

**COASTSIDE COUNTY WATER DISTRICT
766 MAIN STREET
HALF MOON BAY, CA 94019**

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

April 8, 2003 – 7:30 p.m.

- 1) **ROLL CALL:** President John Muller called the meeting to order at 7:32 p.m. Present at roll call were Directors Everett Ascher, Ken Coverdell and Chris Mickelsen. Director James Larimer was not present for roll call but arrived a few seconds immediately thereafter. Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, Engineer; John Davis, Field Supervisor; Gina Brazil, Office Manager; JoAnne Whelen, Administrative Assistant; Sherry Hartwig, Recording Secretary; James Marsh, video camera operator for MCTV; and Eric Gotfrid of Coastside Net, Inc.(CNI).
- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.
- 3) **INTRODUCTIONS:** President Muller remarked, prior to the Introductions, that April 22nd is Earth Day and that this year's theme is "Water For Life" and asked that everyone remember how important that theme is for the CCWD and its' customers. He expressed the hope that there would be an event in the community to mark this occasion.

The General Manager introduced Craig Lunow and congratulated him on recently passing his D-2 Water Operator's Certification License test. He then introduced Eric Gotfrid, President of Coastside Network, Inc., who will be making a presentation to the Board at this meeting.

- 4) **PUBLIC ANNOUNCEMENTS:**
There were none.
- 5) **APPROVAL OF THE AGENDA:** President Muller called for approval of the agenda.

ON MOTION by Director Coverdell, seconded by Director Ascher, the agenda was unanimously approved by the Board.

- 6) **CONSENT CALENDAR:**
 - A. Requesting the Board to review payment of claims for the month ending March 31, 2003 in the amount of \$274,499.94
 - B. Acceptance of Financial Reports
 - C. Minutes of the March 11, 2003 Board of Directors Meeting
 - D. Monthly Water Transfer Approval Report

Director Larimer expressed a desire to have discussion on Item 6D separately from the rest of the Consent Calendar.

ON MOTION by Director Coverdell, and seconded by Director Mickelsen, the Board voted unanimously to accept the Consent Calendar for all with the exception of Item D.

Discussion ensued regarding Item D, with Director Larimer asking for clarification as to the reason that the Monthly Water Transfer Approval Report is brought before the Board for approval. President Muller stated that he believes it is a routine matter to do so. The General Manager said that the Board had originally requested the monthly report at the time that the Transfer Policy was modified, to allow the General Manager to approve the transfers. Both President Muller and Director Mickelsen agreed that it is appropriate for the Board to keep an eye on this item. Director Larimer expressed concern that this makes a public record of the transfer transactions and exposes the personal business of the individuals involved. He considers this to be a privacy issue and stated that he believes that any contentious issues related to water transfers will come back to the Board in any instance. President Muller stated that Director Larimer was welcome to make a motion to have the Water Transfer Approval Report removed from the Consent Calendar in the future. The General Manager then asked Mr. Condotti if the CCWD staff involvement in the water transfer process makes this activity a public record. Mr. Condotti affirmed that the process is, in fact, subject to public record.

ON MOTION by Director Larimer, and seconded by Director Coverdell, a roll call vote was taken to approve the removal of the Monthly Water Transfer Approval Report from the Board Consent Calendar. The roll call vote was as follows:

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

The Motion failed and the Monthly Water Transfer Approval Report will continue to be included in the Board Meeting agenda under the Consent Calendar.

ON MOTION by Director Coverdell, and seconded by Director Ascher, the Board voted unanimously to accept the Consent Calendar in its’ entirety, including Item D.

7) REPORT OF THE GENERAL MANAGER:

A. Discussion and possible acceptance of a License Agreement By and Between Coastside County Water District and Coastside Net, Inc.

The General Manager reviewed the proposal from Coastside Net, Inc. (CNI) to provide the District with the construction and maintenance of an Internet antenna and the installation of a surveillance system at the Nunes Water Treatment Plant. Mr. Gotfrid reviewed the statistics of size and placement of the antenna and the surveillance equipment, and answered very positively when President Muller questioned him regarding CNI’s commitment to the Coastside community. Mr. Condotti described the license agreement between CNI and CCWD and, related to questions from Director Coverdell and Director Ascher, discussed how it can be changed or terminated.

ON MOTION by Director Ascher, and seconded by Director Coverdell, a roll call vote was taken to accept the agreement between CNI and the CCWD as follows:

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

A brief recess was taken at this point in the meeting to give Mr. Gotfrid the opportunity to take several pictures of the Board members as a group.

