

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

October 10, 2006

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

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS**

President Ascher expressed Coastside County Water District's appreciation to MCTV representative Beau Brown, for his many years of professional service in filming the CCWD Board meetings. He also acknowledged Shauna Bowman, who will be the new MCTV film representative.

Bob Ptacek - Montara Water & Sanitary District Board Member (MWSD) - shared some information regarding Proposition 84, which addresses the possibility of the issuance of bond money for a wide variety of projects related to water quality, safety and supply, flood control, natural resources protection and park improvements. He stated that he felt it would be beneficial and recommended that the CCWD and Montara Water & Sanitary District consider working cooperatively on the development of an Integrated Regional Water Management Plan.

President Ascher asked Mr. Ptacek to report to the MWSD Board that CCWD is interested in pursuing this joint effort and that District staff would follow up by contacting MWSD staff to schedule this committee meeting.

4) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month ending September 30, 2006 – Claims: \$743,841.85; Payroll: \$61,133.24 for a total of \$804,975.09
- B. Acceptance of Financial Reports
- C. Minutes of the September 12, 2006 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. September 2006 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for August 2006
- K. Engineering Projects Received for Review during the month of September, 2006
- L. General Manager Activity Report

Director Larimer requested that items 4F and 4G be pulled from the Consent Calendar for further discussion after the Public Hearing portion of the meeting, which was so ordered by President Ascher.

ON MOTION by Director Mickelsen and seconded by Director Feldman, the Board voted as follows to accept the Consent Calendar, with the exception of items 4F and 4G, which were removed to be discussed in further detail following the Public Hearing portion of the Board meeting:

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

5) PUBLIC HEARING - PROPOSED ADJUSTMENT OF BOARD MEMBER COMPENSATION FOR ATTENDANCE AT MEETINGS AND FOR SERVICE RENDERED TO THE DISTRICT

- **Public Hearing to consider amending Section XII(a) of the Code of Conduct to increase Board Member compensation from the current amount of \$100 per meeting attended (or for each day of service rendered on behalf of the District) to \$150.00 per meeting attended**
- **Consider adoption of Resolution 2006-19 Amending Section 12(a) of the Code of Conduct Pertaining to Board Member Compensation**
- **Consider adoption of Ordinance 2006-01 to increase Board Member compensation from the current amount of \$100 per meeting attended (or for each day of service rendered on behalf of the District) up to \$150.00**

President Ascher opened the Public Hearing at 7:36 p.m. Mr. Condotti referenced the written staff report and reviewed the background details of this issue, explaining that the proposed adjustment of an increase in \$50.00 per meeting was tied to the change in Consumer Price Index figures, since the current amount had been established by Resolution in 1992.

ON MOTION by Director Mickelsen and seconded by Director Larimer, the Board voted as follows to adopt Ordinance 2006-01 pertaining to Board Member Compensation, subject to Section XII of the Code of Conduct, each Board member shall receive compensation in the amount of \$150.00 per meeting for attendance at regular or special meetings of the Board and the committees thereof that are duly noticed in accordance with the requirements of the Ralph M. Brown Act (Cal. Govt. Code 54950, et seq.), and for other service rendered as a director at the request of the Board, subject to a maximum of \$150.00 per day and \$600.00 per calendar month:

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

ON MOTION by Director Feldman and seconded by Director Larimer, the Board voted as follows to adopt Resolution 2006-19 Amending Section 12(a) of the Code of Conduct pertaining to Board Member Compensation:

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

The Public Hearing was then closed at 7:45 p.m. President Ascher opened discussion of the two items pulled from the Consent Calendar: Item 4F – Total CCWD Production Report and Item 4G – CCWD Monthly Sales by Category Report:

Director Larimer inquired about the discrepancy between the numbers in the production and the sales reports, pointing out that it appears that more water is being produced than is being sold. Mr. Schmidt addressed this by explaining that the discrepancy appears because there is a lag period due to the meter reading schedule. Mr. Schmidt clarified the issue by stating that in order to get a clear and accurate picture of this comparison; it requires that the reports be viewed a few months after the end of the year. He then referred the Board to Table 6 of the District’s Annual Water Supply Evaluation Report, indicating that this presents an accurate reporting of the annual sales and production figures.

6) SUPERINTENDENT OF OPERATIONS REPORT

Mr. Guistino referenced his written staff report, and highlighted a few events, including the Request for Proposal for the refurbishing of Denniston Wells 1 and 2, the repair of the 60 HP high lift pump intake located at Denniston, a recent tour of the Denniston site by a local girl scout troop, and a conference call with the new inspector at the Department of Health Services regarding CT safeguards at Nunes Water Treatment Plant and a reduction in jar test requirements at the Denniston Water Treatment Plant.

