

**North Coast County Water District**  
 Minutes of the Regular Board of Directors Meeting  
 July 16, 2008  
 2400 Francisco Blvd.  
 Pacifica, CA 94044  
 7:00 P.M.

## 1) CALL TO ORDER:

President Cosgrove called the meeting to order at 7:00 p.m. at the District office.

## 2) ROLL CALL:

Present at Roll Call were Director Brown, Director DeJarnatt, Director Vetter, Director Piccolotti, and President Cosgrove. Also present were General Manager Kevin O'Connell, Assistant General Manager-Administration Cari Lemke, Assistant General Manager-Operations Bert Weiss, Attorney Patrick Miyaki, and Minutes Transcriber Jean Headley.

## 3) PLEDGE OF ALLEGIANCE:

Led by Director Vetter.

## 4) PUBLIC COMMENT:

None.

## 5) APPROVAL OF ORDER OF AGENDA:

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the order of agenda as submitted. Motion passed 5-0.

## 6) CONSENT CALENDAR:

- A. Report on Sale of District Property – None
- B. Financial Statements for June, 2008
- C. Overview of District Investments
  - 1. June, 2008 Union Bank Statement – Bond
  - 2. June, 2008 CAMP Statement – Operating/Bond
  - 3. June, 2008 LAIF Statement
- D. Minutes of the June 10, 2008 Special Meeting of the Board
- E. Minutes of the June 18, 2008 Regular Meeting of the Board

Staff responded to questions and comments from the Board.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the Consent Calendar as submitted. Motion passed 5-0.

## 7) GENERAL MANAGER'S REPORT

A. New Business

- 1. Adopt Resolution No 1014 Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2008-09:

Assistant General Manager-Administration Cari Lemke stated it is an annual requirement to establish an appropriations limit. She indicated that legal counsel put this Resolution together and has approved it.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, by the following Roll Call Vote, the Board voted unanimously to adopt Resolution No. 1014 Establishing the Appropriations Limit Applicable to the District During Fiscal Year 2008-2009:

Director Brown	Aye
Director DeJarnatt	Aye
Director Vetter	Aye
Director Piccolotti	Aye
President Cosgrove	Aye

Motion carried 5-0.

2. Grand Jury Report Regarding GASB 45:

General Manager Kevin O’Connell summarized the cover sheet to the Grand Jury Report and indicated this does not affect our District.

3. Status of Outsourcing the Printing and Mailing of District Utility Bills:

Assistant General Manager-Administration Cari Lemke indicated Staff has received a bid on the printing and mailing of District bills and she will report at the September meeting.

4. Status of District MIA Flag:

General Manager Kevin O’Connell stated two months ago the San Mateo County Flag Master indicated the MIA Flag should not be flying on our flagpole. Research revealed that is correct in relation to military facilities. Mr. O’Connell stated the official guidelines indicate the correct order in the District’s case is the United States Flag, the MIA Flag, and then the California State Flag.

5. Authorize the General Manager to Enter into an Agreement with Papé Machinery for the purchase of an Excavator in an Amount not to Exceed \$6,384 per month:

General Manager Kevin O’Connell summarized the Staff Report and recommended that the Board authorize him to enter into the agreement with Papé Machinery.

Director Vetter asked Attorney Miyaki if he needs to step down on this item as he owns stock in John Deere. Attorney Miyaki asked for a five-minute break in order to research the question.

The Board took a brief recess at 7:23 p.m. and resumed at 7:25 p.m.

Attorney Miyaki indicated that Director Vetter does not have a conflict of interest because the District is contracting with Pape Machinery and not John Deere.

Mr. O’Connell continued his discussion of the Staff Report. Board discussion occurred regarding the bidding process.

ON MOTION by Director Piccolotti, seconded by Director DeJarnatt, the Board voted unanimously to authorize the General Manager to enter into a three-year lease-to-own agreement with Papé Machinery for a John Deere 200D 20 metric ton excavator for an amount not to exceed \$6,384 per month, with a total purchase price not to exceed \$197,231.50. Motion carried 5-0.

6. Authorize the General Manager to Enter into an Agreement with Papé Machinery for the purchase of a Loader in an Amount not to Exceed \$3,714 per month:

General Manager Kevin O'Connell summarized the Staff Report and recommended that the Board authorize him to sign the agreement.

ON MOTION by Director DeJarnatt, seconded by Director Piccolotti, the Board voted unanimously to authorize the General Manager to enter into a four-year lease-to-own agreement with Papé Machinery for a 3.5 cubic yard wheeled front loader for an amount not to exceed \$3,714 per month. Motion carried 5-0.

7. Adopt Resolution No. 1015 Confirming Biennial Review of the Conflict of Interest Code:

Attorney Patrick Miyaki stated every two years the District needs to review the Conflict of Interest Code. He indicated there are no new laws or personnel changes which would require a change to the Conflict of Interest Code.

ON MOTION by Director Piccolotti, seconded by Director DeJarnatt, by the following Roll Call Vote, the Board voted unanimously to Adopt Resolution No. 1015, Confirming Biennial Review of the Conflict of Interest Code:

Director Brown	Aye
Director DeJarnatt	Aye
Director Vetter	Aye
Director Piccolotti	Aye
President Cosgrove	Aye

Motion passed 5-0.

