

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**January 14, 2003 - 7:30 p.m.**

- 1) **ROLL CALL:** President John Muller called the meeting to order at 7:30pm. Present were Directors Jim Larimer, Chris Mickelsen and Eleanor Wittrup. Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; James Teter, Engineer; JoAnne Whelen, Administrative Assistant; Gina Brazil, Office Manager; Glenna Lombardi, Project Coordinator; and Sherry Hartwig, Recording Secretary. There were approximately 16 people in the audience, including former Director James Marsh.
- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.
- 3) **INTRODUCTIONS:** General Manager Ed Schmidt introduced John Davis, one of three CCWD Field Supervisors, who is helping to fill the gap left by Dave Mier's retirement. The General Manager also indicated that there would be 5 or 6 presentations by consultants this evening and each of them will be formally introduced at the time they make their presentations. President Muller recognized former Director James Marsh, acknowledging and thanking him for his contribution to the Board and the District.
- 4) **PUBLIC ANNOUNCEMENTS**  
John Meador, Half Moon Bay, addressed the Board and asked that each Board member divulge their street address. President Muller gave his address as 925 Miramontes in HMB, Director Larimer gave his address as 569 Alto in Miramar, Director Mickelsen gave his address as 107 Broadway in Princeton, and Director Wittrup declined to give her address, citing that she and her husband rent and would prefer not to disclose the owner's information.
- 5) **APPROVAL OF THE AGENDA:**

**ON MOTION by Director Wittrup, seconded by Director Mickelsen, the Board voted unanimously to accept the Agenda.**

- 6) **CONSENT CALENDAR:**
  - A. Requesting the Board to review payment of claims for the month ending December 31, 2002 in the amount of \$238,165.34

- B. Acceptance of Financial Reports
- C. Minutes of the December 10, 2002 Board of Directors Meeting
- D. Acceptance of the Kelly Avenue/Daisy Lane Water System Improvements
- E. Monthly Water Transfer Approval Report

Director Larimer reported a positive review of the claims for the month ending December 31, 2002. There were no additions or corrections from the Board members.

**ON MOTION from Director Wittrup to approve, seconded by Director Mickelsen, the Board voted unanimously to accept the Consent Calendar in its' entirety.**

**7) REPORT OF THE GENERAL MANAGER**

- A. Well failure and request for Hardship Non-Priority Water Service Connection at 175 Madrid, El Granada – Owners: Brian and Jennifer Bingham

The General Manager reviewed the well failure situation on the Bingham's property and their request for a Hardship Non-Priority Water Service Connection. The Board discussed the number of remaining hardship connections available for future use.

**ON MOTION by Director Wittrup, seconded by Director Mickelsen, the Board voted unanimously to approve the request from the Bingham's for a hardship water service connection.**

- B. Discussion and possible acceptance of the Water Reclamation Program Preliminary Economic Feasibility Study and possible direction to Carollo Engineers to finalize the report – Presentation by Jeff Berlin and Tracy Clinton of Carollo Engineers

The General Manager stated that the report should indicate that this document is a draft document. He introduced Mike Britten, a representative of Carollo Engineers who presented their draft report findings, and then requested clarification on several issues in the draft report. Mr. Britten then introduced two other representatives of Carollo Engineers, Tracy Clinton and Jeff Berlin. His presentation and proposals included a study scope, project alternatives, re-cycled water regulations and demand, a water quality summary, treatment plant upgrades, recycled water distributions, pipeline routing, estimated capital costs according to project alternatives, estimated delivery costs, grants and funding, economic feasibility, the next steps to include presenting the proposal to SAM, taking some more samples, and investigating funding.

Director Larimer indicated that, in the interest of expediency, he would deliver his list of questions about this project to General Manager Schmidt to review and submit to Carollo. President Muller had several questions related to environmental concerns and costs, and stated that SAM would need to be approached carefully about this project. Director Larimer suggested that local growers might have some input regarding their interest and the General Manager stated that several growers had been invited to the meeting tonight to hear this presentation.

Pat Fitzgerald of Ocean Colony Partners highlighted specific issues and concerns related to golf course operations.

Leonard Woren, El Granada, a member of the SAM Board, had questions regarding issues of hormones and pharmaceuticals left over in reclaimed water, dilution factors, flower grower concerns over plant health, and the scope of the report related to his perceived lack of information sharing with the SAM Board, an issue that both Director Wittrup and General Manager Schmidt addressed.

Director Mickelsen stated that the water reclamation system in the city of Pacifica is up and running and that representatives from the CCWD would likely be welcome to visit and observe their operation.

C. Coastside County Water District 1915 Act Assessment District 2002/03 Annual Report – Presentation by NBS Government Finance Group

A presentation was made by Greg Davidson, Senior Consultant with NBS in special district funding. He discussed the overall very good financial status of the CCWD. Director Wittrup asked for an explanation of the use of the word “arbitrage” in the presentation outline and requested that the report include a list of Crystal Springs projects, as their facilities are in the CCWD assessment district. Following further discussion and questions from Board members and input from Glenna Lombardi, President Muller thanked Glenna for her guidance in this very technical process.

