

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday - October 14, 2008

1) CLOSED SESSION

- A. Public Employee Performance Evaluation**
(Cal. Govt. Code Section §54957) Title: General Manager

- B. Conference with Labor Negotiators**
(Cal. Govt. Code Section §54957.6) Agency Designated
Representatives: General Manager, IEDA
Employee Organization: Teamsters Union, Local 856

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 5:30 p.m. with President Ascher and Directors Larimer, Mickelsen, Coverdell and Feldman. The Closed Session concluded at approximately 7:00 p.m., immediately prior to commencement of the regular meeting, at which time President Ascher announced that the matter of the General Manager's Public Employee Performance Evaluation would be placed as a item on the next regular meeting agenda of the CCWD Board of Directors, and that no reportable action had been taken during the closed session on Item 1B.

COASTSIDE COUNTY WATER DISTRICT

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MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, October 14, 2008

- 1) **ROLL CALL:** President Ascher called the meeting to order at 7:12 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:** None
- 4) **SPECIAL ORDER OF BUSINESS**

Resolution 2008- 07 - A Resolution of the Board of Directors of the Coastside County Water District expressing its gratitude to Anthony Condotti of Atchison, Barisone, Condotti & Kovacevich for his leadership and dedicated service to CCWD in his capacity as District Legal Counsel

President Ascher explained that due to the fact that the firm of Atchison, Barisone, Condotti & Kovacevich is now also providing legal services to the City of Half Moon Bay, that it had been decided that it would be in the best interest of all parties if CCWD terminated their agreement for services with Mr. Condotti's law firm, effective November 1, 2008. President Ascher proceeded to read and present the Resolution.

ON MOTION by President Ascher and seconded by Director Larimer, the Board voted as follows, by roll call vote, to adopt Resolution 2008-07 - A Resolution of the Board of Directors of the Coastside County Water District expressing its gratitude to Anthony Condotti of Atchison, Barisone, Condotti & Kovacevich for his leadership and dedicated service to CCWD in his capacity as District Legal Counsel:

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

Mr. Condotti stated that it had been an honor and privilege to serve CCWD over the past seven and one half years and that he had enjoyed the opportunity to work with such a talented and dedicated Board of Directors and District Staff. He expressed that leaving this position to represent the City of Half Moon Bay was bittersweet, but he felt that the District is in good hands with the current Board of Directors at the helm, with the support of District staff and with Patrick Miyaki of the Hanson Bridgett law firm to represent the District. He also thanked everyone for the recognition and noted that he was looking forward to a long relationship with the District and the community.

5) CONSENT CALENDAR

- A.** Requesting the Board to review disbursements for the month Ending September 30, 2008- Claims: \$1,218,361.25; Payroll: \$67,568.24; for a total of \$1,285,929.49
- B.** Acceptance of Financial Reports
- C.** Minutes of the September 9, 2008 Board of Directors Meeting
- D.** Minutes of the September 12, 2008 Special Board of Directors Meeting
- E.** Minutes of the October 2, 2008 Special Board of Directors Meeting
- F.** Monthly Water Transfer Report
- G.** Installed Water Connection Capacity and Water Meters Report
- H.** Total CCWD Production Report
- I.** CCWD Monthly Sales by Category Report
- J.** September 2008 Leak Report
- K.** Rainfall Reports

- L. San Francisco Public Utilities Commission Hydrological Conditions Report for September 2008
- M. Request for Board to Provide Authorization to Write Off Bad Debts for Fiscal year 2007-2008

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

ON MOTION by Director Coverdell 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

6) DIRECTOR COMMENTS / MEETINGS ATTENDED

President Ascher then re-ordered the agenda, placing item 6 - "Director Comments/Meetings Attended" to the end of the agenda prior to adjournment, and moved item 7D as the first General Business item for discussion.

7) GENERAL BUSINESS

D. Bartle Wells Proposal for Financing Plan and Water Rate Update

Mr. Dickson reviewed the details contained in his staff report. He advised the Board that he felt this financing plan and water rate update is essential, that a number of factors had changed since this item was last proposed in July 2008, and that a plan needs to be developed to continue to finance the District. He informed the Board that the information developed in this study will assist the Board in decision-making, and reviewed a number of the issues that would be addressed in the proposed study.

Board discussion ensued, with Mr. Dickson addressing several questions and comments. At the Board's request, Mr. John Parsons, the District's Certified Public Accountant, also provided comments on the proposed financing plan and water rate update, stating that he was in support of the project, felt it was very necessary, and was very impressed with Mr. Dickson's pro-active approach in searching for a comprehensive solution. He added that he does not feel that the District can afford not to pursue this type of project.

ON MOTION by Director Feldman and seconded by Director Coverdell, the Board voted as follows, by roll call vote, to authorize execution of an agreement with Bartle Wells Associates for a Financing Plan and Water Rate Update at an estimated non-to exceed cost of \$38,500.00:

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

A. 909 Miramontes - Water Service Agreement and Resolution Nos. 2008- 08 and 2008-09 accepting grants of easement for same

Mr. Dickson explained the details of this proposed pipeline extension to serve the property, which consists of a modification extending the District's infrastructure, without incurring any costs to the District. Mr. Dickson and Mr. Condotti then answered a few questions from the Board.

