

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

July 11, 2006

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:30 p.m. President at roll call were Directors Jim Larimer, Ken Coverdell and Chris Mickelsen. Director Muller was absent.

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 Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:**

There were no public announcements.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month ending June 30, 2006 - Claims: \$350,427.85 Payroll: \$92,430.73 for a total of \$442,858.58
- B. Acceptance of Financial Reports
- C. Minutes of the June 13, 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. June 2006 Leak Report
- I. Rainfall Reports

- J. San Francisco Public Utilities Commission Hydrological Conditions Report for May 2006
- K. Notice of Completion – Avenue Balboa Pipeline Replacement Project
- L. Acceptance of Cortez Avenue – Non-Complex Pipeline Extension
- M. General Manager Activity Report

Director Larimer requested that item 4D, Monthly Water Transfer Report be pulled from the Consent Calendar for further discussion.

ON MOTION by Director Mickelsen and seconded by Director Larimer, the Board voted as follows to accept the Consent Calendar in its entirety:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

Director Larimer questioned the need to have the Monthly Water Transfer Report on the agendas each month. The Board briefly discussed the issue and the consensus was to continue to include the report each month.

5) WATER CONSERVATION COORDINATOR’S REPORT

Ms. Cox referenced her staff report and reviewed a summary of the fiscal year 2005-2006 Water Conservation Program. She also reported on the new high efficiency toilet rebate program through BAWSCA and distributed a copy of the new “Practical Plumbing” handbook, produced by the California Urban Water Conservation Council.

6) SUPERINTENDENT OF OPERATIONS REPORT

Mr. Guistino referenced his written staff report and provided additional updated information on several projects, including the Nunes Influent Control Valve, the Denniston Backwash Return Valve, and the Nunes access road. Mr. Guistino also reported on the Department of Health Services (DHS) annual inspection, stating that the Department was very impressed with the recent improvements and safeguards to the District’s system. The Board commended District staff for these accomplishments. Director Coverdell requested that the information and photo contained

in the DHS report be utilized in the permit process in connection with the Denniston restoration project. Mr. Guistino addressed several questions from Director Larimer and a request for staff to follow up on each of the DHS recommendations, including tracking the tasks, progress and expected dates of completion and provide the report monthly to the Board. President Ascher requested, for the public's benefit, that the following portion of the report from DHS be incorporated into the record "CCWD is to be commended for its recent improvements to the overall performance of the water system. The physical upgrades and change in operational practices at the Nunes Water Treatment Plant were particularly noteworthy". "The Department is confident that with the knowledgeable and resourceful team of staff at CCWD, many great improvements to the water system will be accomplished".

7) **DISTRICT ENGINEER'S REPORT**

A. **Engineering Projects Received during the month of June 2006**

Mr. Teter reported that he had reviewed one project during the month, a preliminary submittal for a proposed extension of Avenue Portola in El Granada, which was circulated to a number of local agencies for preliminary comments.

B. **District Engineer Work Status Report**

Mr. Teter referenced his work status report and reported that the survey work had begun for the pipeline re-alignment for Phase 3 of the El Granada Pipeline Project.

8) **GENERAL MANAGER'S REPORT**

A. **Discussion and direction to staff regarding request for relief of water bill for T & E Pastorino Nursery Inc. for service located at 12511 San Mateo Road, Half Moon Bay**

Mr. Schmidt referenced his staff report on this item and introduced Mr. Stan Pastorino.

Stan Pastorino, 12511 San Mateo Road, Half Moon Bay, CA – Thanked the Board for the opportunity to address this issue and referenced his letter

dated July 6, 2006, explaining the circumstances of the leak on his property resulting in the high water bill. Mr. Pastorino addressed several questions and discussion ensued among the Board, including the District's practice on high water bills, and the details of Mr. Pastorino's account and previous billing cycles.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted as follows to waive all associated late fees and offer an amortization plan with this particular billing, and grant relief based on the following: determine the overage (from this leak) based on the amount of an average bill over twelve months (six billing cycles), and grant a 25% reduction on the overage:

Director Coverdell	Aye
Director Larimer	No
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

At this point in the meeting President Ascher made the announcement that he had just been informed by telephone by the Mayor of the City of Half Moon Bay that CCWD Director John Muller had been appointed to the City Council by a 4-0 vote. President Ascher then proceeded to read a letter of resignation from the CCWD Board of Directors from Director Muller.

Each of the Directors shared their comments about this new development affecting the District and Board of Directors and expressed their appreciation of John Muller's dedicated and professional service to the Coastside County Water District.

B. Discussion and direction to staff regarding easement located in APN 056-310-250 – surplus to the needs of the District and authorizing its abandonment

Mr. Schmidt referenced the staff report on this item and added that the request to abandon this easement also included a second parcel.

Eddie Andreini Jr., Half Moon Bay, CA - thanked the Board and staff and advised that one of the parcel numbers on the quitclaim deed of easement was incorrect and requested that the document be revised to reflect the two correct parcel numbers.