**ON MOTION by Director Wittrup, seconded by Director Larimer, the Board voted unanimously to accept the Assessment District 2002/2003 Annual Report by NBS Government Finance Group, Inc. by roll call vote as follows:**

<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Wittrup</b>	<b>Aye</b>
<b>President Muller</b>	<b>Aye</b>

D. Report on status of recruitment of Coastside County Water District Superintendent/Engineer position

The General Manager stated that candidate interviews will be held on February 10, 2003 and an offer might be made the following week. The Board reviewed several issues related to candidate licensing, experience and educational degrees.

E. Report and discussion of the results of the Coastside County Water District's Customer Service Satisfaction Survey

Approximately 6,000 surveys were mailed to CCWD customers, with 711 returned (approximately 12%). General Manager Schmidt recognized the hard work put into this project by Administrative Assistant JoAnne Whelen and thanked her for her excellent organization and responsibility to this project. The returned surveys had many kinds of questions and comments, not all positive. Since the survey, the CCWD Field Staff has been out within the district to answer consumer questions. The General Manager stated that the upcoming newsletter will focus on answering consumer questions. President Muller suggested that one of the District's employees be highlighted in each newsletter issue to introduce staff to the community.

F. Discussion and possible adoption of Resolution 2003-01 Establishing the Date of a Public Hearing to Consider Whether to Form and Become a Member of the Bay Area Water Supply and Conservation Agency (Assembly Bill 2058)

Mr. Art Jensen, General Manager of the San Francisco Bay Area Water Users Association (BAWUA), spoke regarding issues related to forming and joining the agency as required by the passing of AB2058. President Muller talked about the need for a public hearing on this matter and General Manager Schmidt suggested that this take place at the March 11<sup>th</sup> CCWD Board meeting. President Muller addressed several questions to Mr. Jensen and then asked for Board input.

**ON MOTION by Director Wittrup, seconded by Director Larimer, to adopt Resolution 2003-01, fixing the time and place of a public hearing on whether to form, and become a member of, the Bay Area Water Supply and Conservation Agency, the Board voted unanimously by roll call vote as follows:**

<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Wittrup</b>	<b>Aye</b>
<b>President Muller</b>	<b>Aye</b>

G. Discussion and possible appointment of a Coastside County Water District Board member to the San Francisco Bay Area Regional Water System Financing Authority (SB 1870)

President Muller asked for nominations to this position. Director Wittrup nominated President Muller. Director Larimer nominated Director Mickelsen. President Muller thanked Director Wittrup for the nomination, withdrew, and then seconded the nomination for Director Mickelsen, as he has been attending meetings associated with these issues.

**The Board voted unanimously by roll call vote as follows:**

<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Wittrup</b>	<b>Aye</b>
<b>President Muller</b>	<b>Aye</b>

Director Mickelsen thanked all for the vote of confidence in him.

H. Discussion and possible direction to staff to seek applications for appointment, or schedule a special election, for a replacement for Director Marsh’s position on the Coastside County Water District Board and possible appointment to three (3) committees attended by Director Marsh

The General Manager stated that interviews for Director Marsh’s replacement could be conducted at the special Board meeting that has been called for January 28, 2003. In regards to the committees that Director Marsh had been a member of, President Muller would like to serve on the Montara Sanitary District Committee and Director Wittrup agreed to serve on the Hydraulic Model Committee.

Leonard Woren, El Granada, shared his concerns regarding the possibility that the Board would make an appointment to Director Marsh’s position and would like the Board to call for a special election instead of making an appointment.

There was discussion among the Board members about calling for a special election for this position, the potential to tie this into the November election, costs and community burden related to calling a special election, and the issue of appointing in order to avoid a split Board. President Muller would like to call for applications for an appointment and called for a vote.

**ON MOTION by Director Larimer, seconded by Director Mickelsen, moved to invite potential candidates to the special Board meeting on January 28, 2003 so that an appointment can be made to fill former Director Marsh’s position. The roll call vote was as follows:**

<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>Director Wittrup</b>	<b>No</b>
<b>President Muller</b>	<b>Aye</b>

- I. 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 stated that Mr. Rudi Metzner will have a revised Hydraulic Model draft report to the District’s Hydraulic Model Committee on January 16, 2003. Staff will be including a copy of the finalized Seismic Assessment Report with the next California Coast Commission submittal.

- J. General Manager Activities

President Muller asked the General Manager to keep the dialogue open with the City of Half Moon Bay and make contact with them at least once per week. The General Manager discussed the Farm Bureau Summit he will be attending on February 28, 2003 at the San Mateo Expo Center. President Muller offered some details about the importance of this Summit and expressed appreciation for the General Manager’s attendance.

- K. Correspondence: (1) Letter dated December 16, 2002 from Todd Engineers regarding Progress Report on the Lower Pilarcitos Groundwater Feasibility Study (2) Letter dated January 7, 2003 from Advanced Automatic Sprinkler, Inc.

