

**COASTSIDE COUNTY WATER DISTRICT
766 MAIN STREET
HALF MOON BAY, CA 94019**

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

March 11, 2003 – 7:30 p.m.

- 1) **ROLL CALL:** President John Muller called the meeting to order at 7:30 p.m. Present at roll call were Directors Everett Ascher, Jim Larimer and Chris Mickelsen. Also present Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, Engineer; John Davis, Field Supervisor; Gina Brazil, Office Manager; JoAnne Whelen, Administrative Assistant (also acting as Recording Secretary for this meeting); Ken Coverdell, Ric Lohman, and Jim Plock, all candidates for the open Board position; and John Meador, member of the public.
- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.
- 3) **INTRODUCTIONS:** The General Manager introduced Terry Burns and Dean Peterson from San Mateo County, stating that they would be making a presentation on a groundwater study currently being performed for San Mateo County. He also introduced Ken Coverdell, a candidate for the open position on the Board, who will be interviewed during this meeting, as well as John Plock and Ric Lohman, also attending with the intention to interview for the open Board position, and John Meador, a member of the public.

President Muller then read a statement he had prepared regarding concerns the public may have related to the changes on the Board in the past year and expressing his pride in the work that the Board, the CCWD General Manager and the CCWD Staff consistently do to further the mission of the Board in meeting the community's water resource needs and serving the best interests for everyone on the Coastsides.

- 4) **PUBLIC ANNOUNCEMENTS:**
John Meador, of Half Moon Bay, addressed the Board in regards to former Director Eleanor Wittrup's recent letter to the Half Moon Bay Review, commenting specifically about her remarks regarding the Hydraulic Model.
- 5) **APPROVAL OF THE AGENDA:** President Muller called for approval of the agenda.

ON MOTION by Director Ascher, seconded by Director Larimer, the agenda was unanimously approved by the Board.

6) CONSENT CALENDAR

- A. Requesting the Board to review payment of claims for the month ending February 28, 2003 in the amount of \$247,947.18
- B. Acceptance of Financial Reports
- C. Minutes of the January 28, 2003 Special Board of Directors Meeting
- D. Minutes of the February 11, 2003 Board of Directors Meeting
- E. Monthly Water Transfer Approval Report

ON MOTION by Director Mickelsen and seconded by Director Ascher, the Consent Calendar was unanimously accepted by the Board.

7) PUBLIC HEARING

- A. To Consider approval of Resolution 2003-04, A Resolution of the Board of Directors of the Coastside County Water District Declaring Findings Regarding Formation Of and Approving Membership In the BAY AREA WATER SUPPLY AND CONSERVATION AGENCY

Mr. Condotti reminded the Board that, in January, a public hearing had been set for this evening to consider Resolution 2003-04. He then reviewed the background of the Resolution, stating that if the Board approves it, the County of San Mateo will then compile a list of the agencies that would like to participate and, if a sufficient number want to join the new agency, plans would then be made to begin the process of financing new water system expansion and system projects. There were no comments from the public.

ON MOTION by Director Larimer and seconded by Director Mickelsen, the resolution was unanimously adopted by roll call vote as follows:

Director Larimer	Aye
Director Ascher	Aye
Director Mickelsen	Aye
President Muller	Aye

8) REPORT OF THE GENERAL MANAGER

- A. Report on Midcoast Groundwater Study, Phase 2 - Presentation by San Mateo County Representatives - Terry Burnes, Planning Administrator and Dean Peterson, Director of Environmental Health

Terry Burnes, Planning Administrator for San Mateo County, spoke to the Board regarding Phase 2 of the Midcoast Groundwater Study that was approved by the San Mateo County Board of Supervisors on February 4, 2003. This study has been undertaken by Kleinfelder & Associates, in conjunction with the San Mateo

County Environmental Services Department, in an effort to gather additional information to determine the safe yield of Midcoast aquifers and to answer any questions that may not have been satisfactorily addressed by the report of Phase 1, which was completed last year. Mr. Burnes explained that this project will be broken down into four major tasks, comprised of an 1) assessment of the project requirements by Kleinfelder & Associates, 2) working with their own and the county’s GIS systems to lay the groundwork for using those resources as the study comes to completion, 3) establishing a conceptual model to evaluate the issue, and 4) producing a report that will entail field investigation and geologic mapping, including obtaining permits to drill some modeling wells to be used in the study. He also explained that, as part of this process, a public meeting will be held at the Mid Coast Community Council meeting on Wednesday, April 9th, 2003 in order for the public to be made aware of the study and to take comments and questions from the public. At the end of the study, a final report will be presented to the Mid Coast Community Council, the San Mateo County Planning Commission and the San Mateo County Board of Supervisors. President Muller assured Mr. Burnes that the CCWD would cooperate fully with the County in sharing information during this project.

B. Discussion and possible direction to staff regarding a request for relief of high water bill from customer Kathleen Reisch

The Board undertook discussion of Mrs. Reisch’s request for relief of her high water bill. The Board agreed that all necessary steps had been taken to determine the cause of the increase. Stressing the importance of the District acting consistently with all Coastside community consumers, the Board granted no relief of payment for Mrs. Reisch’s water bill, but suggested that she take advantage of the District’s payment amortization plan.

