

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
October 20, 2010
2400 Francisco Blvd.
Pacifica, CA 94044
7:00 P.M.

491

1) CALL TO ORDER

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

2) ROLL CALL

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

3) PLEDGE OF ALLEGIANCE

Led by Director Cosgrove.

4) PUBLIC COMMENT

Pete Pereira of Ortega Court spoke of the previous management's salaries versus the current management's salaries.

Linda Corwin of Moana Way thanked President Piccolotti for providing Board candidates with tonight's agenda. She also thanked Assistant General Manager-Administration Cari Lemke for providing answering questions from last month's meeting.

5) APPROVAL OF ORDER OF AGENDA

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board unanimously approved the Order of Agenda as amended, moving Item 8A3 up to become Item 8A1. Motion passed 5-0.

6) BOARD COMMUNICATIONS

None.

7) CONSENT CALENDAR

- A. Report on Sale of District Property – None
- B. Leak Report
- C. Overview of District Investments
 - 1. September, 2010 Union Bank Statement – Bond
 - 2. September, 2010 CAMP Statement – Operating/Bond
 - 3. September, 2010 LAIF Statement
- D. Financial Statements for September, 2010
- E. Financial Statements for August, 2010
- F. Minutes of the September 15, 2010 Regular Meeting of the Board

ON MOTION by Director DeJarnatt, seconded by Director Vetter, the Board approved the Consent Calendar as submitted. Motion carried 5-0.

8) GENERAL MANAGER'S REPORT:

A. New Business1. District Cell Site Locations

Staff presented information as it relates to the cell sites. Assistant General Manager-Administration indicated that cell site revenue began at approximately \$700 to \$800 per month per cell site in 1996 and has risen to approximately \$2,000 per month per cell site. Total District revenue is now approximately \$130,000 to \$150,000 per year.

President Piccolotti opened this item for public comment.

Kristina Flaherty of Driftwood Circle spoke in opposition to the addition of more cell sites on the District's Royce site and requested the Board to stop negotiations regarding the installation of additional cell site antennas at this site. She indicated there is a petition with 135 signatures of residents opposed to any further antennas and towers on this site.

Tim Flaherty of Driftwood Circle urged the District to stop leasing space on the Royce site to wireless carriers.

Tim Fredenberg of Driftwood Circle stated that the City Council indicated they do not have any standards for when there are enough cell towers. He does not want to see antenna farms on our beautiful ridgelines.

Vickie Fredenberg of Driftwood Circle talked about how frustrated the Driftwood Circle neighbors are because despite their speaking to the Planning Commission, the City Council, and the Water Board, the antenna farms continue to grow.

Joe Hurley of Driftwood Circle stated the District's decisions as a landowner have impacts on Pacifica neighborhoods.

Elizabeth Dominguez of Driftwood Circle stated she supports her neighbors and asked the Board to consider the pleas to discontinue the addition of any further antenna towers on the Royce site.

Mary Keitelman of Linda Mar urged the Board not to increase the electromagnetic frequency by adding more towers near where children will play.

Director Brown said the revenue received from cell site antennas is very small in the overall budget. He stated that the cell company providers approach the District regarding placement of an antenna. He stated that the ridgelines are used for our water tanks because water is provided by gravity. He indicated that any time there is a cell site issue to come before the Board, it is on the agenda, which is listed on the District's website.

Director Cosgrove indicated he did some research on the health issue surrounding cell site antennas, and he said there is very little evidence that living near a cell tower increases the risk of cancer.

Director Vetter agrees that the revenue received from cell sites is insignificant in the overall budget and feels the cell companies like the District's sites because they are fenced and secure. He said that he strongly believes that within 10 to 12 years, all cell sites will be obsolete and will be replaced by satellites.

President Piccolotti stated that this is an information item tonight and no action will be taken. He agrees with Director Cosgrove that perhaps trees can mitigate the visual impact of the towers.

Tim Flaherty briefly discussed the new revenue sources to cell companies due to texts and streaming.

Ron Ash of Hermosa Avenue asked Staff what is the District's obligation regarding notification of the neighbors. Assistant General Manager-Administration Cari Lemke responded that the cell company contacts the District's Engineering Department regarding the viability of a cell tower at the proposed facility. If the site is considered viable, the company contacts Ms. Lemke to negotiate a contract, which becomes before the Board for approval. The District is not required to notify the neighbors because the City actually approves the permit.

Kristina Flaherty asked why the District allows the towers if the revenue is so insignificant. She asked if she wanted an action item to request a moratorium on additional cell towers at the Royce site, how would she do that. President Piccolotti responded that he believes there will be no additional towers at that particular site.

Vickie Fredenberg asked what the neighbors can do to work with the Board to avoid new towers at Royce. President Piccolotti said that tonight's meeting has accomplished that.

Joe Hurley asked whether the Board can direct Staff to terminate negotiations with AT&T. He said he was told that any one Director can request an agenda item.

Direction was given to Staff to come back with a broad policy regarding cell site leasing on District property.

Director Brown said that any prohibition of negotiations regarding future cell towers would be applicable to all of the District's tank sites.

