

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday - May 13, 2008 - 6:00 p.m.

1) CLOSED SESSION

A. Public Employee Performance Evaluation

(Cal. Govt. Code Section §§54957):

Title: General Manager

B. Conference with Legal Counsel - Significant Exposure to Litigation

Initiation of litigation pursuant to subdivision (b) of Section §§54956.9

One (1) potential case

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 6:00 p.m. with President Ascher and Directors Larimer, Mickelsen, Coverdell and Feldman. At approximately 6:45 p.m. General Manager David Dickson and Anthony Condotti, Legal Counsel joined the Board for discussion of item 1B. The Closed Session concluded at approximately 7:40 p.m., immediately prior to the commencement of the regular meeting, at which time President Ascher announced that no reportable action had been taken during the closed session.

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, May 13, 2008 – 7:00 p.m.

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:48 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

Also present were: David Dickson, General Manager; Tony Condotti, Legal Counsel; Joe Guistino, Superintendent of Operations; Cathleen Brennan, Public Outreach/Program Development /Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC ANNOUNCEMENTS - None**

SPECIAL ORDER OF BUSINESS

President Ascher announced that there was a special order of business for General Manager Dickson to present a special award to Senior Treatment/Distribution Operator, Sean Donovan. Mr. Dickson proceeded to recognize Mr. Donovan, who had recently been nominated and selected to win the Operator's Meritorious Award from the California/Nevada Section of the American Water Works Association for efforts above and beyond the call of duty. Mr. Donovan was congratulated by the Board and Staff for this achievement.

4) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month Ending April 30, 2008– Claims: \$1,288,576.49; Payroll: \$69,864.93 for a total of \$1,358,441.42
- B. Acceptance of Financial Reports
- C. Minutes of the April 8, 2008, 2008 Board of Directors Meeting
- D. Minutes of the April 14, 2008 Special Board of Directors Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report
- H. April 2008 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for April 2008
- K. Notice of Completion – Acceptance of Granada Tank # 1
- L. Award of Contract for Nunes Underground Storage Tank Removal and Above Ground Storage Tank Installation Project
- M. CCWD letter of support for AB 2437 (Ruskin) amending sections of the California water code to ensure ongoing State oversight of San Francisco’s program to rebuild the earthquake prone Hetch Hetchy water delivery system

Director Coverdell reported that he had reviewed the financial claims and found all to be in order.

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

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

5) DIRECTOR COMMENTS / MEETINGS ATTENDED

Directors Feldman, Larimer, Coverdell, Vice President Mickelsen and President Ascher all reported on the recent meetings, conferences, and workshops they have attended since the April Board meeting.

Bob Ptacek, Montara – Commented on President Ascher’s suggestion that the District contact the committee members from the Montara Water & Sanitary District to inquire if there was any interest in scheduling a mutual interest committee meeting. He noted that he and President Ascher had both attended some of the sessions at the Association of California Water Agency Conference and agree that there is a need to obtain a regional groundwater study.

6) GENERAL BUSINESS

A. El Granada Pipeline Phase 3 Construction Progress Update

Mr. Dickson shared a few highlights on the progress to date and introduced Mike Britten and Mike Warriner from Carollo Engineers. Mr. Warriner reviewed the current project status and identified completed and in-progress portions of the pipeline replacement on the project map.

Mr. Dickson then provided an updated project cost projection and reviewed the summarized cost elements of the construction change orders and the additional construction management costs. Board discussion ensued, with Mr. Britten addressing questions and comments from the Directors.

B. Fiscal Year 2008-2009 Revenue and Expense Budget - Draft

Mr. Dickson advised the Board that the Finance Committee had recently met and reviewed the documents and recommended this draft budget be presented to the full Board. He reviewed the background of the item and the key assumptions used in developing the budget; he also reviewed the next steps required by the Board.

The Board briefly discussed the budget and proposed rate increase, with Mr. Dickson addressing questions from the Board.

ON MOTION by Director Larimer and seconded by Vice-President Mickelsen, the Board voted as follows, by roll call vote, to approve issuance of a Notice of Public Hearing for a proposed rate increase, specifying a rate increase of up to fourteen percent (14%):

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

C. Automatic Meter Reading (AMR) Pilot Program Results

Mr. Dickson introduced this item, explaining that Mr. Guistino would be reporting the detailed results of the pilot program and that at a future Board meeting, staff would be presenting an analysis of the AMR program benefits and, if justified, a recommendation to proceed on some basis with the implementation of an AMR program.

Mr. Guistino reported on the results of the three-month pilot program, including the time savings, the installation process, and administrative and revenue impacts.

Bob Ptacek, Montara – advised the Board that the Montara Water & Sanitary District installed automatic meter reading devices throughout their system and reported a substantial savings. He also commented on their success with the use of a device that can be utilized by customers suspecting a leak and highly recommended use of the devices.

D. Denniston CT / System Chlorination Violation

Mr. Dickson reported on the details and outlined the sequence of events regarding the chlorine contact time violation, which occurred at the Denniston Water Treatment Plant on April 26, 2008. He also advised the Board of the implementation of system safeguards to prevent future violations, including automated plant shut-off controls, preparation of written Standard Operating Procedures, alarm testing schedules, reviewing, training and practicing of emergency response procedures and the public notification requirements. Mr. Dickson and Mr. Guistino addressed questions and comments from the Board.

7) GENERAL MANAGER'S REPORT

Mr. Dickson provided details of the two items highlighted in the report, including possible San Francisco Public Utilities Commission (SFPUC) water cutbacks and discussion of the water supply strategic planning workshop to be scheduled in June. It was also noted that the latest draft of the San Mateo Local Agency Formation Commission (LAFCo) Municipal Service Review had been released, with the Board agreeing to meet briefly prior to the LAFCo public hearing scheduled for May 15, 2008.

8) ADJOURNMENT

The meeting was adjourned at 9:48 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, June 10, 2008.

Respectfully submitted,

David Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District