibly of having the large eucalyptus trees surrounding the Denniston plant and spillway areas removed. Mr. Schmidt stated that the District would look into the matter and would be in contact with representatives from POST and the local area farmer.

The Board briefly discussed the fact that a waiver had recently been received from SFPUC to allow CCWD to supply water, if necessary, to CalTrans contractors for the Devil's Slide Repair project.

Staff was directed to provide the Board with the final costs associated with the cleaning and maintenance improvements recently performed for the Denniston and Nunes Water Treatment Plants, at the July or August Board meeting.

**8) DISTRICT ENGINEER'S REPORT**

**A. District Engineer Work Status Report**

Mr. Teter referenced his work status report and reported that work on the water treatment plant short-term improvement project is on schedule. He also provided the results of the inspection of the above-water portion of the Denniston storage tank, informing the Board that the tank is in excellent condition.

**9) GENERAL MANAGER'S REPORT**

**A. Discussion and possible execution of an agreement between Coastside County Water District and the City of Half Moon Bay regarding construction of the water pipeline component of the Route 92 Widening Project**

Mr. Schmidt introduced this item, explaining that the City of Half Moon Bay is requesting a written commitment from CCWD for the District's portion of the water pipeline component of the Route 92 Widening Project costs. An additional commitment is being requested from the City for payment of 12% for the District's share of construction management, inspection services, material testing, survey costs and the City's administration costs.

*Paul Nagengast, City of Half Moon Bay Public Works Director* – Mr. Nagengast provided a brief project update presentation to the Board including the bid opening results, and the fact that the bids exceeded the engineer's estimate, the City's search for additional funding for the project, the construction schedule, the project scope and addressed a few questions from the Board.

**ON MOTION by Director Muller and seconded by Director Mickelsen, the Board voted unanimously, by roll call vote, to approve the execution of the agreement between Coastside County Water District and the City of Half Moon Bay regarding construction of the water pipeline replacement component of the Route 92 Widening Project:**

|                           |            |
|---------------------------|------------|
| <b>Director Coverdell</b> | <b>Aye</b> |
| <b>Director Larimer</b>   | <b>Aye</b> |
| <b>Director Mickelsen</b> | <b>Aye</b> |
| <b>Director Muller</b>    | <b>Aye</b> |
| <b>President Ascher</b>   | <b>Aye</b> |

President Ascher stated that he felt that this action was a wonderful example of the kind of cooperation that can exist between two independent governmental bodies. The coordination witnessed here between the City of Half Moon Bay and the Coastside County Water District is the way government ought to work, and the way things can and should be done. President Ascher expressed his appreciation to Mr. Nagengast for his presentation to the Board and stated that he hoped Mr. Nagengast would take back to the City of Half Moon Bay, the absolute unanimous pledge of cooperation and support from the Coastside County Water District in this project.

Mr. Nagenhast thanked the Board and agreed to share the kind words expressed by President Ascher, with the City of Half Moon Bay.

**B. Update on the recent sale of California Statewide Communities Development Authority Water Revenue Bonds for Infrastructure Financing**

Mr. Schmidt provided an update of the recent bond sale including the sale and closing date, the amount of the interest and principal payments, the final maturity date and the maximum annual debt service. He thanked Gina Brazil, Office Manager and John Parsons, CPA, for their assistance with this transaction.

**C. Discussion and possible direction to staff to advertise for bids for the replacement of the District's Emergency Power Generator, located at the District's office at 766 Main Street, Half Moon Bay**

Mr. Schmidt provided the background of this item and explained the need to obtain bids for the replacement of the District's emergency generator, stating that he would bring the matter back to the Board, once the bids were received.

**D. Discussion and possible direction to staff to revise the Coastal Development Permit Application and the need for the Department of Fish and Game approval, for Denniston Reservoir sediment removal**

Mr. Schmidt reviewed the background of this project and explained the need for the District to seek a revised Coastal Development Permit for a more comprehensive project that includes restoration of the reservoir. He distributed photos of the reservoir from many years ago and the Board discussed the concept and possible strategies for pursuing the revised scope of the project and the importance of this local water source. The Board also discussed having new aerial photographs of the reservoir taken and inviting local concerned agencies to a future Board meeting.