The Board took a recess at 7:55 p.m. and reconvened at 8:03 p.m.

2. Approve Claims Dated October 20, 2010

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 October 20, 2010 in the amount of \$864,416.06. Motion passed 5-0.

3. Adopt Resolution No. 1037 Dedicating Source of Revenue for Repayment of State Revolving Fund Loan for Pacifica Recycled Water Project

General Manager Kevin O’Connell summarized the Staff Report, introduced the Resolution, and recommended adoption of the Resolution.

Board discussion occurred.

Attorney Patrick Miyaki discussed portions of existing Resolution No. 1023. He spoke of the slight wording change in the proposed Resolution and the reasons for the new wording.

President Piccolotti inquired about the financing issue and the State Revolving Fund. Attorney Miyaki stated he will get an answer and get back to the Board. Additional Board discussion occurred.

ON MOTION by Director Vetter, seconded by Director Cosgrove, by the following Roll Call Vote, the Board unanimously adopted Resolution No. 1037 Dedicating Source of Revenue for Repayment of State Revolving Fund Loan for Pacifica Recycled Water Project:

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

Motion passed 5-0.

4. Mission and Purpose of District Committees

President Piccolotti stated that all the committees met to come up with their purposes and objectives.

Attorney Patrick Miyaki fine-tuned the language in the Purpose of the Public Outreach Committee and recommended that the Board amend the Rules of the Board to establish the Purpose and Goals of each of the District’s standing committees.

President Piccolotti stated he would like to see the Emergency Preparedness Committee be made into a standing committee as opposed to an advisory committee.

Direction was given to Staff to (1) amend the summary of the Public Outreach Committee’s Purposes and Objectives, (2) for the Emergency Preparedness Committee to be a standing committee, and (3) prepare a Resolution for a future Board meeting amending the Rules of the Board to incorporate all the committees’ Purposes and Objectives.

5. Projected SFPUC Water Rate Increases

Referring to the October 20, 2010 Staff Report, Director Brown asked, with all else being equal, how much would the District have to increase rates to offset the projected wholesale water rates by the SFPUC for Fiscal Year 2011/12.

Director Cosgrove requested to see the letter from BAWSCA that precipitated this Staff Report.

6. Review of Rancho California Budget-Based Tiered Water Rate Structure

At Director Brown's request, Attorney Miyaki provided an opinion on whether he feels the Rancho California rate increase was warranted. He gave some background on the Rancho California Water District, spoke about their new budget-based 4-tier rate structure, and described the four different tiers. He stated the 4-tier structure is based on Water Code §370 et. seq., and he summarized the Codes. He opined that the Rancho California rate increase seems to meet the requirements of the Water Code.

President Piccolotti asked how Rancho California is able to give a variance and North Coast County Water District has been unable to do so. Attorney Miyaki responded that the difference is in the setting of the budget assigned to individual customers.

B. Continued Business

1. Capital Improvement Program and Bond Projects

A. T-4 Transmission Main Replacement

General Manager O'Connell reported the T-4 Transmission Main Replacement Project was completed at the Rifle Range ahead of schedule and under budget.

B. Pacifica Recycled Water Project

General Manager Kevin O'Connell reported that the pipe design and the pump station design work are both complete and that bids are due the first week of November. He stated that all permits have been obtained.

As to the SRF loan, Mr. O'Connell stated several meetings have been held but there are three issues still to be resolved.

Attorney Patrick Miyaki stated that Director Cosgrove has a conflict of interest in this matter. He stated that Director Cosgrove is permitted to be in the room but cannot participate in the discussion.

9) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES

General Manager Kevin O'Connell discussed the Drought Implementation Plan.

President Piccolotti discussed the proposed Cost of Living Allowance for BAWSCA's General Manager. He stated that following extensive discussion, there was a contentious vote to approve it.

General Manager O'Connell extensively discussed a meeting with the SFPUC regarding the Interim Supply Allocation Plan.

10) COMMITTEE AND/OR DIRECTORS' REPORTS ON MEETINGS ATTENDED

President Piccolotti indicated, as previously discussed in tonight's meeting, all the committees met to establish purposes and objectives.

Director Cosgrove reported the Personnel Committee is going over the Personnel Manual.

Director DeJarnatt reported the CIP and Public Outreach Committees continued to codify the functions of the committees.

11) DIRECTOR'S COMMENTS AND/OR AGENDA REQUESTS

Director Brown asked General Manager Kevin O'Connell if it is possible to get a figure of benefits as a percentage of payroll, including holidays, sick days, vacations, etc., for non-exempt employees. He would like this as an informational letter to the Board, not an agenda item.

President Piccolotti wished good luck to the candidates for the Water Board.

12) CORRESPONDENCE

The General Manager referred to a letter received from the City of San Bruno thanking the District for assistance during the gas line explosion disaster.

13) PUBLIC COMMENT

None.

14) ADJOURN

President Piccolotti adjourned the meeting at 9:55 p.m. The next regularly schedule meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, November 17, 2010.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Tom Piccolotti, President