

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, August 12, 2008

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:07 p.m. Present at roll call were Directors Ken Coverdell, Jim Larimer, Chris Mickelsen and Bob Feldman.

Also present were: David Dickson, General Manager; Anthony 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**

Jerry Steinberg - 591 Terrace Avenue, Half Moon Bay, CA - Stated that he would like the Board's continued support with the project proposed by Ailanto Properties to avoid dead-end water mains with the development of the project.

Lucy Lopez - 531 Terrace Avenue, Half Moon Bay, CA - Expressed concerns with potential impacts that the additional water service connections associated with the proposed development by Ailanto Properties may have on her neighborhood.

Marina Fraser - Half Moon Bay City Councilmember, representing the Sewer Authority Mid-Coastside Board of Directors - Advised the Board that eight entities have expressed an interest in pursuing a water recycling project and stressed the importance of all of the agencies working together on the project, including funding and grant resources.

Mr. Dickson informed the Board that Ailanto Properties, must submit a proposed design to CCWD meeting all of the District's standards and specifications, and that the District must review and approve the design as a condition of Ailanto obtaining water for the development.

4) CONSENT CALENDAR

- A. Requesting the Board to review disbursements for the month Ending July 31, 2008– Claims: \$1,407,839.47; Payroll: \$66,956.60 for a total of \$1,474,796.07
- B. Acceptance of Financial Reports
- C. Minutes of the July 8, 2008 Board of Directors Meeting
- D. Approval of letters to Senator Yee and Assembly Member Mullin in support of the Association of California Water Agencies' position Regarding a Comprehensive Water Package
- E. Monthly Water Transfer Report
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report
- I. July 2008 Leak Report
- J. Rainfall Reports
- K. San Francisco Public Utilities Commission Hydrological Conditions Report for July 2008

Director Larimer requested that the agenda be re-ordered to remove item 4-D from the Consent Calendar, to be discussed under the General Business portion of the agenda and move item 6H from the General Business portion of the agenda to the Consent Calendar, which was acceptable to the Board.

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

ON MOTION by Director Coverdell and seconded by Vice-President Mickelsen, the Board voted as follows to accept the Consent Calendar in its entirety, with the addition of item 6H originally placed on the General Business portion of the agenda, which included adoption of Resolution 2008-04 recognizing Montara Water & Sanitary District on the Occasion of its Anniversary Celebration:

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

5) DIRECTOR COMMENTS / MEETINGS ATTENDED

Directors Coverdell, Larimer and Vice-President Mickelsen stated that they had attended no meetings since the July CCWD Board meeting. Director Feldman reported on his attendance at the Pilarcitos Integrated Watershed Management Plan Workgroup Meeting.

President Ascher reported on the committee meeting with the Montara Water & Sanitary District representatives regarding the draft mutual emergency supply agreement and the Association of California Water Agencies Joint Powers Insurance Agencies (ACWA/JPIA) Liability Subcommittee meeting.

6) GENERAL BUSINESS

A. El Granada Pipeline Phase 3 Construction Progress Update

Mr. Dickson reported that the new pipeline is complete and in service, including all final pipeline tie-ins. He noted that some additional work and clean-up remains and that plans for the completion celebration were underway. Each of the Board members shared a few comments about the completion of the pipeline project.

B. Discussion and Direction to Staff Regarding District Water Supply Goals Policy Statement

Mr. Dickson summarized the conclusions established at the June 26, 2008 Water Supply Strategic Planning Workshop in regards to the District's water supply objectives. He also referenced the related Draft Policy Statement and reported that the item would be addressed again at the September Board meeting, where the Board would have an opportunity to discuss and adopt some specific objectives.

President Ascher accepted comments from each of the Board members and summarized the proposed revisions to include the following: (1) change the order of the second and fourth objectives, (2) add a separate statement regarding the District’s commitment to recycled water and (3) include language expressing the District’s concern with the environment. Direction was given to staff to bring this discussion item back with the appropriate language revisions for discussion at the September Board meeting.

C. Water Reclamation Project Initiative

Mr. Dickson provided the background on this subject, recapping some of the previous studies the District has undertaken on water reclamation. He stated that he felt this is an important time to pursue recycled water. He suggested that the Board consider appointing an advisory committee to work with the other responsible agencies toward a water recycling project partnership. Each of the Directors expressed their comments and concerns and the benefits of pursuing such a project.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted unanimously, by roll call vote, for the Coastside County Water District to pursue a partnership with the Sewer Authority Mid-Coastside to explore water recycling projects on the coastside:

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

Directors Larimer and Feldman expressed an interest and were assigned to serve on the Water Reclamation Advisory Committee.

D. Discussion of Potential Impacts Associated with the State of California’s Possible Suspension of Proposition 1A

Mr. Dickson explained the background of this item, outlined a few strategies for making up the possible budget shortfall caused by a loss of property tax revenue and noted that the Board may wish to provide guidance to staff in preparing more detailed contingency plan options for future consideration, should this proposition be suspended.