7) DISTRICT ENGINEER’S WORK STATUS REPORT

Mr. Teter reported that he had been in contact with the CalTrans staff member assigned to handle the District's application for an encroachment permit for the El Granada Pipeline Replacement Project Phase 3, and that the permit was being processed. The Directors had no questions or comments regarding the Engineer's report.

8) **GENERAL MANAGER'S REPORT**

A. **Discussion and direction to staff regarding Denniston Restoration Project Special Board Meeting/Workshop**

Mr. Schmidt confirmed the time and date of this meeting, which will be conducted on Tuesday, December 12, 2006 from approximately 10:00 a.m. until noon. He also distributed an updated invitation list. Director Larimer requested that the list be expanded to include the managers of the District's (five) largest customers and local tourist related and business industries, including the Ritz Carlton Resort, Mr. Keet Nerhan, as well as the Half Moon Bay Mayor, Marina Fraser.

Mr. Schmidt introduced Kevin Janik, Project Manager from TRC Essex assigned to this project. Mr. Janik reported that he and some staff members have had a tour of the site, a meeting with Mr. Teter, District Engineer and that their work on the project was underway. Mr. Janik also addressed several questions from Board members.

B. **Update on the status of the City of Half Moon Bay and County of San Mateo Coastal Development Permits for the El Granada Pipeline Replacement Project Phase 3**

Mr. Schmidt reported that he had just received notice that the ten-day appeal period with the Coastal Commission had started yesterday for the County Coastal Development Permit (CDP), with a closing date of October 23, 2006 at 5:00 p.m. He also referenced his staff report, containing updated information on the status of the City CDP.

Director Larimer requested that staff confirm that written documentation of all correspondence pertaining to this project, including letters, e-mails, etc. is contained in the project file and a part of the public record. Mr. Condotti assured the Board that he and District staff have been very careful to document all communications relating to this project and in fact had received some positive feedback regarding this from California Coastal Commission staff.

Each of the Directors shared a few comments about the professional manner in which this project was handled, especially with the open and responsive communication. President Ascher stated that he agreed with his colleagues, that the District had proceeded with this project with openness and transparency and had not only followed the letter of the law, but were even more concerned with following the spirit of the law. He congratulated District staff, and the Engineer and Attorney, and stated that he felt this was a “model” project.

Director Larimer stated that he would like it documented and made part of the record, that the District did even more than follow the process, that they went beyond the requirements by contacting and involving the Federal Fish & Wildlife Service in the process, which was not included as part of the requirement. He commented that he felt the District had a lot to be proud of in their accomplishments associated with this project.

C. **Discussion and direction to staff regarding advertising for the position of Public Outreach / Program Development / Water Resource Management – previously called Water Conservation Coordinator**

Mr. Schmidt reported that the Human Resources Committee had met recently regarding this position and had developed a number of modifications to the original Water Conservation Coordinator job description. He informed the Board that Amanda Cox, the former Water Conservation Coordinator, had also participated in revising some of the duties of the position and had agreed to assist him in the recruitment and candidate interview process.

Mr. Schmidt stated that due to the increasing cost of District benefits, especially health care, he recommended that starting with this position recruitment, all new employees would pay half of the cost of the four components of health insurance. He referred the Board to the examples contained in his staff report and suggested that the recruitment ad be written to reflect this revision to the benefit plan. He emphasized that he is recommending that present District employees would not be financially impacted by this new practice.

The Board briefly discussed the proposed recommendation and agreed that there would be no change in the benefits for present District employees. Mr. Condotti stated that he would like to research, confirm, and document the legality of this issue, and would proceed with the preparation of an amendment to the District's personnel manual, to be presented to the Board at the November Board meeting.

ON MOTION by Director Larimer and seconded by Director Mickelsen, the Board voted as follows to proceed with the recruitment to fill this position:

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

Director Larimer commented that Ms. Cox's training and experience in the urban planning and environmental study programs had been an asset and benefit to the District and suggested that District staff try to recruit from similar places, including many of the universities located in the area.

President Asher then suggested a motion regarding the proposed revision to the health benefit package for this new position and all subsequent newly hired employees to the District and the Board briefly discussed the aspects and impacts of this proposed revision.

