

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

1) CALL TO ORDER:

President Cosgrove called the meeting to order at 7:03 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, Management Analyst Stephanie Dalton, Attorney Patrick Miyaki, and Minutes Transcriber Jean Headley.

3) PLEDGE OF ALLEGIANCE:

Led by President Cosgrove.

4) PUBLIC COMMENT:

None.

5) APPROVAL OF ORDER OF AGENDA:

Staff pulled Item 6D, Minutes of the December 19, 2007 meeting.

Staff suggested postponing Items 8A2, the District's Leak Adjustment Policy, and 8A3, Senior Citizen/Low Income/Disabled Water Usage Rate, until after Assistant General Manager-Administration Cari Lemke arrives at 8:00 p.m.

Director Brown removed Item 8A4 and requested it be placed on the agenda for the next Board meeting.

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

6) CONSENT CALENDAR:

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

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 – District's FY 2006/07 Annual Financial Report:

Paul Kaymark introduced himself and discussed the North Coast County Water District's FY 2006/07 Annual Financial Report, responding to questions and comments from the Board throughout his presentation. He commended Management and Staff for the good job they are doing.

B. Accept District's FY 2006/07 Annual Financial Report:

ON MOTION by President Cosgrove, seconded by Director DeJarnatt, the Board voted unanimously to accept the District's FY 2006/07 Annual Financial Report. Motion carried 5-0.

C. Presentation to Outgoing Board President Thomas Piccolotti:

General Manager Kevin O'Connell presented outgoing President Piccolotti with a plaque and took pictures of Director Piccolotti and new Board President Joshua Cosgrove as well as pictures of the full Board. Director Piccolotti stated he feels it was a productive year and he looks forward to serving on the Board as a Director.

D. Board President Committee Appointments:

President Cosgrove made the following committee appointments:

Standing Committees:

Finance Committee: Director Brown (Chair) and President Cosgrove.

Personnel Committee: Director DeJarnatt (Chair) and Director Piccolotti.

ACWA Region 5 Representative: Director DeJarnatt.

ACWA/JPIA Representative: Director Brown.

Local Chapter CSDA Representative: Director Brown. Director DeJarnatt expressed interest in attending with Director Brown.

LAFCo Representative: Director Brown.

Advisory Committees:

San Pedro Creek Committee: Director DeJarnatt (Chair) and Director Vetter.

Water Recycling Committee: Director Piccolotti (Chair) and Director Vetter.

Building/Seismic/Relocation Committee: Director Vetter (Chair) and Director Brown.

CIP Committee: Director Piccolotti (Chair) and Director DeJarnatt.

Public Outreach Committee: Director DeJarnatt (Chair) and Director Brown.

Director Brown initiated a discussion regarding the noticing of committee meetings. He stated that he would like to have all committee meetings, whether standing or advisory, noticed on the District's web site and also list advisory committee meetings on the bulletin board in the lobby. The discussion turned to the Brown Act requirements, and Attorney Miyaki indicated this issue should be placed on a future agenda for discussion.

Assistant General Manager-Administration Cari Lemke arrived at 7:50 p.m., and Management Analyst Stephanie Dalton left the meeting at that time.

8) GENERAL MANAGER'S REPORT:

A. New Business1. Approve Claims Dated January 18, 2008:

Director Vetter commented on the \$71,353.66 paid to Kennedy Jenks Consultants and that most of it is reimbursable.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the Claims dated January 16, 2008 in the amount of \$407,271.27. Motion carried 5-0.

2. District's Leak Adjustment Policy:

Assistant General Manager-Administration Cari Lemke summarized the Staff Report and referred to the survey of the policies of other water districts. She also summarized Staff's recommendation and stated Staff will bring a Resolution to the next meeting. Extensive discussion occurred between the Board and Staff.

Ted Luff of Coral Ridge Drive stated he appreciates that the Board is considering revising its leak adjustment policy.

Director Brown stated he would like this to be looked at by one of the Board's committees and bring it back to the full Board at a later meeting. It was decided to refer this matter to the Finance Committee and bring it back to the next meeting for discussion and approval.

3. Senior Citizen/Low Income/Disabled Water Usage Rate:

Assistant General Manager-Administration Cari Lemke discussed the survey through ACWA of other water districts' policies concerning reduced rates for senior, low income, or disabled customers. Seven of the ten districts surveyed have no provision for senior, low income, or disabled customers.

Attorney Miyaki surmised why certain water districts in the survey provide discounted rates. Discussion occurred regarding if a customer receives a discounted rate, other customers must pay the difference. Director Brown requested a memorandum from legal counsel evaluating why under Proposition 218 the District is not permitted to provide senior citizen, low income, or disabled customers with discounted water rates.