Board discussion ensued with direction provided to staff to bring the matter back for further discussion at the September Board meeting, including some specific proposals from staff, addressing possible deferral of capital projects, plans for borrowing funds, etc.

E. Coastside County Water District – Montara Water & Sanitary District Mutual Emergency Supply Agreement

Mr. Dickson recapped the background of the previous agreement between the two districts, the previous mutual interest committee meetings and the recent discussions between the agencies regarding formulating a mutual emergency supply agreement. He also reviewed the eleven key provisions contained in the draft agreement and noted that it was expected that the Boards from both agencies would provide any comments prior to the committee meeting again to finalize the agreement. Discussion ensued, with Mr. Dickson and Mr. Condotti addressing the Board’s comments and questions.

Bob Ptacek – Montara Water & Sanitary District – Shared his comments on the draft agreement, stating the he felt the provisions in the agreement between the two Districts’ are actually achievable.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted, by roll call vote, for the Coastside County Water District to pursue an Emergency Water Supply Agreement with the Montara Water & Sanitary District based on the key provisions provided in the draft agreement:

Director Larimer proposed an amendment to the motion with a revision to item 11 contained in the draft agreement which states “Costs of obtaining permits and approvals will be shared equally between the parties”, to “Costs of obtaining permits and approvals will be shared equitably between the parties”. The amendment to the motion was not accepted by Director Coverdell and the Board proceeded to vote on the original motion as follows:

Director Coverdell	Aye
Vice President Mickelsen	Aye
Director Larimer	No
Director Feldman	Aye
President Ascher	Aye

F. Installation of Automatic Meter Reading Devices for High Consumption Customers

Mr. Dickson introduced this item, provided the background and staff's recommendation.

ON MOTION by Director Coverdell and seconded by Director Mickelsen, the Board voted unanimously as follows to authorize staff to execute a change order to the existing agreement with National Meter and Automation, Inc. to install automatic meter reading equipment on meters of the District's key customers, at a cost not to exceed \$50,000.00:

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

G. California Special Districts Association (CSDA) – 2008 Board Elections – Region 3, Seat C

Mr. Dickson referenced the staff report and explained the procedure. President Ascher stated that in his opinion Mr. Stanley Caldwell appeared to be the most qualified candidate and recommended that the Board cast their ballot for Mr. Caldwell.

ON MOTION by Director Mickelsen and seconded by Director Larimer, the Board voted unanimously as follows to complete the CSDA Board of Directors Election ballot for 2008, casting the District's vote for Stanley R. Caldwell:

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

President Ascher noted that item 7H, originally under General Business, had previously been approved under the Consent Calendar portion of the agenda and that the Board would next be discussing item 4D, which was originally on the Consent Calendar portion of the agenda:

4D - Approval of letters to Senator Yee and Assembly Member Mullin in support of the Association of California Water Agencies' (ACWA) position regarding a Comprehensive Water Package, which was moved from the Consent Calendar

President Ascher introduced this item, explaining that the letters, on behalf of the District, support the Association of California Water Agencies' position endorsing a comprehensive water package.

ON MOTION by Director Coverdell and seconded by Vice-President Mickelsen, the Board voted unanimously as follows to authorize the Board President to sign the letters to Senator Yee and Assembly Member Mullin in support of the ACWA position regarding a Comprehensive Water Package:

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

I. Agreement with San Mateo County Harbor District Regarding Use of CCWD's Boardroom:

Mr. Dickson informed the Board of the previous agreement with the Harbor District, advising them that CCWD is no longer utilizing an area of land in the Burnham Strip, owned by the Harbor District, for storage of CCWD materials and equipment, and that he would like the Board's approval to terminate the January 1, 1996 agreement between the two agencies and negotiate a new agreement with the Harbor District to include compensation for their use of CCWD's Boardroom.

ON MOTION by Director Coverdell and seconded by Director Feldman, the Board voted unanimously as follows to authorize the General Manager to negotiate a new agreement with the Harbor District, including compensation for CCWD' Boardroom:

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

J. Consider approval of Resolution 2008-05 Establishing Appropriations Limit Applicable to District during fiscal year 2008-2009

Mr. Condotti provided the background of this item and addressed questions and comments from the Board.

ON MOTION by Director Larimer and seconded by Director Feldman, the Board voted unanimously, by roll call vote, to adopt Resolution 2008-05 Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2008-2009:

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

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

Mr. Dickson reviewed each of the items contained in his report, noting that staff would like to schedule the El Granada Pipeline Replacement Project Celebration for the afternoon of Wednesday, September 10, 2008.

- A. Monthly Water Resources Report**
- B. Water Shortage and Drought Contingency Plan Update**
- C. Operations Report**

Mr. Dickson noted that the above referenced written reports were contained in the Board packet and he or staff could address any questions or comments from the Board about the subject matter.

Director Larimer requested that a report be provided to the Board at the September Board meeting detailing the status of the Denniston Reservoir.

8) ADJOURNMENT

The meeting was adjourned at 9:10 p.m. The next regular meeting of the Coastside County Water District’s Board of Directors is scheduled for Tuesday, September 9, 2008.

Respectfully submitted,

David Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District