

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

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 Assistant General Manager-Administration Cari Lemke, Project Manager Bert Weiss, Attorney Patrick Miyaki, and Minutes Transcriber Jean Headley.

3) PLEDGE OF ALLEGIANCE:

Led by Director Cosgrove.

4) PUBLIC COMMENT:

Dan Murphy, a principal with Urban Green Development, a Pacifica developer, addressed the Board and Staff regarding his application for a proposed mixed use development project at 12 Sharon Way. He stated that the City of Pacifica informed him they received a letter from the Water District regarding the availability of water for the site. President Piccolotti stated that this item is actually on tonight's agenda as Item No. 10B, and that the agenda will be amended to move the item to earlier on the agenda, at which time Mr. Murphy should address the Board.

Dave Blackman of Banyan Way praised Project Manager Bert Weiss regarding Mr. Blackman's Pedro Point project. He also thanked the Board for selling him the Dardanelle property and that he is also interested in buying the Monterey property as well as the Vallemar property.

5) APPROVAL OF ORDER OF AGENDA:

ON MOTION by Director DeJarnatt, seconded by Director Vetter, the Board voted unanimously to approve the Order of Agenda as amended, moving Item 10B up to become Item 5A. Motion carried 5-0.

5A) DISCUSSION REGARDING DISTRICT "WILL SERVE" LETTERS:

Director Vetter provided his reasoning for requesting this agenda item.

Assistant General Manager-Administration Cari Lemke described a "Will Serve" letter as a letter requested by a developer that North Coast County Water District can provide water service to a particular development. Ms. Lemke stated that only five to seven such letters have been sent in the last three to five years. Attorney Patrick Miyaki provided further explanation of "Will Serve" letters and expressed his legal concerns with "Will Serve" letters.

Director Vetter asked if the City of Pacifica requires a developer to get a "Will Serve" letter. Dan Murphy, a local developer, responded that the City wants to have reasonable assurance of sufficient utilities prior to expending Staff time processing a development application. Mr. Murphy spoke regarding his proposed development at 12 Sharon Way in Pacifica and his February 28, 2007 request for a "Will Serve" letter.

David Blackman of Banyan Way stated that he owns ten lots in Pacifica and is concerned regarding the availability of water when he is ready to develop his properties. He asked if he is able to apply for all his future water needs now and, if so, what does he need to do.

Director Brown commented that he is glad Mr. Blackman brought this to the attention of the Board. He said that as water resources become tighter and we start reaching our allotment this could become a problem, and he feels the Board should form a policy to deal with it.

Director Vetter voiced his concern that Staff is setting policy by sending out “Will Serve” letters. Assistant General Manager-Administration Cari Lemke stated that in the twelve years she has been with the District only five or six “Will Serve” letters have gone out, and these were at the request of developers’ banks who wanted assurance that the District would supply water. She stated that in the past when these letters went out, the District was not close to its allotment so there was no problem sending out the letter.

Director DeJarnatt stated that she would like this issue on a future agenda to allow more discussion and asked what other comparable water agencies are doing about this.

President Piccolotti stated that the “Will Serve” letter policy needs to be formalized by the Board and that the Board needs to work with the City of Pacifica to develop a standard policy regarding “Will Serve” letters. Attorney Miyaki stated that after research has been conducted regarding what other agencies are doing and checking with the City of Pacifica, the Board could make an informed decision about whether or not the District will issue “Will Serve” letters. Attorney Miyaki went on to state that if the Board makes a policy decision that it wants to issue “Will Serve” letters, he has some thoughts about what qualifications should be included in a “Will Serve” letter, including time restrictions.

6) CONSENT CALENDAR:

- A. Report on Sale of District Property
- B. Financial Statements for February, 2007
- C. Overview of District Investments
 - 1. February, 2007 Union Bank Statement
 - 2. February, 2007 CAMP Statement - Operating/Bond
 - 3. February, 2007 LAIF Statement
- D. Minutes of the February 21, 2007 Regular Meeting of the Board
- E. Minutes of the March 13, 2007 Special 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.

Following the vote to approve the Consent Calendar, Director Brown asked if he could make one change to the February 21, 2007 Minutes, and he made one change to the minutes.

ON MOTION by President Piccolotti, seconded by Director Brown, the Board voted unanimously to approve the amendment to the February 21, 2007 minutes. Motion carried 5-0.

7) GENERAL MANAGER’S REPORT:

- 1. Approval of Claims Dated March 21, 2007: Assistant General Manager-Administration Cari Lemke responded to Director Cosgrove’s comment about the unusually low amount shown for water purchased from SFPUC. She explained that due to the Moreland Drive leak, it was necessary to shut off the District’s connection to the Harry Tracy Treatment Plant and obtain our water from the Westborough Water District. There was discussion between the Board and Staff regarding the repairs to the Moreland Drive leak.

ON MOTION by Director Cosgrove, seconded by Director DeJarnatt, the Board voted unanimously to approve the Claims dated March 21, 2007 in the amount of \$928,458.74. Motion carried 5-0.

2. Approve Director DeJarnatt's Attendance at the CSDA Board Member Training Workshop in Ontario, California in an Amount not to Exceed \$1,500: Assistant General Manager-Administration Cari Lemke provided background on this item and the reasons it was not on the agenda for the February meeting. Because the CSDA workshop included ethics training, which is a reimbursable expense under AB 1234, staff requested that the Board authorize the reimbursement of funds for the CSDA Conference and waive the pre-approval requirement.

