

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

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

**Tuesday, November 8, 2011**

- 1) **ROLL CALL** - The Closed Session convened at 6:03 p.m. Present at roll call: President Bob Feldman, Vice-President Jerry Donovan, and Directors Ken Coverdell, Jim Larimer and Chris Mickelsen. David Dickson, General Manager, and Patrick Miyaki, Legal Counsel, were also present.
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
  - A. **Conference with Legal Counsel**  
Pursuant to California Government Code Section §54956.9(b)  
Anticipated Litigation - Significant Exposure to Litigation: One Case
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 6:52 p.m., immediately prior to commencement of the regular meeting, at which time President Feldman announced that no reportable action had been taken during the Closed Session.
- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:52 p.m.

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

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

**Tuesday, November 8, 2011**

- 1) **ROLL CALL** - President Bob Feldman called the meeting to order at 7:12 p.m. Present at roll call: Vice-President Jerry Donovan and Directors Ken Coverdell, Jim Larimer, and Chris Mickelsen.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** - There were no public comments.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending October 31, 2011:  
Claims: \$808,727.73; Payroll: \$ 74,284.04; for a total of \$883,011.77
- B. Acceptance of Financial Reports
- C. Approval of Minutes of October 11, 2011 Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report and Non-Priority Lottery Recipients Status Update Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report
- G. October 2011 Leak Report
- H. Rainfall Reports
- I. Notice of Completion - Denniston Dredging Project

Vice-President Donovan reported that he had reviewed the monthly financial claims and found all to be in order. He also stated that he had requested that staff begin presenting a monthly report that will track the Denniston Project expenditures associated with the I-Bank loan.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

Vice-President Donovan and Director Mickelsen both reported on the recent results of the Pilarcitos Restoration Workgroup meeting, held on October 25, 2011.

**6) GENERAL BUSINESS**

**A. Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2011**

Mr. Dickson introduced Mr. Joe Arch, CPA, the District's Independent Auditor, and also informed the Board that the members of the District's Finance Committee had previously met to review and discuss the audit results and the associated financial reports.

Mr. Arch advised that there was little change from the District's previous years' audit results. He announced that once again, the District had received an excellent review, an "unqualified opinion", which is the best possible rating from an auditor. He noted that given the difficult economic environment, it was encouraging to see that the District was able to add to its net assets, which indicates the District's financially conservative approach to operations.

President Feldman reiterated that the District's Finance Committee had reviewed the Basic Financial Statements and presentation materials in

detail and were very comfortable with the results. Director Mickelsen stated that both District staff and the Board can be proud of these results. Director Larimer inquired about the assessment of the District's CalPERS obligation; however Mr. Arch explained that this is not something that auditors analyze as part of an annual audit. Director Larimer then shared his comments about some CalPERS related issues. President Feldman concluded the discussion of this item by stating that the excellent audit was a credit to Mr. Dickson and staff.

**ON MOTION BY Director Mickelsen and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to accept the Basic Financial Statements for Fiscal year Ended June 30, 2011:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**B. Extension of Time for Installation of Connections Purchased in 2010 Lottery**

Mr. Dickson provided the background of this item, reviewing details of the District's September 2010 offer of 36 non-priority water service connections for sale to owners of developed residential properties served by wells. He advised that as the one year deadline for installing these connections approaches, there are twelve purchasers that have not completed the installation of the service connections. Mr. Dickson recommended that the Board consider granting an extension of time to the purchasers to complete the installation of these connections. He noted that, recognizing the challenges some purchasers may face in completing their installations, staff believes that extending the installation deadline would be reasonable and consistent with the goals of this connection sale program. Mr. Dickson suggested establishing a uniform deadline of June 30, 2012 for all purchasers, with the District reclaiming any connection(s) not completely installed by this deadline, with a refund of the Transmission and Storage fees to be issued to the purchaser. Brief discussion ensued, with Mr. Dickson and Mr. Miyaki addressing the Board's questions and comments.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve an extension of the deadline for completing installation of connections purchased by well owners in the 2010 lottery, establishing June 30, 2012 as the extended installation deadline for all purchasers:**

<b>Director Coverdell</b>	<b>Aye</b>
<b>Vice-President Donovan</b>	<b>Aye</b>
<b>Director Larimer</b>	<b>Aye</b>
<b>Director Mickelsen</b>	<b>Aye</b>
<b>President Feldman</b>	<b>Aye</b>

**7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson commented that before he reviews the General Manager's report, he would like to return to the subject of the positive report of the financial statements, and recognize the staff, particularly Gina Brazil, for her efforts in keeping the District's financial records in order.

**1. I-Bank Loan**

Mr. Dickson advised that the first disbursement request to I- Bank had been submitted on October 18<sup>th</sup> in the sum of \$244,142, covering construction and engineering expenses for September, and that the second disbursement request had already been submitted as well.

**2. E-mail Newsletter**

Mr. Dickson reported that, as part of the District's Communication Plan, the District had distributed its first email newsletter to approximately 3,100 recipients on November 1, 2011, thanks to the efforts of Cathleen Brennan. He noted that the subject of this first newsletter announced the availability of the Denniston/San Vicente Water Supply Project Environmental Impact Report - Notice of Preparation/Initial Study for public review and comment.

Additionally, Mr. Dickson reported that he was invited to speak at a recent meeting of the local chapter of the California Special Districts Association and attended the October 25, 2011 meeting and shared information about Coastside County Water District.

**A. Operations Report**

Mr. Guistino discussed and shared photographs of the Denniston Water Treatment Plant Improvement Project, the dredging of the Denniston Reservoir, and the completion of the San Francisco Public Utilities Commission (SFPUC) Pilarcitos Reservoir siphon. Mr. Guistino also provided progress updates on the Judith Court Main Replacement and El Granada Pressure Reducing Valve Projects.

President Feldman congratulated Mr. Guistino on his recent Cal/NV American Water Works Association Section Chair's Award for his significant contributions to the organization.

**B. Water Resources Report**

Ms. Brennan reported that the District had partnered with the Sewer Authority Mid-Coastside (SAM) again this year in sharing an information table provided at the annual Half Moon Bay Pumpkin Festival. She informed the Board that the District had provided free tap water, gift bags for children and regional water rebate information to the public and that she enjoyed working with the SAM staff at this successful event.

**8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**

There were no comments or requests from the Board members.

**9) ADJOURNMENT**

**ON MOTION BY Vice-President Donovan and seconded by Director Mickelsen, the Board voted as follows, to adjourn the November 8, 2011 meeting of the Coastside County Water District's Board of Directors:**

Director Coverdell	Aye
Vice-President Donovan	Aye
Director Larimer	Aye
Director Mickelsen	Aye
President Feldman	Aye

The meeting was adjourned at 8:09 p.m. The next regular meeting of the Board of Directors is scheduled for Tuesday, December 13, 2011.

Respectfully submitted,

---

David R. Dickson, General Manager  
Secretary of the Board

---

Jerry C. Donovan, President  
Board of Directors