B. Discussion of some emergency preparedness measures being implemented by Coastside County Water District in response to security alerts from several State and Federal Agencies

The General Manager described numerous terrorism security alerts and messages that he is receiving routinely from a variety of State and Federal agencies. He reviewed the security measures that CCWD will be taking to ensure that the District is prepared for potential disasters, including terrorism. He also reviewed the location and preparation of supplies to be kept on hand in the event that employees are stranded at the District offices for an extended period of time due to a natural or man-made disaster.

C. Discussion of the hiring of a new Superintendent of Operations and Engineering

The General Manager was pleased to inform the Board that, following a three-month recruitment effort, Mr. Ed Lambing, a resident of Half Moon Bay, has been chosen to fill the position of Superintendent of Operations and Engineering. His first day with the District will be May 5th, 2003.

D. Discussion of Water Quality Tests and Subsequent Changes of Testing Laboratories

The General Manager thanked John Davis, Field Supervisor, and JoAnne Whelen, Administrative Assistant, for their substantial background work in assisting him in the transition to a new water quality testing laboratory. He briefly reviewed the problem the District had encountered in water testing in March, in which four samples all tested positive for Coliform. The General Manager discussed the improbability of the positive results, given the appropriate amounts of chlorine residual in the four samples, and the fact that the sites were scattered throughout the system and the water tested was a blend from the different treatment systems/plants. The General Manager also explained the painstaking methods that the District undertook to show that human error had been the reason for the report.

E. Update on recent activities regarding the El Granada Pipeline Project Appeals and possible direction to staff regarding the California Coastal Commission Hearing for Appeal Nos. A-2-SMC-99-65 and A-1-HMB-99-20

The General Manager was advised by the California Coastal Commission (CCC) recently about the hiring a new employee, Mr. Abe Doherty, of the San Francisco Office of the CCC, who will be taking over for Mr. Peter Imhoff, the CCWD’s previous CCC contact. Mr. Schmidt has been in contact with the CCC regarding potential meetings to be attended by CCWD, and has received assurances from the CCC that the appeals hearing will be held in early July of this year. Director Coverdell acknowledged thanks to Mr. Schmidt for the letters he has written to the CCC, stating he thought they were very well done. Director Larimer remarked that he noticed several typographical and grammatical errors, and he would like to see a better editing and proofreading process in place for letters going out of the District. He and President Muller agreed that the content of the letters from the General Manager were very good and very strong.

F. Discussion and possible direction to staff regarding financial evaluation of Monthly vs. Bi-Monthly billing cycles

The General Manager reviewed the District’s recent evaluation of the monthly billing methods, commenting specifically on the cost of having the meters read monthly. He stated that he would be looking into the possibility of establishing a more cost effective method of meter reading by radio frequency. Gina Brazil, CCWD Office Manager, briefly reviewed current customer bill payment methods and Director Larimer questioned the possibility of researching alternative payment service providers that would be beneficial in keeping costs down. Further discussion among the Board members ensued related to cost management of payment methods. Staff will report back to the Board when additional research is complete.

G. Discussion of revised Coastside County Water District Personnel Manual

The General Manager briefly reviewed the recent revision of the District’s Personnel Manual, including the addition of a section regarding Substance Abuse Testing. Director Coverdell initiated discussion regarding “administrative leave” in Section 7, asking how it is structured and what it is used for. The General Manager explained that administrative leave is compensated time off for employees who are exempt from overtime pay and who put in many additional hours due to the nature of their positions with the District. Mr. Condotti concurred, reiterating that because exempt employees do not receive overtime pay, administrative leave is a way to recognize their contribution in the absence of overtime pay.

H. General Manager Activities

The General Manager referred the Board to the list of his recent past and future activities included in the agenda for this evening. President Muller remarked on his own upcoming attendance at the meeting of the Association of Bay Area Governments on April 24th 2003, stating that he is very much looking forward to attending.

A five minute break was taken at this time before proceeding with the remainder of the meeting.

8) ENGINEER'S REPORT:

A. Engineering Projects Received in March, 2003

One project, an Initial Submittal, was received in March from Schumacher Interests, Inc. for the proposed Moss Beach Highlands development. It is planned to be run through Rudi Metzner’s Hydraulic Model to see what potential issues may arise related to the questions of sufficient capacity of the water transmission pipelines. Director Larimer remarked that he thought that

Mr. Metzner’s Hydraulic Model was to be used to apply to existing systems and not to design problems related to new projects, such as the Moss Beach Highlands development. The General Manager replied that the District Engineer believes it would be better to use the Model instead of having manual calculations done. The Hydraulic Model is a much more sophisticated method of analyzing the project, with the developer incurring the costs of using the Model. The General Manager and the District Engineer asserted that if a developer wants a development assessment for project infrastructure, the developer knows that it is standard practice for the developer to pay for any related analyses and assessments.