Mr. Condotti advised the Board that the proposed Resolution could be approved, subject to modification, should it be determined that the information is incorrect.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted as follows by roll call vote to adopt Resolution 2006-13 Declaring 10' wide easement located in assessor parcel numbers 056-310-250 and 056-230-240 (Owners: Edward and Linda Andreini, Trustees) surplus to the needs of the District and authorizing its abandonment:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

C. Discussion and direction to staff regarding Resolution 2006-14 Adopting a Services Priority Policy for Lower Income Developments in Accordance with SB 1087

Mr. Schmidt provided the background of this item, Mr. Condotti addressed a few questions and the Board briefly discussed the nature of this item.

The Board directed staff to draft a program/policy for the sale of water connections to include language in the contract that if the connection is not used within a certain time frame, it expires and the customer's money to be refunded and present this draft to the Board at a future meeting.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted as follows by roll call vote to adopt Resolution 2006-14 Adopting a Services Priority Policy for Lower Income Developments in Accordance with SB 1087:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	No
Director Muller	Absent
President Ascher	Aye

D. Discussion and direction to staff regarding Resolution 2006-15 Establishing Appropriations Limit Applicable to District During FY 2006-2007

Mr. Schmidt explained that due to the fact that the appropriations limit is far in excess of the amount of “proceeds of taxes” available to the District, the increase will not have any effect upon the District’s budget this year or in the foreseeable future.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted as follows by roll call vote to adopt Resolution 2006-15 Establishing the Appropriations Limit Applicable to the District during Fiscal year 2006-2007:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

E. Request for Board to Authorize the General Manager to write off bad debts for fiscal year 2005-2006

Mr. Schmidt reviewed the process of writing off bad debts and recommended that the Board authorize him to write off the bad debts for fiscal year 2005-2006 in the amount of \$3,141.85.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted as follows by roll call vote to authorize the General Manager to write off bad debts for fiscal year 2005-2006 in the total amount of \$3,141.85:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

F. Status Report on Capital Improvement Projects

Mr. Schmidt referenced his staff report and advised the Board that customer satisfaction surveys are scheduled to be delivered to all customers within the construction area of the Avenue Balboa Pipeline Replacement Project. He also reviewed progress on the Denniston Filter Media Replacement Project, and reported that the public hearings have been scheduled with the City of Half Moon Bay on August 24th and San Mateo County on August 23rd for Phase 3 of the El Granada Pipeline Replacement Project.

G. Correspondence: (1) Letter to California Department of Fish and Game and the County of San Mateo Environmental Services Agency regarding application to dredge sediment from the Denniston Reservoir

Mr. Schmidt reviewed this piece of correspondence with the Board. Director Larimer asked staff to send a letter inviting all stakeholders, interested parties and public interest organizations, including POST, Department of Fish and Game, and Committee for Green Foothills, to a Board meeting for discussion of the District's plans to remove the accumulated sediment in the Denniston Reservoir.

9) ATTORNEY'S REPORT

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

Mr. Condotti reported that thirty-two bids were received for the twenty partial non-priority water service connections. He stated that the winning bid price ranged from \$25,143.00 at the high end to \$18,750.00 at the low end. He further reported that the winning bidders had all been notified with instructions for submitting payment by July 21, 2006 and that the process was proceeding efficiently.

B. Information item - Discussion of process for filling potential Board Vacancy

Mr. Condotti referenced his staff report, outlining the process for filling the vacancy created by Director Muller's resignation.

ON MOTION by Director Larimer and seconded by Director Mickelsen, the Board voted as follows to direct staff to proceed with the process of posting the notice of vacancy to allow for the Board to fill the Board vacancy by appointment:

Director Coverdell	Aye
Director Larimer	Aye
Director Mickelsen	Aye
Director Muller	Absent
President Ascher	Aye

10) MEETINGS ATTENDED / SCHEDULED - BOARD OF DIRECTORS

No report was provided of the Board of Directors meetings attended or scheduled.

11) AGENDA ITEMS AND DIRECTOR COMMENTS

12) CLOSED SESSION

A. PUBLIC EMPLOYOEE PERFORMANCE EVALUATION -
Mid-Year Review (Cal. Govt. Code 54957) Title: General Manager

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to Government Code Section 54956.8(b)
Properties: Carter Hill West Storage Tank Site (APN 056-320-090)
655 Miramar Drive, Half Moon Bay, CA (APN 048-076-070)
Agency Negotiators: General Manager/Legal Counsel
Negotiating Parties: District and Global Signal Acquisitions IV LLC
Subject Matter: Potential sale/lease of portion of District-owned
properties for communications tower site

See attached Report on Closed Session of July 11, 2006 pursuant to Cal. Govt. Code §54957.1 and addendum to meeting minutes.

13) ADJOURNMENT

The meeting was adjourned at 9:17 p.m. for the Closed Door Session. The next meeting of the Coastside County Water District Board of Directors is scheduled for Tuesday, August 8, 2006 at 7:30 p.m.

Respectfully submitted

Ed Schmidt, General Manager

Everett Ascher, President