

COASTSIDE COUNTY WATER DISTRICT
Minutes of the Regular Meeting of the Board of Directors
766 Main Street, Half Moon Bay, CA 94019
August 13, 2002 – 7:30 p.m.

- 1) ROLL CALL: President John Muller called the meeting to order at 7:34 p.m. Present at roll call were Directors Jim Larimer, Chris Mickelsen, and James Marsh. Eleanor Wittrup was absent. Also present were Ed Schmidt, General Manager; Dave Mier, Superintendent; Anthony Condotti, Legal Counsel; James Teter, Engineer; JoAnne Whelen, Administrative Assistant; Glenna Lombardi, Project Coordinator, and Leisa Bretz, Acting Recording Secretary. There were approximately six people in the audience.
- 2) PLEDGE OF ALLEGIANCE: Everyone stood for the Pledge of Allegiance.
- 3) INTRODUCTIONS: Leisa Bretz was introduced as Acting Recording Secretary, and President Muller announced that Director Wittrup was not present due to a death in her family.
- 4) PUBLIC ANNOUNCEMENTS: None.
- 5) APPROVAL OF THE AGENDA:

ON MOTION by Director Mickelsen, seconded by Director Marsh, the Board unanimously approved the Agenda as presented by roll call vote.

Director Larimer	Aye
Director Marsh	Aye
Director Mickelsen	Aye
President Muller	Aye
Director Wittrup	Absent

- 6) CONSENT CALENDAR:
 - A. Requesting the Board to review payment of claims for the month ending July 31, 2002 in the amount of \$327,680.84.
 - B. Acceptance of Financial Reports.
 - C. Minutes of Meeting of July 9, 2002.
 - D. Request for Transfer of Non-Priority Water Service Connection, same owner, Mary Colter McDonald, Trustee.

Director Mickelsen asked that Item 6-D be removed for discussion. Director Larimer reported a positive review of the Claims for the month ending July 31, 2002. In response to Director Mickelsen's inquiry, the General Manager confirmed that the delinquent account in the name of Mary Colter McDonald had been paid, and a representative of Mary Colter McDonald explained that he had not received the bill for payment. The General Manager also noted that the Minutes for the meeting of July 9, 2002 were adjusted to include Director Larimer's response to the City of Half Moon Bay position paper.

ON MOTION by Director Mickelsen, seconded by Director Marsh, the Consent Calendar was unanimously approved in its entirety. Director Wittrup was absent.

7) REPORT OF THE GENERAL MANAGER:

- A. Discussion and possible direction to staff regarding a request from Mr. J.R. Rodine (Harbor View Inn) for an exception to Coastside County Water District's transfer policy as embodied in Resolution No. 2001-08, which addresses exceptions based on the transfer "providing a specific public benefit": The General Manager presented the request and relevant documentation as contained in the agenda packet. Mr. J. R. Rodine spoke on behalf of Mr. Patel, the owner of the Inn, requesting approval to purchase non-priority water connections from third party owners to expand the hotel. After discussion and review of the District's policy regarding "specific public benefit," the Board took the following action:

ON MOTION by Director Larimer, seconded by Director Mickelsen, the Board unanimously granted an exception to the District's transfer policy based on this project providing a specific public benefit as embodied in Resolution No. 2001-08. Director Wittrup was absent.

- B. 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 reported that he took two California Coastal Commission staff members on a tour of the El Granada Pipeline route. It is anticipated that the hearing will be in Los Angeles on September 12 or 13th. Preparations and travel arrangements will commence once hearing dates are confirmed. No action was required.
- C. Discussion and possible adoption of Resolution 2002-10-a Restricted Non-Crystal Springs Capital Fund for Fiscal Year 2002-2003: After presentation by the General Manager, the following action was taken:

ON MOTION by Director Mickelsen, seconded by Director Marsh, the Board unanimously adopted Resolution 2002-10: "Designating A Restricted Non-Crystal Springs Capital Fund for Fiscal Year 2002-2003, " by roll call vote:

Director Larimer	Aye
Director Marsh	Aye
Director Mickelsen	Aye
President Muller	Aye
Director Wittrup	Absent

- D. Second Reading and Adoption of Resolution 2002-11 to amend Coastside County Water District's contract with California Public Employees Retirement System to include the benefit in accordance with Section 21024 (Military Service Credit as Public Service: Pursuant to PERS requirements, the General Manager presented the Second Reading of the Amendment to the PERS contract and Resolution 2002-11, which will permit the District to obtain estimates for eligible employees to apply their military service credit toward retirement. The following action was taken:

ON MOTION by Director Mickelsen, seconded by Director Larimer, the Board unanimously adopted Resolution No. 2002-11 "Authorizing an Amendment to the Contract" by roll call vote:

Director Larimer	Aye
Director Marsh	Aye
Director Mickelsen	Aye
President Muller	Aye
Director Wittrup	Absent

- E. Discussion and possible adoption of Resolution 2002-12 – Ordering Judicial Foreclosure of Delinquent Assessments Installments Pursuant to the Improvement Bond Act of 1915 and Ordering that the Tax Collector be Credited with those Installments: The General Manager described the actions already taken to collect delinquent accounts and presented a resolution to initiate the foreclosure process. During discussion the Board heard from Glenna Lombardi, Project Coordinator, who further explained the payment and collection process.

ON MOTION by Director Marsh, seconded by Director Mickelsen, the Board unanimously adopted Resolution No. 2002-12, "Ordering Judicial Foreclosure of Delinquent Assessments Installments Pursuant to the Improvement Bond Act of 1915 and Ordering that the Tax Collector be Credited with those Installments." Director Wittrup was absent.