ON MOTION by President Ascher and seconded by Director Mickelsen, the Board voted as follows to accept the General Manager’s recommendation that starting with this position recruitment, all new employees pay half of the cost of the four components of Health Insurance: 50% for vision care, 50% for medical care, 50% for dental care and 50% for life insurance:

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

D. Discussion and direction to staff regarding a High Water Bill Adjustment Policy

Mr. Schmidt reviewed the background details provided in his staff report and recommended that the Board continue to grant District staff the ability to relieve high water bills, based on their determination after investigation of the situations, and eliminate any appeals by the customers to the Board of Directors. Mr. Condotti distributed a draft Resolution Amending the General Regulations Regarding Water Service at Section H, Pertaining to High Bill Relief for the Board’s discussion and consideration.

President Ascher suggested that in order to allow the Board, staff, and the public ample time to review this proposed Resolution, that the matter be tabled for discussion and presented at the November 14, 2006 Board meeting. The Board proceeded to briefly discuss this matter, including the details of a proposed policy and Resolution. The Board was in consensus that the new policy would not provide an option for the General Manager’s decision to be appealed to the Board of Directors. Upon further discussion, the Board directed that an additional alternative policy also be written to provide for a maximum of \$500.00 or 25%, whichever is less, to be determined and administered solely at the General Manager’s discretion, and upon proper documentation of a problem situation or leak, with no appeal process to the Board allowable.

E. Status Report on Capital Improvement Projects

Mr. Schmidt reported on the recent leak and repairs located on the pipeline on Highway 92. He also informed the Board that the permanent pipeline replacement for this portion of the Carter Hill East Pipeline is out to bid.

He also provided an update on the Highway 92 / Main Street Project and the progress on the Water Treatment Plant Short-Term Improvements.

F. Correspondence: (1) Letter from CCWD to San Mateo County Public Works Department dated September 15, 2006 regarding Avenue Balboa Pipeline Replacement Project; (2) September 27, 2006 CCWD response to 2005-2006 Civil Grand Jury Report regarding Disaster Preparedness of Special Districts (3) Letter from CCWD to City of Half Moon Bay dated September 27, 2006 regarding Biological Report prepared by Coast Range Biological for El Granada Pipeline Replacement Project

There was no discussion on this item.

9) MEETINGS ATTENDED / SCHEDULED - BOARD OF DIRECTORS - INCLUDING COMMITTEES, CUSTOMERS, OTHER AGENCIES, ETC.

Director Mickelsen provided a report on the recent BAWSCA meetings and activities.

Director Larimer reported on a recent meeting with one of the District's commercial customers regarding water rates. President Ascher expressed his thanks and complimented Mr. Schmidt and Director Larimer for they way in which they conducted this meeting, which focused on the general interests of the coastside as a whole and was not limited to the interests of any particular commercial enterprise.

President Ascher advised the Board that he had attended the ACWA Local Government Affairs meeting in Sacramento, in which he serves on the Committee.

10) AGENDA ITEMS AND DIRECTOR COMMENTS

11) CLOSED SESSION

- A.** Conference with Real Property Negotiators (Cal. Govt. Code §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
- B.** Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to subdivision (b) of Section 54956.9 – One (1) potential case

12) RECOVENE OPEN SESSION

See attached Report on Closed Session and Addendum to Meeting Minutes.

- 13)** The meeting was adjourned at 9:15 p.m. The next meeting of the Coastside County Water District Board of Directors is scheduled for Tuesday, November 14, 2006 at 7:30 p.m.

Respectfully submitted

Ed Schmidt, General Manager

Everett Ascher, President

**Coastside County Water District
Closed Session Report and Addendum To Meeting Minutes**

By: Anthony P. Condotti, District Legal Counsel
Agenda: October 10, 2006

Report

Date: October 11, 2006

Subject: **Report on Closed Session of October 10, 2006 and addendum to meeting minutes**

Closed Session Report:

11. CLOSED SESSION

A. 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

B. Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to subdivision (b) of Section 54956.9 – One (1) potential case

The Closed Session convened at approximately 9:15 p.m. with President Ascher and Directors Larimer, Mickelsen and Feldman, General Manager Schmidt and Legal Counsel Condotti. The Closed Session concluded at 9:40 p.m., with no members of the public present. No action was reported.

12. RECONVENE OPEN SESSION

The Board reconvened in open session at 9:40 p.m. and called up Items 4.F and 4.G. It was moved by Director Feldman, seconded by Director Larimer, to accept Items F and G. The motion carried unanimously (4 – 0 with Director Coverdell absent). President Ascher adjourned the meeting at 9:41 p.m.