The General Manager suggested that Resolution 831, regarding the process of Initial Submittal and related costs, be brought before the Board at the next meeting. There was discussion among the Board members, Mr. Teter and Mr. Schmidt regarding the use of the Hydraulic Model, what it provides, and the fact that Mr. Metzner is not an employee of the District.

Director Coverdell stated that he thinks that the District is open to risk when referring customers to make use of outside resources such as Mr. Metzner. Director Larimer remarked that he does not want to impede the progress of the Moss Beach Highlands development project, but expressed concern about referring anyone directly to Mr. Metzner since he had been contracted to do work for the District. The Board members agreed on this point, with remarks made regarding the potential for public perception that the District is involved in a specific development project.

President Muller agreed with the General Manager’s suggestion that this issue be placed on the agenda for the next Board meeting, and that a letter be sent to Schumacher Interests, Inc. advising them that they do not have to use Mr. Metzner’s services and that they are free to choose their own engineering consultant. Mr. Condotti offered wording for a letter to the developer that would set the Board apart from Mr. Metzner, with the letter to state that there was no implication that the developer should use Mr. Metzner’s services. He stated that he thinks this can be handled at District staff level without specific Board involvement.

B. District Engineer Work Status Report

There were no questions or discussion by the Board.

C. Cost Sharing Agreement with the County of San Mateo for water valve and water meter box adjustments in the El Granada and Miramar areas

Mr. Teter presented a brief review of the options available for adjusting the meter boxes and indicated that the General Manager needs the Board’s authorization to enter into an agreement with the County of San Mateo which

would provide for CCWD to pay the cost of adjusting valve and meter boxes by the contractor who will be performing street resurfacing work.

ON MOTION by Director Ascher, and seconded by Director Mickelsen, to authorize the General Manager to enter into the referenced cost sharing agreement with the County of San Mateo, the Board voted unanimously by roll call vote as follows:

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

9) OPERATIONS REPORT:

- A. Water Service Connections Installed, Priority and Non-Priority
- B. Capital Improvement Program Progress
- C. Water Sample Report, Local Production, Water Purchases, Leaks, etc.

Mr. John Davis, Field Supervisor, presented his operations reports to the Board along with several slides showing a leak near the Ramada Inn and how it was repaired. There was brief discussion among Board members about the related pipeline and the upcoming prospect of rain.

10) MEETINGS ATTENDED/SCHEDULED – BOARD OF DIRECTORS:

- A. Inaugural meeting of the Board of Directors of the San Francisco Bay Area Regional Water System Authority – attended by Director Mickelsen

Director Mickelsen reviewed his attendance at the inaugural meeting of the Board of the Bay Area Regional Water System Authority, which brought together the representatives of twenty-nine Bay Area water users to issue bonds to support the re-construction of the Hetch Hetchy project. He remarked briefly about the lengthy process to elect a chairperson, and then stated that it was likely to be about two years before bonds would be issued related to the Hetch Hetchy project. He then expressed his enthusiasm for his participation on the new Board and thanked his fellow directors at the CCWD for supporting him in his new role and promised to report on the activities of the newly established Board.

11) AGENDA ITEMS AND DIRECTOR COMMENTS:

A. Correspondence from Director Larimer to the Half Moon Bay Review dated March 26th, 2003

Director Larimer reviewed his recent letter to the Half Moon Bay Review and reiterated his remarks about the replacement of the pipeline not being about Coastside growth and development, but about repair of the current system.

James Marsh, Half Moon Bay, asked to speak to Director Larimer and asked him to explain his statement in his letter about Mr. Marsh playing “musical chairs” in regards to his association with the CCWD Board. President Muller asked that the discussion between Mr. Marsh and Director Larimer be conducted in private.

Director Coverdell addressed the upcoming Earth Day celebration and expressed his desire for the Board to develop some action, particularly related to children in the community, directed toward educating the public about water conservation issues. Both President Muller and the General Manager remarked about activities that Glenna Lombardi and Sean Donovan have been involved in that are related to community outreach with the local schools. The General Manager stated that staff would pursue the possibility of CCWD involvement with local Earth Day activities.

12) ADJOURN: The meeting was adjourned at 9:13 p.m. The next meeting of the Board of Directors will be held on May 13th, 2003 at 7:30 p.m.

Respectfully submitted,

Ed Schmidt, General Manager

APPROVED:

John Muller, President