

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
February 20, 2008
2400 Francisco Blvd.
Pacifica, CA 94044
7:00 P.M.

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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 Vetter, Director DeJarnatt, and President 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 President Cosgrove.

4) PUBLIC COMMENT:

Rick Lee of Corona Avenue thanked the Board and Staff for their vision regarding future use of recycled water. He spoke of his approved project of 29 homes on Fassler Avenue and that it had been their intention to install gray water systems and rain water storage to help with irrigation needs. However, he stated that District Staff informed him that the District could potentially provide them with recycled water in the future. He again stated how happy he is to be working together with the District to save resources.

5) APPROVAL OF ORDER OF AGENDA:

Staff pulled Item 6D, Minutes of the December 19, 2007 meeting. Staff requested to move Item 7A6 up to become 7A1, as a representative from Kennedy/Jenks is present in the audience, and to renumber the remaining agenda accordingly.

ON MOTION by Director DeJarnatt, seconded by Director Vetter, the Board voted unanimously to approve the order of agenda as amended. Motion carried 4-0.

6) CONSENT CALENDAR:

- A. Report on Sale of District Property – None
- B. Financial Statements for January 2008
- C. Overview of District Investments
 - 1. January 2008 Union Bank Statement – Bond
 - 2. January 2008 CAMP Statement – Operating/Bond
 - 3. January 2008 LAIF Statement
- D. Minutes of the December 19, 2007 Regular Meeting of the Board (pulled)
- E. Minutes of the January 16, 2008 Regular Meeting of the Board

Director Brown pointed out that the Cash Reserve Portfolio in both the Bond Fund Account and Reserve Fund Account is yielding less than LAIF. He asked if the District is obligated to leave the funds with CAMP, and Assistant General Manager-Administration Cari Lemke responded that Staff is already in the process of moving the funds from CAMP to LAIF. She explained that the District's CAMP representative left the company and e-mails to her went unanswered. Additional discussion occurred, and Staff assured the Board that the funds are in the process of being moved to LAIF.

Direction was given to Staff to move the funds to LAIF, and Attorney Miyaki will look into the contractual arrangement with CAMP and report at the next meeting.

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

7) GENERAL MANAGER'S REPORT

A. New Business

1. Amend Kennedy/Jenks Consultants Agreement Revising the Schedule of Charges: Assistant General Manager-Administration Cari Lemke summarized the Staff Report and recommended that the Board approve the requested amendment.

Director Brown inquired if Kennedy/Jenks should have the same type of agreement as the District has with Hanson Bridgett, i.e., an annual rate change with a CPI cap. Staff reminded the Board that in their previous discussion of this subject, the Board stated at that time that they wanted Kennedy/Jenks to ask for a rate review when they wanted one as opposed to an annual request for an increase.

Following additional discussion, it was decided to approve the requested amendment and at a future meeting to discuss the possibility of changing the arrangement to include an annual CPI increase similar to the current arrangement with Hanson Bridgett.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to amend the Kennedy/Jenks Consultants agreement as attached pursuant to the revised Schedule of Charges dated January 2008.

2. Approve Claims Dated February 20, 2008: Staff responded to questions and comments from the Board regarding various items on the Claims List.

ON MOTION by Director Vetter, seconded by Director Brown, the Board voted unanimously to approve the Claims dated February 20, 2008 in the amount of \$480,108.59. Motion carried 4-0.

3. Approve Mid-Year Budget Adjustments: General Manager Kevin O'Connell summarized the Staff Report and recommended approval of the budget adjustments.

ON MOTION by President Cosgrove, seconded by Director DeJarnatt, the Board voted unanimously to approve the attached budget adjustments. Motion carried 4-0.

4. Adopt Resolution No. 1009 Statement of Investment Policy, 2008: Assistant General Manager-Administration Cari Lemke introduced the Resolution and recommended that the Board adopt the Resolution.

Director Brown referred to Item XIII, Performance Benchmark, and indicated he does not believe this has occurred quarterly. Staff indicated that this policy came in with CAMP, which did not occur as planned, but this will be done in the future.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, by the following Roll Call vote, the Board voted to adopt Resolution No. 1009 Approving Statement of Investment Policy:

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

Motion carried 4-0.

5. Employee ID Cards: General Manager Kevin O'Connell distributed copies of an enlarged employee ID card showing the information currently contained on the District's ID cards. He also distributed copies of the cover page of an Eltron Plastic Card Printer User's Manual. He demonstrated what the proposed ID cards would look like with the new card printer.
6. Authorize Director DeJarnatt to Attend the Delta Vision Workshop Fees: Travel Only:

ON MOTION by Director Vetter, seconded by Director Brown, the Board voted unanimously to authorize Director DeJarnatt to attend the Delta Vision Workshop, Fees – travel only. Motion carried 4-0.