C. Discussion and possible action to fill vacancy caused by Director Eleanor Wittrup's resignation; consider special election or appointment to fill vacancy

On February 24th, 2003, at the direction of President Muller, the General Manager posted the notice of Board vacancy. Four applicants have come forward and the Board agreed that if a candidate was interviewed and appointed this evening, he could be seated immediately.

ON MOTION by Director Ascher and seconded by Director Mickelsen, a unanimous roll call vote was taken to interview and appoint a new Board member at this evening’s meeting:

Director Larimer	Aye
Director Ascher	Aye
Director Mickelsen	Aye
President Muller	Aye

The Board members agreed to interview the candidates separately and each was asked in turn to give a bit of background on himself.

Ric Lohman, Half Moon Bay, who was previously interviewed to fill the Board seat vacated by James Marsh, spoke to the Board regarding the candidacy of James Marsh to fill the vacant seat at this time and offered to withdraw his candidacy in favor of supporting Mr. Marsh, whom he believes to be the appropriate choice to fill the position. President Muller expressed his appreciation to Mr. Lohman for his intention to withdraw and stated that all candidates would be interviewed. Questioning of Mr. Lohman’s views on several issues, including the El Granada pipeline project, ensued.

Ken Coverdell, Miramar, was interviewed next and spoke to the Board regarding his family, his longstanding Coastside landscape business, his previous service on the CCWD Board, and his dedication to supporting the community. He discussed his views on the pipeline issue and stated that he believed it would be appropriate for him to sit on the Board at this time because of his previous experience and the fact that he would be immediately ready to participate on the Board without the necessity of bringing the new Director “up to speed”. President Muller expressed his appreciation to Mr. Coverdell for his service to the Board in the past and for his current interest in the vacant Board position.

John Plock, El Granada, began his address to the Board by stating his background as a Civil Engineer with a long history of construction engineering design, public works administration & civil engineering with significant experience in public water works projects. He became active in the community in 1994 and stated his main concern to be in the area of public health and safety. He expressed his belief that his past experience makes him an ideal candidate for the CCWD Board. President Muller and Director Larimer both expressed appreciation for Mr. Plock’s efforts on behalf of El Granada in getting a stoplight installed, and President Muller thanked him for his community involvement and his interest in the open Board position.

James Marsh, Half Moon Bay, addressed the Board as the final candidate for the Board vacancy. He reviewed issues that he believes to be of significant importance for the Board. In response to Director Larimer’s question about his candidacy status for the Superintendent position, Mr. Marsh stated that he had not been asked to move ahead in that process. Director Ascher asked Mr. Marsh if he would be comfortable with the potential decision of the Coastal Commission to move forward with the 16-inch El Granada pipeline and he stated that he would. President Muller addressed his concern about Mr. Marsh’s previous resignation from the Board to pursue the Superintendent position and how that issue might affect his serving on the Board at this time, and Mr. Marsh made remarks to that concern.

The Board then undertook discussion regarding the candidates, with Director Larimer nominating Ken Coverdell, and the nomination being seconded by Director Ascher. President Muller then nominated James Marsh. As there was no additional support by way of a second for the motion to nominate Mr. Marsh, President Muller called for a roll call vote.

ON MOTION by Director Larimer and seconded by Director Ascher, the Board voted unanimously by roll call vote, as follows, to appoint Ken Coverdell to the vacant seat on the Board:

Director Larimer	Aye
Director Ascher	Aye
Director Mickelsen	Aye
President Muller	Aye

President Muller offered Mr. Coverdell the choice of being seated this evening or waiting until the April meeting. Discussion ensued regarding the advantages of the immediate swearing in of Mr. Coverdell in order that he could participate in the closed session at the end of this meeting. After a short break, President Muller administered the Oath of Office to Mr. Coverdell and all welcomed him to the Board.

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

The General Manager gave the Board an update on the interview process for the Superintendent position, indicating that it is on schedule with background checks and second interviews are being held. He then stated that he expects to extend an offer in the next ten days and anticipates to have the position filled by the end of March.

E. 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 reported on his recent telephone conversation with Chris Kern of the California Coastal Commission (CCC), which included the possibility of a hearing date in July in Petaluma and a potential meeting with CCWD staff and CCC staff in the near future. President Muller encouraged the General Manager to continue his communication with Chris Kern until a replacement for Peter Imhoff is on the CCC staff and stressed the importance of pursuing the scheduling of such a meeting among both agency's staff.

John Plock, El Granada, expressed his concern regarding the legality of the CCC in light of the recent legal developments declaring that organization unconstitutional and asked the Board if they would consider moving ahead without the CCC. Mr. Condotti stated that currently the Board is waiting to see if

the CCC will be re-constituted and whether or not the California Supreme Court will take up this issue and review the Appellate Court decision that the CCC is unconstitutional, based upon the manner in which the legislator appoints and removes the commissioners. President Muller expressed his belief that the CCC will remain in existence.

