

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
February 21, 2007
2400 Francisco Blvd., Pacifica
7:00 P.M.

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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 Brown, Director Cosgrove, Director Vetter, Director DeJarnatt, and President Piccolotti. 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 Director Vetter.

4) PUBLIC COMMENT:

Mary Keitelman of Acacia Court asked if the agenda can be posted on-line at the website prior to the meetings.

5) APPROVAL OF ORDER OF AGENDA:

Director Vetter requested that Item B.1.2. be moved up to become Item 7.1.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, 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
- B. Financial Statements for January, 2007
- C. Overview of District Investments
 - 1. January, 2007 Union Bank Statement
 - 2. January, 2007 CAMP Statement - Operating/Bond
 - 3. January, 2007 LAIF Statement
- D. Minutes of the January 17, 2007 Regular Meeting of the Board

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

7) GENERAL MANAGER'S REPORT:

1. Pacifica Recycled Water Project: General Manager Kevin O'Connell provided extensive background information on this project.

President Piccolotti invited anyone interested in speaking on this item to go to the podium. Director Brown requested speakers to spell their last names.

Brent Plater, a teacher of Environmental Law & Justice at Golden Gate University in San Francisco, voiced his concern regarding the California red-legged frog and the San Francisco garter snake. He indicated his concern regarding the future of the Sharp Park Golf Course and urged a full EIR before the project is approved.

Tim Hamack of Pacifica urged the District to find an alternative site for the proposed tank. He presented a picture of a rubber boa snake that he said has been seen in the project area, and he stated that there are several other endangered species and unique vegetation on the property.

Jake Sigg of San Francisco, the Conservation Chair of the California Native Plant Society, Yerba Buena Chapter, spoke of the wild, secluded Sanchez Creek Canyon and stated we must save some of these areas for future generations. He feels the tank and pipeline will be a severe violation of the canyon and would have a tremendous impact.

Stan Kaufman of San Francisco, a regular volunteer with the Natural Areas Program of the San Francisco Recreation and Parks Department, stated that the Sharp Park area is one of the largest, most bio-diverse of the significant natural resource areas within the San Francisco Recreation and Parks Department holdings and should not be casually thought of as a site for a major construction project. He urged a full environmental review with full public input, requested that all alternative sites be explored, and questioned whether this project even needs to occur.

Tom Annese of San Francisco asked that the Board members all walk the proposed site and imagine the proposed tank on the site. He asked if the tank really needs to be built.

Peter Brastow of San Francisco, Director of Nature in the City which focuses on conservation and restoration of the Franciscan bioregion, stated that this project will be a blight on the canyon.

April Schneider of Pacifica, a member of the San Francisco Archers and owner of Park Pacifica Stables, stated that the proposed project area is so beautiful and unique it deserves a second look. She is concerned about the creation of a large road which would ruin the ambiance of the area.

John Campo of Pacifica stated that the proposed project area is important because of quality of life issues and feels that the report does not address these impacts. He feels that the public did not have adequate notice to look at this project and urged environmental review.

Brian Gaffney of Pacifica spoke on behalf of himself and some concerned neighbors. He quoted CEQA Guidelines 15164(d) concerning the approval process, and questioned whether the approval process was followed.

Randy Zebell of San Francisco opposed the siting of the tank in the Sanchez Creek Canyon. He feels the area should be restored, not have a 40-foot tank placed there. He also questioned if the tank is even required.

Matt Farley of Pacifica, owner of Park Pacifica Stables, voiced his concern about the area. He stated there was a recent problem with dumping of dirt at the archery range parking lot and it was left there for several months. He wonders if this proposed project would result in more of the same.

Patricia Heimsoth of Pacifica stated that she has been going to the archery range for the last eighteen years and stated that it is a beautiful area. She feels there must be alternative sites to place this tank.

Mary Keitelman of 7 Acacia Court in Pacifica requested a full EIR. She feels the project has been rushed. She requested a written response regarding what water quality standards the waste water will meet and the reports or studies on the status of the frogs and snakes in Calera Creek since tertiary water has been used there. She asked what chemicals are in the tertiary treated water and what the District is testing. She was directed to address her request in writing to General Manager Kevin O'Connell.

Jim Currie of Pacifica asked if there have been any other studies on alternatives to accomplish what the District is trying to do, and if not, please do so.

Diana Brusco, a South San Francisco resident and a member of the Archery Range, spoke of the beautiful, peaceful area that is the proposed project area. She requested that the tank be placed elsewhere.

General Manager Kevin O'Connell stated he wanted to clear up an apparent misunderstanding about the size of the proposed road to the tank site. He stated the road would be widened only enough to access the two tank pipe feeds. He stated that nothing would happen to the lake, it would still be managed by the San Francisco Recreation and Parks Department, and the lake would not be affected by the proposed project. Mr. O'Connell stated that the City of Pacifica tests the water in the Calera Creek on a regular basis and that the introduction of recycled water into Calera Creek has been successful.

