

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
December 16, 2009
2400 Francisco Blvd.
Pacifica, CA 94044
7:00 P.M.

436

1) CALL TO ORDER

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

2) ROLL CALL

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

3) PLEDGE OF ALLEGIANCE

Led by General Manager Kevin O'Connell.

4) PUBLIC COMMENT

Linda Corwin of Moana Way reported on the CCAC group's work with the federal scientists regarding water testing and studies. She expressed concern about the U.S. Senate's negative comments regarding the Recycled Water Project, and she encouraged the Board to write to Jackie Speier and California Senators to support the project.

5) APPROVAL OF ORDER OF AGENDA

ON MOTION by Director Cosgrove, seconded by Director Vetter, the Board voted unanimously to approve the Order of Agenda as submitted. Motion passed 4-0.

6) SPECIAL ORDER OF BUSINESS

A. Proclamations from the Office of Assembly Member Jerry Hill

California Assemblyman Jerry Hill presented a framed Resolution from the California State Assembly to the North Coast County Water District and praised the District for their work and service to the public for the past 65 years. He spoke about California's water policy and also congratulated General Manager Kevin O'Connell for being named General Manager of the Year.

B. Election of Board President/Vice President

Director Vetter nominated Tom Piccolotti to be Board President for 2010. Director Cosgrove seconded the nomination.

ON MOTION by Director Vetter, seconded by Director Cosgrove, the Board voted unanimously to elect Tom Piccolotti to serve as Board President for 2010.

President DeJarnatt nominated Bob Vetter to be Board Vice President for 2010. Director Cosgrove seconded the nomination.

ON MOTION by President DeJarnatt, seconded by Director Cosgrove, the Board voted unanimously to elect Bob Vetter to serve as Board Vice President for 2010.

C. Presentation Re: District's Rate Model

John Farnkopf and Sima Mostafaei of Hilton, Farnkopf & Hobson presented the District's Water Rate Study, which has been adjusted somewhat since last week's Special Board Meeting. Mr. Farnkopf discussed the potential results of slightly changing the percentage rate increase.

General Manager Kevin O'Connell discussed how reductions in the proposed rate increases would affect the Capital Improvement Program, responding the questions and comments from the Board throughout his discussion.

Board discussion occurred regarding how raising rates will affect the public during the current economic climate.

There was extensive discussion regarding the percentage attributable to the Christen Hill project, the possible addition of a fourth tier, and tier rates for residential versus commercial customers.

Attorney Patrick Miyaki discussed Prop 218 requirements, and discussion occurred regarding how to assure compliance with Prop 218.

Director Cosgrove initiated a discussion regarding various ways to possibly save money in order to lower the proposed rate increases.

The Board took a recess at 8:50 p.m. and reconvened at 9:12 p.m.

D. Set Proposition 218 Public Hearing for February 18 [17], 2010

ON MOTION by Director Vetter, seconded by Director Brown, the Board voted unanimously to authorize Staff to send out the Prop 218 notice with the new single-family residential rate structure as follows:

Tier 1	1-5 units	\$2.53 per unit
Tier 2	6-16 units	\$5.62 per unit
Tier 3	17-28 units	\$8.04 per unit
Tier 4	29+ units	\$14.75 per unit

plus a 13% increase in bimonthly meter charge to all customers, and to set the Prop 218 public hearing date for February 17, 2010. Motion passed 4-0.

7) CONSENT CALENDAR

- A. Report on Sale of District Property – None
- B. Overview of District Investments
 - 1. November, 2009 Union Bank Statement – Bond
 - 2. November, 2009 CAMP Statement – Operating/Bond
 - 3. November, 2009 LAIF Statement
- C. Financial Statements for November 2009
- D. Minutes of the November 18, 2009 Regular Meeting of the Board

ON MOTION by Director Vetter, seconded by Director Cosgrove, the Board voted unanimously to approve the Consent Calendar as submitted. Motion carried 4-0.

8) GENERAL MANAGER'S REPORT:

A. New Business1. Approve Claims Dated December 16, 2009:

Staff responded to questions and comments from the Board.

ON MOTION by Director Vetter, seconded by Director Cosgrove, the Board voted unanimously to approve the Claims dated December 16, 2009 in the amount of \$381,304.27. Motion passed 4-0.

2. Selection of Date for the Employee Recognition Dinner

Discussion occurred regarding the date to hold this event, and it was agreed to hold the dinner on either February 19 or 26, 2010. Staff will research locations available on those dates. Director Brown stated the location should be large enough to accommodate Kevin O'Connell's slide show presentation.