8. Authorize the Regular Meeting of the Board Scheduled for August 20 to be Scheduled for August 13, 2008:

Director DeJarnatt had requested the meeting change because she would be unable to attend a meeting on August 20<sup>th</sup>. Director Brown stated he can not support changing the meeting date because he believes it will set a precedent for any other director to ask for a meeting night change due to a personal conflict. He also feels changing the date of the regularly scheduled meeting could affect the timing of payments to vendors. Director Brown indicated he does not believe either the Pacifica City Council or the Pacifica School District has changed a meeting date due to a member being unable to attend. He feels the member could ask what the important things on the agenda were and express their opinions through Staff or the Board President.

Director Piccolotti discussed a BAWSCA Board member who was in Australia at the time of a BAWSCA meeting, and a conference call was set up so the member could participate in the meeting.

Additional board discussion occurred regarding the public's ability to attend the meeting and it was stated that the public is notified in advance.

ON MOTION by Director Piccolotti, seconded by Director Vetter, by the following Roll Call Vote, the Board voted to move the regularly scheduled Board meeting from August 20 to August 13, 2008:

Director Brown	No
Director DeJarnatt	Aye
Director Vetter	Aye
Director Piccolotti	Aye
President Cosgrove	Aye

Motion carried 4-1, with Brown the dissenting vote.

9. Call for Nominations for ACWA Region 5 Board of Directors:

No action.

10. Approve Claims Dated July 16, 2008:

Staff responded to questions and comments from the Board.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the Claims dated July 16, 2008 in the amount of \$588,312.34. Motion carried 5-0.

B. Continued Business

1. Capital Improvement Program and Bond Projects:

A. Valleamar Pipeline Project: General Manager Kevin O’Connell reported on the status of the Valleamar Pipeline Project. He indicated there was a leak on Monday night due to equipment damaging a pipe support, resulting in loss of water to approximately 300 customers. Repairs were made, the lines flushed, and water service restored later that night. Mr. O’Connell indicated the telephone automatic resident notification system did not operate properly and a new company is being sought.

B. Pacifica Recycled Water Project Issues: General Manager Kevin O’Connell reported the design is moving along. There is a problem with the environmental consultant who was to provide the Coastal Commission permit. Otherwise, the project is moving forward.

Mr. O’Connell discussed the projects depicted in the photographs he distributed to the Board, and discussion occurred between the Board and Staff.

Director Piccolotti asked if concertina wire placed on the fences around District tanks is legal. Attorney Miyaki stated he will look into this and report at the next meeting.

8) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

Director Piccolotti reported the next meeting is July 17<sup>th</sup> in Foster City and he named the topics to be discussed.

Director DeJarnatt mentioned an article in today’s Pacifica Tribune regarding a resolution concerning taking water from the Tuolumne River.

9) COMMITTEE AND/OR DIRECTORS' REPORTS ON MEETINGS ATTENDED:

A. Public Outreach Committee: (no meeting)

Director DeJarnatt reported the Conservation and Beautification Committee met. She indicated one member of the public attended, Bill Collins, who engaged in spirited discussion. The committee will meet again in August.

10) DIRECTOR'S COMMENTS AND/OR AGENDA REQUESTS:

Director Piccolotti commented on the investigation into how the Sacramento County Water District is collecting scrap metal, i.e., brass and copper, and where it is being spent.

Director Piccolotti asked if the shed at the Royce Tank could be painted the same color as the tank. General Manager O'Connell indicated that is the plan.

Director Piccolotti stated he supports flying the MIA flag.

Director Vetter asked again for a report on billing for water use and conservation, i.e., how rates are increased as more water is used, how tier rates are determined, and whether the Board needs to revisit this issue.

Director DeJarnatt inquired how Janice is following open-heart surgery. General Manager O'Connell reported that he is waiting for the family to report on her progress. She will be in ICU for 5-7 days.

Director Brown commented on a news article regarding a San Francisco Water Department employee had his truck and laptop stolen because he left the keys in the unlocked truck.

Director Brown discussed the invitation to the 50<sup>th</sup> anniversary celebration of the Montara Sanitary District to be held on August 24<sup>th</sup>. He asked if the Board wants to appoint someone to represent the District. He indicated he is planning to attend, and President Cosgrove indicated he might be able to attend. General Manager O'Connell indicated Staff has plans to prepare a resolution for the August meeting congratulating the Montara Sanitary District for their 50 years of service to the community.

General Manager O'Connell indicated the District has need for a 4-wheel drive flatbed truck. The options are to either purchase new at a cost of \$55,000-\$60,000 or to purchase a used, fully refurbished and repainted Army vehicle with 28,000 miles for \$16,000, which is within his purchasing authority. General Manager O'Connell stated that he was planning on purchasing the used army vehicle, as authorized by the District's procurement policy, but he wanted to ask the Board if this matter should be an agenda item in the event the Board had any sensitivity to purchasing an ex-military vehicle. The Board stated that it is not necessary to put the matter on a future agenda.

11) CORRESPONDENCE:

None.

12) PUBLIC COMMENT:

None.

13) ADJOURN:

President Cosgrove adjourned the meeting at 9:02 p.m. The next meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, August 13, 2008.

Respectfully submitted,

Approved:

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Kevin O'Connell, General Manager

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Joshua Cosgrove, President