- F. Discussion and possible establishment of a committee to represent the Coastside County Water District on the Pilarcitos Creek Advisory Committee: Director Mickelsen described the Pilarcitos watershed tour he attended sponsored by the SFPUC. President Muller provided his support for participation in the Advisory Committee, and appointed Director Mickelsen as representative for the District and Director Marsh as an alternate representative.

- G. General Manager Activities: The General Manager referred the Board to his written report. Of particular interest to the Board was the offer made by Essex Environmental to provide a pro bono workshop specifically to explain environmental law and regulations. A special Board meeting was advised. Director Larimer's suggestion that the Board members attend pro bono was acceptable. Staff will coordinate and set a date in approximately November 2002 or January 2003, and will schedule MCTV to film.
- H Correspondence: Items 1 and 2 were provided without comment; items 3 and 4 initiated discussion as reported below.
- 1) The Hetch Hetchy Report, produced by Assemblyman Lou Papan, 19th District – dated July 29, 2002;
 - 2) Article: Protecting Our Water – Plan for Funding of Hetch Hetchy Repairs Takes a Step Forward;
 - 3) E-mail correspondence from Larry Kay dated August 6, 2002;
 - 4) A late-arrival letter from Larry Kay: The General Manager provided an update of staff's reaction to a misunderstanding by residents relative to the effects on the water system by new construction on Magnolia Street in Half Moon Bay. In contrast to Mr. Kay's information, staff found no unauthorized water line work. Mr. Kay was satisfied and thankful for the District's prompt response.
- 8) AGENDA ITEMS REQUESTED BY BOARD MEMBERS:
- A. Discussion and possible direction to staff to regarding Coastside County Water District Boundaries – placed on the agenda at the request of Director Marsh: Director Marsh requested that a comparison of District and County Election boundaries be performed in case there is any conflict between Election and District boundaries. The Elections Office is in the process of preparing a GIS map and will provide a report to the District when complete.
- 9) ENGINEER'S REPORT:
- A. Engineering Projects Received in July 2002: None.

- B. District Engineer Work Status Report:
- 1) Paving and Drainage Improvements at the Alves Tank Site: The drawings are 100% complete.
 - 2) El Granada Storage Tank 3 Site: Preparation of the Contract Drawings is in progress.
 - 3) Contract Documents for Phases IIIA and IIIB of the El Granada Transmission Pipeline Replacement Project and for the Cater Hill West Pipeline Replacement Project: Tentative schedule sent to the Board.
- 10) OPERATIONS REPORT: Superintendent Mier summarized the information contained in his written report.
- A. Water Service Connections Installed, Priority and Non-Priority: Seven water connections and seven water meters were installed.
 - B. Capital Improvement Program Progress: \$50,822 was expended in July, of which \$38,431 went to relocate services and hydrants for the County project in El Granada. Superintendent Mier answered questions from the Board on other projects.
 - C. Water Sample Report, Local Production, Water Purchases, Leaks, etc: Water production totaled 102.77 million gallons, and sales totaled 146 million gallons. Peak demand periods are up slightly from a year ago. No leaks were reported. .07 inches of measurable precipitation was recorded at the District office.
 - D. Carter Hill West Pipeline Pressure Readings: Pressures were well above the minimum recommended psi, primarily because peak demands are down.
- 11) MEETINGS ATTENDED/SCHEDULED: President Muller enhanced on the Pilarcitos watershed tour reported previously in the meeting. The General Manager reported that a date is being negotiated for the Mutual Interest Committee meeting with the Montara Sanitary District. The Modeling Committee meeting will be scheduled when the Fire Chief returns from vacation. The Transfer Policy Committee meeting had to be rescheduled.
- 12) AGENDA ITEMS AND DIRECTOR COMMENTS:

- A. *Memorandum regarding McDonald water connection transfer:* Director Larimer questioned the purpose of confidential memorandums to Directors, and was advised by Counsel that confidentiality is an expression of the attorney-client privilege used in this instance by the President. He also explained that confidentiality is at the Board's discretion. Director Larimer requested that the memo be part of public record in the interest of not "hiding mistakes." In order to take action on this item, the Consent Calendar was re-opened by Motion, and action was taken as follows:

ON MOTION by Director Larimer, seconded by Director Marsh, the Board unanimously reopened the Consent Calendar for the purpose of discussing Item 6-D relative to the McDonald water connection transfer.

ON MOTION by Director Larimer, seconded by Director Mickelsen, the Board unanimously made the letter from John G. Barisone of Atchison, Barisone & Condotti dated August 6, 2002 regarding the Mary Colter McDonald transfer part of the public record by roll call vote:

Director Larimer	Aye
Director Marsh	Aye
Director Mickelsen	Aye
President Muller	Aye
Director Wittrup	Absent

- B. *Request for review of priority designated connections:* Director Larimer presented what he perceived as a land use mismatch in terms of the number of reservations for priority connections and their potential need. He recommended a letter be sent to the agencies responsible for land use suggesting possible revision of policy. After the Superintendent provided an explanation of land use designations, it was agreed the topic will be agendized for a future Board meeting.

- 13) 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 Board went into Closed Session at 9:08 p.m. Counsel will report any action taken in Closed Session in a separate memorandum.

- 14) ADJOURN: The Recording Secretary was not present for adjournment, which occurred after the Closed Session. The next meeting of the Board of Directors will be a Regular Meeting on September 10, 2002 at 7:30 p.m.

Respectfully submitted,

Ed Schmidt, General Manager

APPROVED:

John Muller, President