

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, October 11, 2016

- 1) **ROLL CALL** - President Arnie Glassberg called the special meeting to order at 3:00 p.m. Present at roll call: Directors Ken Coverdell, Bob Feldman, Vice-President Glenn Reynolds and Director Chris Mickelsen.

Also present: David Dickson, General Manager, Mary Rogren, Assistant General Manager; Cathleen Brennan, Water Resources Analyst; and Gina Brazil, Office Manager.

There were three people in the audience.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT**

Clemens Heldmaier, Montara Water & Sanitary District - Thanked the Board for scheduling the Special Meeting with this agenda item and suggested that the District start working on an agreement with the customer, Ocean Colony Partners, as it works parallel on the agreement with the Sewer Authority Mid-Coastside (SAM) in moving forward with the project.

- 4) **GENERAL BUSINESS**

- A. **Recycled Water Project - Guiding Principles and Potential Key Terms of Recycled Water Agreement with the Sewer Authority Mid-Coastside**

Mr. Dickson introduced discussion of this subject by stating that he and Assistant General Manager Rogren had recently met with members of the Recycled Water Advisory Committee, Vice-President Reynolds and Director Coverdell, to discuss the progress SAM has made over the past approximately 8 months in gaining the agreement of all SAM member agencies to proceed with a recycled water project and to fund a 25% facility design. He said he anticipated that the SAM board would approve the recycled water project and award a contract for the 25% design at their October 24 meeting.

Director Coverdell stated that currently SAM has expended funds on this proposed recycled water project and now the City of Half Moon Bay has agreed to spend some money to try to arrive at a 25% design stage, which will help determine final cost estimates. However, he stated that he was uncomfortable with the fact that the funds to be provided by Ocean Colony Partners may not be able to cover the costs of the project as discussed. He proposed possibly having CCWD agree to purchase recycled water from SAM and have the ability for CCWD to make the decisions as to how they would utilize the water, as he sees problems and issues with having Ocean Colony Partners being the exclusive customer of the recycled water. He also emphasized the importance of CCWD and SAM coming to an agreement to go forward.

Vice-President Reynolds agreed that this is a valuable project to consider and agreed that CCWD needs to determine the costs of providing recycled water to their customers. He also agreed with Director Coverdell that there are some important aspects of this project that need to be worked out contractually and that it is imperative that pursuing the project not be driven by one specific customer.

Director Mickelsen shared his views as well, agreeing that this project should not be driven by one specific potential customer and reiterated the issues with subsidizing a particular group of customers. He also pointed out that there are a number of unknown factors to be determined with the associated infrastructure and that CCWD does not currently own the pipeline to be used to transport recycled water to the golf course.

President Glassberg questioned how the costs of the recycled water would be determined assuming that the project went forward. He also pointed out that SAM could potentially benefit, including financially, from the recycled water project by no longer discharging effluent into the ocean, while other agencies have paid for the bulk of the project.

Director Feldman noted that some of these same topics related to recycled water were actually emphasized when he served on the CCWD Board in a previous term, over eight years ago. He stated that he felt it was important to pursue the project in order to determine the overall feasibility.

Board discussion ensued and Mr. Dickson pointed out that there are many factors in determining the overall feasibility, including the factor of CCWD's lost revenue in sales with utilizing recycled water, and the fact that a price has not yet been determined by SAM for the recycled water. He also stated that the objectives and benefits of recycled water and the determination about how much

water ratepayers should pay for the development of recycled water have yet to be established. The Board members then briefly discussed the sums of money expended, as well as the funds committed to be paid by the other agencies with regards to this recycled water project.

As the meeting concluded, the Board summarized highlights of their discussion which included that Coastside County Water District continues to be an interested party in the development of this potential project and will continue to participate and review and study the design to determine if this is a feasible project.

- 5) **ADJOURNMENT** - The meeting was adjourned at 4:10 p.m.

Respectfully submitted,

David Dickson, General Manager
Secretary to the District

Arnie Glassberg, President
Board of Directors