ON MOTION by Director Coverdell and seconded by Director Larimer, the Board voted as follows, by roll call vote, to approve the Water Service Agreement between CCWD and Wayne and Dana Pastorino for construction of a pipeline extension to serve real property at 900 Miramontes, and Resolutions 2008-08 and 2008-09 accepting grants of easement for same:

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

B. Proposal from Frisch Engineering for SCADA System Pre-Design Services

Mr. Dickson referred discussion of this item to Mr. Guistino, which included the background of the District's Supervisory Control and Data Acquisition (SCADA) system and the need to proceed with an interactive pre-design process. Discussion ensued with Mr. Dickson and Mr. Guistino addressing the Board's questions and comments.

ON MOTION by Vice-President Mickelsen and seconded by Director Feldman, the Board voted as follows, by roll call vote, to authorize the execution of a contract with Frisch Engineering for SCADA system pre-design services, for a total estimated cost of \$35,015:

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

C. Discussion and possible adoption of Ordinance 2008-01 Establishing Rules and Regulations Prohibiting Wasteful Water Use During Normal Water Supply Situations and Providing for Enforcement Thereof

Mr. Dickson announced that Ms. Cathleen Brennan, Public Outreach/Program Development /Water Resources Analyst; would be discussing her work on this ordinance. She explained the purpose and intent of the ordinance, noting that it was last adopted by the District in 1997. She advised the Board that in order to be in compliance with the requirements of the Urban Water Management Planning Act (California Water Code) and the California Water Conservation Council; the District is required to update its ordinance on water waste prohibitions during "normal" water supply conditions. She informed the Board that the changes to the existing ordinance are significant enough to require the current ordinance (1997-01) be rescinded and a new revised ordinance be adopted. She then briefly reviewed the recommended revisions.

ON MOTION by Director Coverdell and seconded by Vice-President Mickelsen, the Board voted as follows, by roll call vote, to accept the revisions and adopt Water Waste Prohibition Ordinance 2008-01:

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

E. Resolution Adopting Policy Regarding Distribution of Recycled Water Within District Service Boundary

Mr. Dickson explained that this is part of an on-going process and numerous recent discussions, to establish the District's appropriate leadership in water reclamation. He stated that, based on the guidance the Board received at the last meeting, this Resolution establishes the District's statutory authority in water reclamation, expresses the District's desire to cooperate with the Sewer Authority Mid-Coastside as the recycled water producer to develop the project, states the District's desires to distribute and sell recycled water to customers within the District's service boundary, and states it's abilities to exercise the District's statutory authority as appropriate to lead this project. The Board members all briefly commented on the elements of the proposed resolution.

ON MOTION by Vice-President Mickelsen and seconded by Director Larimer, the Board voted as follows, by roll call vote, to approve and adopt Resolution 2008-10 - Adopting Policy Regarding Distribution of Recycled Water Within District Service Boundary:

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

F. First Quarter Financial Review – Revenue and Expense Budget

Mr. Dickson reviewed the Period Budget Analysis Spreadsheet, which summarized the District's financial performance through the first quarter of Fiscal year 2008-2009 and each of the Board members provided a few brief comments.

7) GENERAL MANAGER’S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

Mr. Dickson referenced his staff report, which included results of the investigation into customer concerns expressed at the September 9, 2008 Board meeting. He reported that he had met with Mr. Clifford, answered his questions, and explained the procedures for the District’s reading and re-reading of meters. He also advised the Board, that as a result of the recent discussions, new procedures were going to be implemented and with staff’s further analysis of meter reading, billing, and collection procedures, anticipated possibly bringing new recommendations to the Board for changes in policy. Mr. Dickson also informed the Board and complimented Sue Turgeon, Office Specialist, on a poster she had recently designed and displayed in the lobby, in a positive and pro-active effort to educate the District’s customers about water use.

Mr. Dickson also confirmed that the regular November Board of Directors meeting would be rescheduled to Tuesday, November 18, 2008, due to the Veterans Day holiday.

- 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 Coverdell commented that he had attended a recent meeting sponsored by the Coastside Chamber of Commerce on the subject of sustainable business and that he had an opportunity to view Ms. Brennan’s presentation for CCWD. He stated that he was very impressed by her preparedness, the topics she discussed, and the content of her presentation and complimented Ms. Brennan and stated that in his opinion she is doing an outstanding of representing the District in regards to water conservation efforts.

6) DIRECTOR COMMENTS / MEETINGS ATTENDED - (re-ordered)

President Ascher announced that on September 18th and 19th, the Association of California Water Agencies, Region 5 division conducted a conference in Half Moon Bay that was very well attended. He recognized Nurserymen's Exchange for the remarkable tour they provided and added that the evening reception was a wonderful opportunity to meet and talk to colleagues from other parts of California. President Ascher also commented on the committee meeting he had participated in with the Montara Water & Sanitary District, in regards to mutual interests.

9) ADJOURNMENT

The meeting was adjourned at 8:50 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, November 18, 2008.

Respectfully submitted,

David Dickson, General Manager
Secretary of the Board

Everett Ascher, President
Board of Directors
Coastside County Water District