Ted Luff of Coral Ridge Drive thanked Staff for their work on the leak adjustment and discounted water rate policies and stated he feels it was worth it to come to the last three meetings.

4. Employee ID Cards: (this was pulled from the agenda)B. Continued Business1. Capital Improvement Program and Bond Projects: General Manager Kevin O'Connell distributed packets of photos depicting the progress on current projects as well as a memo from Scott Dalton regarding water quality concerns. He discussed each of the photos in the packet and described the projects depicted.

Mr. O'Connell indicated the Royce tank passed testing yesterday. He stated it would need to be drained due to paint odor present in the water. Director Brown asked how the water is to be drained and feels it may cause concern from customers. Mr. O'Connell discussed the draining and chlorinating process to be undertaken.

Mr. O'Connell discussed Scott Dalton's memo and the actions taken in response thereto. He also talked about the pumps at the Royce Pump Station. Discussion occurred about when to hold the dedication ceremony.

Mr. O'Connell discussed the photos of the geotechnical survey being taken for the proposed recycled water tank as well as the fence and entry gate to the Park Pacifica Entrance Road.

- A. Pacifica Recycled Water Project: Mr. O'Connell reported a meeting is scheduled for next week with SFPUC to review the revised contract. There was a meeting earlier this week with SFPUC, the Department of Fish & Game, and the Coastal Commission to look at the project. Mr. O'Connell indicated he hopes to have permits by June of this year. Funding could be a problem due to the State budget crisis.
- B. Gypsy Hill/Royce Tank Project: Mr. O'Connell reiterated that Royce Tank would be drained shortly and on line soon.
- C. Christen Hill Tank: Mr. O'Connell reported there was a meeting on Monday with the Seismic Committee. He stated the project is going slow but making headway. There was a meeting today with Westborough Water District regarding their portion of the tank and some of their concerns regarding the design process. Mr. O'Connell discussed the proposed optimistic timeline for replacement of the tank.
- D. Devil's Slide Tunnel Water Project: Mr. O'Connell stated he will meet with CalTrans next week regarding comments to the agreement and to discuss the basis for the monies to be spent at Shamrock Ranch for the pipeline easement.
- E. Roberts Road Pipeline Project: Mr. O'Connell reported they are looking at doing the work on the project during the day with traffic control instead of at night.

9) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

Director Piccolotti reported the BAWSCA meeting is tomorrow night. He brought to the Board's attention that Assemblyman Ira Ruskin is proposing amendments to AB 1823 regarding the Hetch Hetchy regional system to extend the sunset clause from 2010 to 2014 as well as to eliminate reporting loopholes that the bill currently allows for. Director Piccolotti reported that Assemblyman Ruskin sent a letter to Mayor Newsom following up on their telephone conversation and reiterating the issues he is bringing forward to legislation. Director Piccolotti provided Staff with copies of the letters to distribute to the Board.

Director Piccolotti stated the Regional Finance Authority is having a meeting, and also that Ed Harrington is the new general manager as Susan Leal is no longer general manager. General Manager Kevin O'Connell stated the general manager changeover will occur after Susan Leal returns following recovery from her recent automobile accident.

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

Director Vetter reported that he and Director Brown attended a meeting of the Seismic Committee on Monday. Direction to Staff was to proceed with the seismic retrofit of the warehouse. General Manager Kevin O'Connell indicated that once the new Royce Tank is on line, the plan is to use the old Royce Tank temporarily as a maintenance facility during the retrofitting of the warehouse. The administrative offices would be located in trailers in the parking lot.

Director Vetter reported he and President Cosgrove had a committee meeting regarding the water recycling project.

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

Director Piccolotti requested Staff to prepare the Personnel Manual for review by the Personnel Committee.

President Cosgrove mentioned retirement issues that were discussed at a meeting a couple of months ago and that Lionel Emde had requested to meet with the Finance Committee.

Director Brown requested an agenda item regarding notification for committee meetings.

12) CORRESPONDENCE:

None.

13) PUBLIC COMMENT:

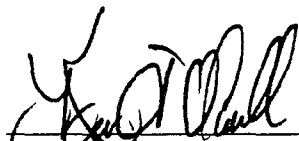
None.

14) ADJOURN:

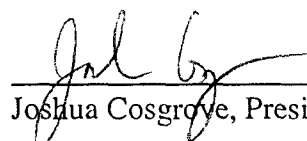
President Cosgrove adjourned the meeting at 9:11 p.m. The next regularly scheduled meeting of the Board of Directors will be held at 7:00 p.m. on Wednesday, February 20, 2008.

Respectfully submitted,

Approved:



Kevin O'Connell, General Manager



Joshua Cosgrove, President