

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
November 19, 2008
2400 Francisco Blvd.
Pacifica, CA 94044
7:00 P.M.

380

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 Mason Brown, Director Anne DeJarnatt, Director Bob Vetter, Director Tom Piccolotti, and President Joshua 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 DeJarnatt.

4) PUBLIC COMMENT:

None.

5) APPROVAL OF ORDER OF AGENDA:

Staff removed Item 8A3 from the agenda.

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

6) CONSENT CALENDAR:

- A. Report on Sale of District Property – None
- B. Financial Statements for October, 2008
- C. Overview of District Investments
 - 1. October, 2008 Union Bank Statement – Bond
 - 2. October, 2008 CAMP Statement – Operating/Bond
 - 3. October, 2008 LAIF Statement
- D. Minutes of the October 15, 2008 Regular Meeting of the Board

Director Brown made a correction to page 378 (Item 7A2, adding “Printing and” to the title) and initiated a discussion regarding the comments under Item 10 on page 379, “Director’s Comments.” Following Board discussion it was decided to delete the comments under Item 10.

ON MOTION BY Director Piccolotti, seconded by Director DeJarnatt, the Board voted unanimously to approve the Consent Calendar as amended. Motion carried 5-0.

7) SPECIAL ORDER OF BUSINESS:

A. Presentation by Paul Kaymark of Charles Fedak & Associates

Paul Kaymark of Charles Fedak & Associates distributed a document entitled “Statement of Auditing Standards No. 112,” and Assistant General Manager-Administration Cari Lemke distributed the June 30, 2008 and 2007 Annual Financial Report. Mr. Kaymark discussed the old versus new definitions listed on the Statement on Auditing Standards No. 112.

Mr. Kaymark discussed the various sections of the Annual Financial Report, responding to questions and comments from the Board throughout his discussion. He indicated the Water District is well managed and well funded.

The Board thanked Mr. Kaymark for his clear and concise presentation and thanked Staff for their careful management of the District's finances, with special thanks to Connie Hsu.

B. Accept District's FY 2007/08 Annual Financial Report:

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to accept the District's FY 2007/08 Annual Financial Report. Motion carried 5-0.

8) GENERAL MANAGER'S REPORT:

A. New Business

1. Approve Claims Dated November 19, 2008:

Director Vetter asked Attorney Patrick Miyaki if he and Director DeJarnatt were permitted to vote on the Claims as several items are for payment of work performed on the street they live on. Attorney Miyaki stated that Directors Vetter and DeJarnatt do not have a financial interest in the decision to approve the claims and therefore may vote to approve this item. Staff responded to questions and comments from the Board.

ON MOTION by Director DeJarnatt, seconded by Director Piccolotti, the Board voted unanimously to approve Claims dated November 19, 2008 in the amount of \$872,341.93.

2. Authorize the General Manager to Negotiate an Agreement with Tyler Technologies for a Utility Billing Software System in an Amount not to exceed \$110,000:

Assistant General Manager-Administration Cari Lemke summarized the Staff Report and recommended that the Board authorize the General Manager to negotiate a contract with Tyler Technologies. Ms. Lemke indicated the Finance Committee has met regarding this issue and concurs with Staff's recommendation.

General Manager Kevin O'Connell discussed budgeting aspects of this item.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to authorize the General Manager to negotiate an agreement with Tyler Technologies for a Utility Billing Software System in an amount not to exceed \$110,000. Motion carried 5-0.

3. Alternate Water Sources – Sea Water Desalination/Wave Energy Project:

General Manager Kevin O'Connell distributed an online printout by Ocean Power Technologies entitled "Making Waves in Power." He summarized the Staff Report and discussed upcoming meetings regarding alternate water sources as well as the costs of wave energy and possible ways to raise the necessary funds. Board discussion occurred.

Director Brown stated that desalination and wave energy out-of-pocket costs should be kept track of separately.

Director Vetter indicated he would not support spending any money on this project, as he feels the District is too small for such a large project.

General Manager O'Connell asked the Board for the opportunity to look into this a bit more as well as the possibility of partnering with others in this endeavor. Director Brown suggested that Attorney Miyaki research whether the District has the legal authority to construct an electric power facility for purposes other than to meet the power requirements of a water desalination facility. Additional Board discussion occurred.

President Cosgrove acknowledged that this is a massive project that will involve other agencies and expressed interest in exploring the issue further. Director DeJarnatt concurred.

Director Piccolotti agreed it is an ambitious project and indicated his interest in hearing the answer to the question about the District's authority that was raised this evening. If the answer is in the affirmative, then he suggests having a study session on the issue.

4. Authorize the General Manager to Accept the Subdivision Utility System for the Connemara Development as Complete:

General Manager Kevin O'Connell summarized the Staff Report.

ON MOTION by Director Vetter, seconded by President Cosgrove, the Board voted to authorize the General Manager to accept the Subdivision Utility System for the Connemara Development as complete. Motion carried 4-0-1, with Director Piccolotti abstaining as he had momentarily stepped out of the room.

5. Designate the General Manager to Vote on Behalf of the District at the ACWA General Session:

General Manager Kevin O'Connell discussed ACWA's October 16, 2008 Memorandum and stated he will attend the conference.

ON MOTION by Director Piccolotti, seconded by Director DeJarnatt, the Board voted unanimously to designate the General Manager to vote on behalf of the District at the ACWA General Session. Motion carried 5-0.

B. Continued Business

1. Capital Improvement Program and Bond Projects:
 - A. Vallemar Pipeline Project
 - B. Pacifica Recycled Water Project Issues
 - C. Devil's Slide Tunnel Project

General Manager Kevin O'Connell distributed the November 2008 photos of projects in progress. He discussed the photos and the projects depicted therein. He responded to Board questions and comments throughout his discussion.

Mr. O'Connell then distributed the North District Storage and Transmission Project Map dated September 10, 2008 and discussed the project.

9) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

Director Piccolotti named some of the items on the agenda for BAWSCA's upcoming meeting on November 20th and stated he will report at the next Board meeting.

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

A. Finance Committee (previously discussed in tonight's meeting)

Director Brown reported on his attendance at the October 28, 2008 CSDA meeting, which included a discussion on strategic planning.

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

Assistant General Manager-Administration Cari Lemke indicated Staff wants to bring the Employee Recognition Dinner back to January and asked the Board if anyone would be unavailable on January 9, 16, 23, or 30. Director DeJarnatt said that January 30 does not work for her.

Director Brown requested a report on the usage of the steel pipe the District recently purchased and the savings realized by purchasing it earlier than needed.

General Manager Kevin O'Connell distributed to the Board a DVD regarding the history of the North Coast County Water District.

12) CORRESPONDENCE:

None.

13) PUBLIC COMMENT:

Linda Corwin of Moana Way reported on the CCAC group's attempts to get a Resolution on Chloramine Disinfection from the SFPUC's Citizen's Advisory Committee, Water Subcommittee. She distributed copies of the Resolution and read the Resolution aloud. She stated this will be send to the SFPUC and she hopes it will be heard at their December meeting.

14) ADJOURN:

President Cosgrove adjourned the meeting at 9:20 p.m. The next regularly schedule meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, December 17, 2008.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Joshua Cosgrove, President