Item (1): A progress report from Todd Engineers was presented. President Muller would like for them to talk with property owners along Pilarcitos Creek. Item (2): James Teter stated that he would be responding to the letter from Advanced Automatic Sprinkler, Inc.

## 8. **AGENDA ITEMS REQUESTED BY BOARD MEMBERS**

- A. Discussion and possible direction to staff regarding the pending sale of the Montara Water System – This item has been placed on the Agenda at the request of Directors Mickelsen and Larimer

The General Manager presented five available options regarding the pending sale of the Montara Water System and indicated that numerous letters had

come in from concerned citizens. President Muller asked that the speakers begin their presentations.

Kathryn Slater-Carter, 8888 Cabrillo Hwy, Montara addressed the Board and discussed her reasons for her support of Options 1 through 4 and her opposition to Option 5, which she feels would divide the community.

Herman Fitzgerald, Esq., 345 Lorton Ave, Burlingame attended this evening's meeting as the legal representative for the Montara Sanitary District (MSD) and addressed the Board regarding legal action currently underway. He explained to the Board that any entity purchasing the MSD would essentially be purchasing a lawsuit.

Ric Lohman, 420 First Ave., Miramar, a member of the Mid-Coast Council but speaking as an individual, spoke in support of Ms. Slater-Carter's arguments and stated that he would welcome the CCWD's participation after the MSD has been purchased.

Jack McCarthy, 825 Railroad Ave., Half Moon Bay, a member of the HMB Planning Commission but speaking as an individual, urged the Board not to move forward to purchase the MSD, stating that he believes local control for Montara is very important.

Leonard Woren, El Granada, also agreed with Ms. Slater-Carter and added that any bidding among entities wishing to purchase could actually push up the purchase price of the MSD which would then fall to the ratepayers to fund.

Jerry Donovan, 2005 Touraine Ln, Half Moon Bay, stated that he would support local control of the MSD for Montara.

Hal Bogner, Half Moon Bay, stated he is a ten-year ratepayer and, for the same reason expressed by Leonard Woren, would like to see a bidding war avoided.

James Benjamin, 400 Pilarcitos Ave., Half Moon Bay spoke up to say that he did not see any public benefit for the CCWD to purchase the MSD and that he believes it is inappropriate for public agencies to enter competing bids.

President Muller then conducted a quick review of the letters that had been sent in and found that all but one was in support of local Montara control. Director Mickelsen said that he would not support a bidding war and supports the MSD in their efforts to have local control. He believes that the CCWD should extend a hand to aid the MSD, stating that he thinks they could benefit from help by the CCWD, citing its' successful track record. Director Larimer reminded everyone that this issue had been before the community for 50 years and stated that he agrees with the 80% of Montara citizens who have voted against having a separate agency manage their water system. He also believes it would be unfair to join two districts together because it would ask HMB residents to bear part of the cost of upgrading the Montara system. Director Wittrup agreed with Director Mickelsen that the CCWD should stay out of the acquisition process and work out a relationship with the MSD after the purchase process has been completed. President Muller would like to offer an olive branch, be a good neighbor and support them in their efforts towards local control. After further discussion, the Board agreed not to become

involved in the purchase of the MSD and will be pleased to offer their support, resources and information sharing to Montara.

**9) ENGINEER’S REPORT**

- A. Engineering Projects Received in December, 2002
- B. District Engineer Work Status Report

The Board briefly discussed and then accepted the Engineer’s reports.

**10) 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.

John Davis referred the Board to the prepared reports in the Board packet and stated that he would be happy to answer questions from any of the Board members. He remarked that he is still in a “learning mode” and is out in the field as well as in the office helping to move the operations team forward.

**11) MEETINGS ATTENDED/SCHEDULED - BOARD OF DIRECTORS**

- A. Scheduled – Special Meeting - Environmental Analysis Workshop  
Tuesday, January 28, 2002

President Muller asked that the Board address the issue of posting and interviewing for the open position on the Board on January 28<sup>th</sup>. The General Manager stated that the 15-day requirement for the job posting had been met and that applications were currently being received.

The General Manager then addressed the presentation planned by Essex Environmental at the upcoming special meeting. He asked that Board members submit to him any questions that they each might have so that he could pass them on to Essex Environmental prior to their presentation. President Muller would like to know if there are changes or weakening in CEQA regarding environmental impact issues and wetlands.

The Board members then agreed to meet at 5:30 p.m. on January 28<sup>th</sup> in order to conduct interviews for the Board position prior to the scheduled presentation by Essex Environmental.

12) **AGENDA ITEMS AND DIRECTOR COMMENTS:** No additional items were discussed at this time and President Muller requested that the Board go into Closed Session.

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 approximately 9:54 p.m.

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 Special Meeting on January 28, 2003 at 5:30 p.m.

Respectfully submitted,

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Ed Schmidt, General Manager

APPROVED:

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John Muller, President