Director Vetter stated that after hearing from the audience tonight, he will not support putting the tank in the archery range.

Director Cosgrove stated he appreciates the public input and asked what is involved to do a full EIR. General Manager Kevin O'Connell responded that the grant funding would be in jeopardy with the delay to do a full EIR. He stated there is a possible alternative site that is being investigated, but this will not be known for several weeks.

Jack Rauch of Pacifica, President of San Francisco Archers, identified himself and asked the Board if they had any questions for him. He stated the tank will impact the scenic beauty of the area and feels there must be alternative sites. He stated the San Francisco Archers will live with the project if it happens, but he does not feel it is the best thing to do.

Director Cosgrove asked General Manager Kevin O'Connell or Attorney Patrick Miyaki to address the comments made by one of the speakers earlier this evening regarding the dates concerning the approval process. Attorney Miyaki explained the chronology of the dates involved and stated that all appropriate requirements for approving the addendum were met.

President Piccolotti stated that he supports the archers and the beauty of the area. He stated, however, that this project has been in the works for eight years and it is important to make use of recycled water. He feels there are ways to mitigate some of the problems and looks forward to hearing about the possible alternative site.

The Board took a recess at 8:25 p.m. and reconvened at 8:30 p.m.

A. New Business:

1. Approval of Claims Dated February 21, 2007: Director Vetter had several questions on claims items, and Staff responded to his inquiries.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the Claims dated February 21, 2007 in the amount of \$797,066.97. Motion carried 5-0.

2. Adopt Resolution No. 998 Approving Statement of Investment Policy for Calendar Year 2007: Attorney Miyaki provided background and requested approval of the Resolution. Brief Board discussion occurred.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, by the following Roll Call Vote, the Board voted unanimously to adopt Resolution No. 998 Approving Statement of Investment Policy, North Coast County Water District:

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

Motion carried 5-0.

3. Approve Mid Year Budget Adjustments: General Manager Kevin O'Connell summarized the Fiscal Year 2006/07 Mid Year Revised Budget Overview and explained significant revisions. Director Brown stated that the Finance Committee has already reviewed the Mid Year Revised Budget Overview.

ON MOTION by Director Cosgrove, seconded by Director Brown, the Board voted unanimously to approve the FY 06/07 Mid Year Budget Adjustments as submitted. Motion carried 5-0.

4. Approve Hanson Bridgett Rate Adjustment: Attorney Patrick Miyaki referred to his January 17, 2007 Memorandum to General Manager Kevin O'Connell seeking approval for a rate increase. Director Brown stated he would like the opportunity for the Finance Committee to analyze the methodology for an annual increase and some of the other changes included in the Rate & Fee Schedule.

ON MOTION by Director Brown, seconded by Director Cosgrove, the Board voted unanimously to approve the rate section of the proposed Hanson Bridgett Marcus Vlahos Rudy, LLP Rate and Fee Schedule. Motion carried 5-0.

5. Update Re: District Newsletter: General Manager Kevin O'Connell stated that Staff is currently working on the District Newsletter and it will be presented to the Public Outreach Committee. The newsletter is expected to go out with the April and May billings to customers.

B. Continued Business:

1. Capital Improvement Program and Bond Projects: General Manager Kevin O'Connell reviewed the February 21, 2007 CIP & Bond Projects Status Report and provided status on each project.

Gypsy Hill Tank and Royce Tank Project: Mr. O'Connell brought up the subject of perhaps remembering former employee, the late Steve Hyden, in some way on the Royce Tank as he was the first to dig at this site. There was some discussion regarding the contents to go on a plaque on the completed tank.

Christen Hill Tank: General Manager Kevin O'Connell reported that he has obtained the CalTrans permit and that the geotechnical engineer is ready to start next week. Also, an electronic model is being created.

21" Transmission Line Leak: This was already discussed this evening. General Manager Kevin O'Connell stated that they hope to have pipe installed by Saturday and should be fixed by the end of next week.

Director Brown praised General Manager Kevin O'Connell on the CIP & Bond Projects Status Report including maps.

8) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

President Piccolotti and Director DeJarnatt discussed the last BAWSCA meeting, where Rosalia Mahoney was the newly elected Chair.

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

A. Finance Committee: This was discussed earlier in the meeting.

B. California Special District Association (CSDA) Meeting: Director Brown summarized his February 16, 2007 memo on the CSDA meeting.

10) DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

Director DeJarnatt would like an item on the agenda regarding the Report on Sale of District Property.

Director Cosgrove discussed at length a presentation he recently attended regarding indirect use of recycled water.

11) CORRESPONDENCE:

None.

12) PUBLIC COMMENT:

None.

13) ADJOURN:

President Piccolotti adjourned the meeting at 9:50 p.m. in memory of the late Steve Hyden. The next regularly scheduled meeting of the Board of Directors will be held on Wednesday, March 21, 2007.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Tom Piccolotti, President