3. Review/Adopt Board Compensation Policy

Attorney Patrick Miyaki provided background on this item. Director Brown commented on a reference to meals and other expenses in the IRS publications. He also indicated he feels that in the absence of the President and Vice President, the senior Board member should approve expenses.

ON MOTION by Director Brown, seconded by Director Vetter, by the following Roll Call vote, the Board unanimously adopted Resolution No. 1027, Amending Policy for Compensation and Expense Reimbursement for Board Members:

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

Motion passed 4-0.

4. Authorize the General Manager to Execute the Communications Site Lease Agreement between the District and Clearwire

Assistant General Manager-Administration Cari Lemke briefly explained this agreement.

ON MOTION by Director Vetter, seconded by President DeJarnatt, the Board voted unanimously to authorize the General Manager to execute the Communications Site Lease Agreement dated December 16, 2009 between Clear Wireless LLC and the North Coast County Water District. Motion passed 4-0.

5. Adopt the Initial Study/Mitigated Negative Declaration for the NCCWD Water Transmission Pipeline Project and Authorize the General Manager to file the Notice of Determination

General Manager Kevin O'Connell summarized the Staff Report and recommended that the Board adopt the Initial Study/Mitigated Negative Declaration, adopt the Mitigation, Monitoring and Reporting Plan, approve the project, and authorize him to file the requisite Notice of Determination.

Board discussion occurred. Mr. O'Connell responded to questions and comments from the Board.

ON MOTION by Director Vetter, seconded by Director Cosgrove, the Board voted unanimously to adopt the Initial Study/Mitigated Negative Declaration for the NCCWD Water Transmission Pipeline Project and authorize the filing of the Notice of Determination. Motion passed 4-0.

6. Authorize the General Manager to Execute an Agreement with Pump Repair Service for the Purchase of a Booster Pump at the Regan Pump Station in the Amount of \$51,349.17 and Waive the Advertising Requirements

General Manager Kevin O'Connell summarized the Staff Report and recommended that the Board waive the advertising requirement, award the booster pump for the Regan Pump Station Project to Pump Repair Service for an amount not to exceed \$51,349.17, and authorize the General Manager to enter into an agreement with Pump Repair Service. Mr. O'Connell responded to questions and comments from the Board. Director Brown indicated he would like to see the bid advertised. Mr. O'Connell indicated this would delay the Christen Hill project for four months and create some problems with the CIP budget.

ON MOTION by Director Vetter, seconded by Director Cosgrove, the Board voted unanimously to authorize the General Manager to execute an agreement with Pump Repair Service for the purchase of a booster pump at the Regan Pump Station in the amount of \$51,349.17, and to waive the advertising requirement. Motion passed 4-0.

B. Continued Business

1. Capital Improvement Program and Bond Projects:

A. Christen Hill Tank Project

Mr. O'Connell reported several meetings have occurred with Daly City and Westborough. He stated that in order to follow through with this project, we need to improve the connection to the existing Daly City tank, and this work is under way. The full meter assembly has been put into place. Tank removal is scheduled for mid-February 2010. Plans are in final review stage by Staff and the engineer.

B. Pacifica Recycled Water Project

Mr. O'Connell reported the District is still trying to get federal stimulus and State Revolving Fund monies. There was discussion regarding when San Francisco is going to decide on what they are going to do with the golf course; Mr. O'Connell indicated this decision could be made by the end of January or early February 2010. Discussion was held regarding how long the stimulus and SRF monies may still be available.

C. Francisco Corp Yard Project

Mr. O'Connell reported the City of Pacifica has provided comments to Staff on the Initial Study/Mitigated Negative Declaration, and this will come before the Board.

9) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES

No report.

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

Director Cosgrove reported on the brief LAFCo meeting today. They elected new Chairs and Vice Chairs, who serve on a rotating basis, and a Budget Committee.

Director Cosgrove reported that Cal LAFCo had their annual conference. They are looking for input on setting up regions of the various LAFCos.

11) DIRECTOR'S COMMENTS AND/OR AGENDA REQUESTS

Director Brown commented that any questions on employee relations or employment practices can be answered by the JPIA hotline.

12) CORRESPONDENCE

None.

13) PUBLIC COMMENT

Linda Corwin of Moana Way gave favorable comments on John Farnkopf's presentation.

14) ADJOURN:

President DeJarnatt adjourned the meeting at 10:20 p.m. The next regularly schedule meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, January 20, 2010.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Ann DeJarnatt, President