7. District Advisory Committees: General Manager Kevin O'Connell referred to Attorney Patrick Miyaki's February 13, 2008 memo to him. Extensive discussion occurred between the Board, Attorney Miyaki, and Staff regarding the Brown Act, the best time to hold committee meetings, how to notice the meetings, and whether or not they would be open to the public.

Director DeJarnatt requested that further discussion on this issue be deferred until the full Board is present.

Attorney Miyaki suggested that any changes be incorporated into the Rules of the Board.

Direction to Staff was to draft some revisions to the Rules of the Board relating to notification of meetings, timing, publication and posting of notices, whether committee meetings will be open to the public, and to bring it back to the next meeting for further discussion and possible action.

8. Accept the Royce and Gypsy Hill Tank Replacement Project as Complete and Authorize the General Manager to File the Notice of Completion: General Manager Kevin O'Connell summarized the Staff Report and stated he is very excited that the project is complete. He stated the Royce Tank is currently being filled and Gypsy Hill has been on line and in use for several months. He indicated that grading and final paving around the tanks still needs to be completed.

In response to Director DeJarnatt's inquiry, Mr. O'Connell indicated dedication ceremonies would be held when the weather gets warmer.

Following additional discussion, Mr. O'Connell recommended that the Board accept the Gypsy Hill/Royce Tank Construction Projects as complete and authorize him to file the Notice of Completion.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to accept the Gypsy Hill/Royce Tank construction Projects as complete and authorize the General Manager to file a Notice of Completion with the County of San Mateo County Recorder's Office. Motion carried 4-0.

B. Continued Business

1. Capital Improvement Program and Bond Projects: General Manager Kevin O'Connell referred to the February 20, 2008 CIP & Bond Projects Status Report, briefly describing the various projects depicted in the report.

A. Pacifica Recycled Water Project: Mr. O'Connell reported that he is awaiting comments from San Francisco PUC regarding recent changes the District suggested to the agreement, and he indicated the project is moving ahead. He stated the Coastal Commission may have concerns that the connection between Highway 1 and the Treatment Plant could be a habitat for both the garter snake and the red-legged frog.

B. Christen Hill Tank: Mr. O'Connell stated a meeting was held with Westborough Water District regarding how they currently use the tank and how much capacity they need.

C. Devil's Slide Tunnel Water Project: Mr. O'Connell reported a meeting was held with the owners of Shamrock Ranch regarding the easement from Rosita up to the northbound bore of the tunnel. He reminded the Board this would be entirely paid for by CalTrans and stated a meeting was held with CalTrans regarding this. Mr. O'Connell discussed the mechanics of running the pipeline through the abutment.

D. Roberts Road Pipeline Project: Mr. O'Connell reported that as of today the last part of the line has been flushed and they have crossed Crespi Drive. Director Vetter asked what happens to the old pipe being replaced, and Staff responded that the old pipe is cut and capped. Mr. O'Connell indicated paving will begin next week depending on the weather.

8) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

Director DeJarnatt asked when the next meeting is. Staff will find out and let her know.

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

A. Finance Committee – February 13, 2008: This was discussed earlier in the meeting.

President Cosgrove reported he attended the Special Districts Institute Conference and indicated it was informative.

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

Director Brown commented that new JPIA members are being called Friends of ACWA.

Director Brown discussed the San Diego County Water Authority, who gave notice that they were withdrawing from the property, workers' compensation, and liability programs. Despite several meetings held on this issue, the San Diego County Water Authority decided to withdraw from JPIA, and the reason stated in the minutes of the Executive Board meeting is because they were uncomfortable that the premiums were due on three different dates.

Director Brown reported he has taken personal responsibility to deliver signs to Pacifica restaurants about only serving water when the customer requests it. He indicated getting very positive responses from the restaurants.

11) CORRESPONDENCE:

None.

12) PUBLIC COMMENT:

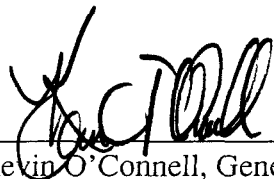
None.

13) ADJOURN:

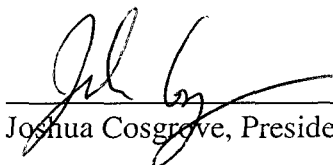
President Cosgrove adjourned the meeting at 9:25 p.m. The next regularly scheduled meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, March 19, 2008.

Respectfully submitted,

Approved:



Kevin O'Connell, General Manager



Joshua Cosgrove, President