President Ascher stated that he would like to appoint a sub-committee consisting of Directors Coverdell and Muller to consult with the General Manager on this project including preparation of the application, and addressing the environmental and other concerns.

Both Directors agreed to participate on this committee. President Ascher also summarized the direction to staff, to write a permit application to San Mateo County and to the Department of Fish and Game and any other responsible agencies to increase the dredging of Denniston Reservoir to include up to 20,000 cubic yards and with the advice of the new committee and Mr. Condotti, legal counsel, to present the application to the Board on or before the August 8, 2006 CCWD Board of Directors meeting. The directions to staff also included withdrawal of the present pending permit applications with the County of San Mateo and the Department of Fish and Game.

**E. Status Report on Capital Improvement Projects**

Mr. Schmidt referenced his written staff report and directed the Board's attention to the update on the Phase 3 of the El Granada Pipeline Replacement Project. He informed the Board that Jack Liebster, City of Half Moon Bay Planning Director, recently reported that the biological report is almost complete and in about seven to ten days, the forty-five day comment period with three agencies, the California Coastal Commission, the Corp. of Engineers, and the Department of Fish and Game would begin and that a public hearing was anticipated for approximately the end of August or the beginning part of September.

The Board shared their comments and concerns in regards to the delays with this project and agreed that the Board will attend the next Half Moon Bay City Council meeting to inquire about the delays and what possible action could help to expedite the project approval. Staff was directed to agendize a special meeting for the Board's attendance at the Tuesday, June 20, 2006 Half Moon Bay City Council meeting.

**F. Correspondence: (1) Letter from CCWD to City of Half Moon Bay dated May 24, 2006 regarding Phase 3 El Granada Pipeline Replacement Project (2) Letter from Granada Sanitary District to CCWD dated May 25, 2006 regarding Ethics Training; (3) Letter from CCWD to SFPUC dated May 26, 2006 regarding support for Pilarcitos Integrated Watershed Management Plan Grant Proposal (4) Thank you card from Jud Norrell, Finance Director for the City of Half Moon Bay on behalf of the San Mateo Finance Officers Group dated June 2, 2006**

Mr. Schmidt reviewed each of the correspondence items and thanked the Board for allowing him to attend the recent Special District and Local Government Institute Administration Seminar in San Diego.

**10) ATTORNEY’S REPORT**

**A. Update on sale of twenty partial non-priority water service connections**

Mr. Condotti referenced his staff report and reiterated that the bidding period for the twenty partial non-priority connections will conclude this Friday, June 16, 2006, with the bid opening scheduled for Friday, June 23, 2006 at 10:00 a.m. at the District office.

**11) MEETINGS ATTENDED / SCHEDULED - BOARD OF DIRECTORS**

Director Mickelsen reported on the recent BAWSCA meeting and Director Muller requested that the District send a sympathy card to Ms. Susan Leal, General Manager of the San Francisco Public Utilities Commission, expressing the District’s condolences for the recent loss of her mother.

**12) AGENDA ITEMS AND DIRECTOR COMMENTS**

Director Mickelsen commended the Board on accomplishing many important matters in a very effective meeting within a two-hour period. President Ascher agreed that the meetings have been effective and thanked the District staff for their thorough preparation before the meetings and the Board for their insightful questions and comments. He expressed his appreciation to the Board and staff for their work, time, and effort in making the District an efficient and responsible representative to its constituents, ratepayers, and citizens of the coastside.

**13) CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

**Initiated litigation pursuant to subdivision (b) of Section 54956.9  
One (1) potential case**

The Closed Session convened at approximately 9:31 p.m. with Directors Ascher, Coverdell, Larimer, Mickelsen and Muller. Also in attendance were Ed Schmidt and Tony Condotti. The Board reconvened to open session at approximately 9:45 p.m. with no members of the public present. No action was reported.

**13) ADJOURNMENT**

The meeting was adjourned at 9:31 p.m. for the Closed Door Session. The next meeting of the Coastside County Water District Board of Directors is scheduled for Tuesday, July 11, 2006 at 7:30 p.m.

**Respectfully submitted**

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**Ed Schmidt, General Manager**

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**Everett Ascher, President**