James Marsh, Half Moon Bay, addressed the Board about some questions he has about the hydraulic model report and possible further revisions to that study based on operational comments made by David Mier. President Muller stated that his understanding is that there will be no further revisions to the model and that the re-configured model report should be sent to the California Coastal Commission. Jim Teter quoted Rudi Metzner that the valving possibilities made by Dave Mier would not alter his hydraulic model results. Rudi Metzner will make a presentation to the Half Moon Bay Fire Protection District Board meeting on March 25th, 2003.

F. Discussion and possible direction to staff to implement several options for customer payments, District financial involvement with Bank of America Direct, and an update on the upgrades to CCWD's utility billing and financial software

The General Manager introduced Office Manager Gina Brazil and expressed appreciation for her efforts to research alternative and efficient customer payment options, including Direct Debit of customer bank accounts and credit card payments. Additional methods for District accounting and payroll being reviewed are the Positive Pay method of check fraud prevention and an updated version of Direct Deposit of payroll for employees. District staff will be investigating the pros and cons of these methods, including a financial evaluation of implementing a monthly customer billing schedule suggested by Director Ascher, and will report back to the Board with a written report within a couple of months.

G. General Manager Activities

The General Manager referred the Board to the list of his activities and meetings during the month of February and the meetings he will be attending throughout March and early April.

H. Correspondence:

(1) Letter dated February 11, 2003 from San Francisco Public Utilities Commission regarding Emergency Response and Recovery Plan Project

Brief discussion ensued about the Emergency Response and Recovery Plan Project being undertaken by the San Francisco Public Utilities Commission, with the General Manager expressing his approval that this project is finally going to get underway. President Muller stated that this is a “monster” undertaking and

will not be an easy project to manage due to the multitude of environmental reports that will have to be done.

- (2) Letter dated February 14, 2003 from San Francisco Bay Area Water Users Association congratulation Director Mickelsen on his appointment to the board of directors of the San Francisco Bay Area Regional Water System Financing Authority
- (3) Memorandum dated February 7, 2003 from Half Moon Bay Fire Protection District regarding El Granada Fire Scenario

Discussion ensued among Board members regarding the memo from Fire Chief James Asche, outlining the scenario of fighting an urban-wildland type of fire in El Granada. The CCWD staff will contact Chief Asche and request that his memo be signed and endorsed by the Fire District. The General Manager suggested that this might be an item for the Fire Protection District Board meeting on March 25th, 2003.

9) AGENDA ITEMS REQUESTED BY BOARD MEMBERS

- A. Discussion and possible direction to staff concerning existing Board practice for review and approval of warrants/claims

Following review of this issue by the General Manager and discussion among the Board members, it was decided to continue the current practice of rotating the claim review among the Directors each month, scheduled alphabetically by last name.

10) ENGINEER'S REPORT

- A. Engineering Projects Received in February 2003

There were no projects received for review in February 2003.

- B. District Engineer Work Status Report

President Muller noted that the Alves tank needs some maintenance work, including sandblasting and painting.

- C. Discussion, review and possible acceptance of Water Supply Evaluation Report for Calendar Year 2002

Following discussion by Board members, it was noted that water sales during 2002 were less than during 2001 despite the addition of new service connections. The analysis of system demands and capabilities has been updated with 2002 data and is essentially unchanged from reports of prior years. President Muller encouraged the General Manager to attempt further community outreach to keep ratepayers informed about these issues.

11) 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, Field Supervisor, indicated that the Operations reports are in the Board packet and asked to take any questions. A visit to the tunnel in the near future was discussed and President Muller expressed an interest in being included. A discussion ensued regarding public tours of the tunnel, including safety and liability issues, with consensus being that it is not a safe environment in which to expose the general public.

12) MEETINGS ATTENDED/SCHEDULED - BOARD OF DIRECTORS

President Muller reiterated his attendance at the Fire District meeting last week, and his attendance at the Agricultural Summit at the San Mateo County Expo Center.

At this point in time, James Marsh requested an opportunity to address the Board and speak to an issue that had come before them at a previous meeting regarding the use of fire flows to homes and the appropriate metering system to use. Discussion was undertaken about the communication that is ongoing with the Fire Department and the General Manager indicated that he would not submit recommendations until a full report has been completed.

13) AGENDA ITEMS AND DIRECTOR COMMENTS

No additional items were discussed at this time and President Muller requested that the Board go into Closed Session.

14) CLOSED SESSION

The Board went into Closed Session with legal counsel at approximately 10:04 p.m.

- A. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION
(Cal. Government Code Section 54956.9)
Beuth v. Coastside County Water District - SMSC Case No. 407917

- 15) **ADJOURN:** The Recording Secretary was not present for adjournment, which occurred following the Closed Session. The next meeting of the Board of Directors will be on April 8th, 2003, at 7:30 p.m.

Respectfully submitted,

Ed Schmidt, General Manager

APPROVED:

John Muller, President