ON MOTION by Director Brown, seconded by President Piccolotti, the Board voted unanimously to waive the District's policy for compensation and expense reimbursement for Board members and to approve Director DeJarnatt's attendance at the CSDA Board Member Training Workshop in Ontario, California in an amount not to exceed \$1,050. Motion carried 5-0.

3. Approve Director DeJarnatt's Attendance at the ACWA Spring Conference in Sacramento in an Amount not to Exceed \$1,500:

ON MOTION by Director Brown, seconded by Director Vetter, the Board voted unanimously to approve Director DeJarnatt's attendance at the ACWA Spring Conference in Sacramento in an amount not to exceed \$1,500. Motion carried 5-0.

4. Adopt Resolution No. 1000 Authorizing Execution of Documents to Correct Lot Lines and Easements at and near Fassler Tank Site: Assistant General Manager-Administration Cari Lemke provided background regarding the reason for this Resolution and recommended adoption of the Resolution.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, by the following Roll Call Vote, the Board voted unanimously to adopt Resolution No. 1000, Authorizing Execution of Documents to Correct Lot Lines and Easements at and near Fassler Tank Site:

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

Motion carried 5-0.

B. Continued Business:

1. Capital Improvement Program and Bond Projects: Assistant General Manager-Administration Cari Lemke distributed packets of photos of CIP and Bond Projects in process.

- Gypsy Hill Tank and Royce Tank Project: Project Manager Bert Weiss reported these projects are proceeding as planned. Gypsy Hill is approaching completion from a welding standpoint. Mr. Weiss also discussed the thickness of the base plates inside the Gypsy Hill Tank and provided additional detail of the two tank projects.

- Christen Hill Tank: Project Manager Bert Weiss reported that they are working on the encroachment permit with CalTrans and that trenching will start soon to look for any fault lines. It has been decided that the contractor will do the trenching because it's a very

specialized type of trenching where the first six inches of soil need to be preserved. Mr. Weiss also stated that Staff is working with Kennedy-Jenks on a hydraulic model and answering questions on the piping that will be required and the issues associated with providing pressure if the tank elevation is reduced.

- 21" Transmission Line Leak: Project Manager Bert Weiss briefly discussed the repair work that was done on the District's 21" Transmission Line.
2. Pacifica Recycled Water Project Issues: Assistant General Manager-Administration Cari Lemke reported that she and John Rayner will be going to Sacramento on March 22, 2007 to meet with the Department of Water Resources regarding extending the time line for the District's grant funding. Director Vetter requested that Ms. Lemke inform the Board members of the outcome of the meeting.

Ms. Lemke also spoke regarding a joint meeting to take place at 6:30 p.m. on April 3, 2007 between the NCCWD Board and the City Council for the City of Pacifica. The purpose of the meeting is to be a public meeting between the two government agencies to discuss the concept of placing a tank underground at the Sewage Treatment Plant. It is hoped to get conceptual direction from the Board and the Council to each of their Staffs to negotiate the issue.

Director Brown asked if a joint study session might be more appropriate than an agendaized formal meeting with the City of Pacifica. Attorney Patrick Miyaki stated that whatever form the meeting takes, it would be a special meeting subject to the requirements of the Brown Act.

Attorney Miyaki stated that the Recycled Water Project would not necessarily increase the water supply allotment to the District, but it would free up potable water that San Francisco is currently using to irrigate the Sharp Park Golf Course for potable uses.

8) **BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:**

President Piccolotti reported on his attendance at the March 15, 2007 BAWSCA meeting and briefly apprised the Board of issues discussed at the meeting.

Director DeJarnatt provided comments on her attendance at the meeting and also discussed the lack of sufficient seating at the meetings.

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

A. Finance Committee:

1. CPI Index for Legal Counsel Rate Increases: Director Brown referred to the Finance Committee's March 16, 2007 memo and the Committee's recommendations. Brief Board discussion occurred. It was decided to change the review process from six years to four years.

Attorney Patrick Miyaki provided his comments regarding the Finance Committee's recommendations. There was extensive discussion between the Board and Attorney Miyaki regarding the percentage cap. Attorney Miyaki distributed the proposed revised Rate and Fee Schedule, Attachment A to the Hanson-Bridgett Service Agreement.

ON MOTION by Director DeJarnatt, seconded by Director Vetter, the Board voted unanimously to adopt Attachment A of the Hanson-Bridgett Service Agreement implementing an annual CPI increase not to exceed four percent (4%) with review in four (4) years. Motion carried 5-0.

2. Director Brown stated the Finance Committee also discussed the possibility of hiring a student engineering aide part-time during the school year and full-time during summer vacation, not to exceed six months of hours in any one year.
3. Director DeJarnatt reported on her attendance at the two-day Director's Training Workshop in Ontario, California. She stated she is impressed with how well this Board operates, but feels that the one area which could be improved would be for the Board members to be able to make eye contact with each other. Discussion occurred regarding the benefit or value of the seminar.

10) DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

- A. Discussion Regarding the Consent Calendar Format and Content: Assistant General Manager-Administration Cari Lemke stated that Director DeJarnatt requested an agenda item regarding the Report on Sale of District Property, an item in the monthly Consent Calendar. Ms. Lemke explained that the report is required pursuant to Resolution No. 855, which was adopted by the Board in February of 1997. The resolution states that the report shall be included even if no sales occurred during the preceding month. Following discussion between the Board, Staff, and Attorney Miyaki, it was decided that it could be noted on the agenda if no sales occurred during the preceding month.
- B. Director Brown commented on a very positive experience he recently had with District employee Patrick Durkin, who stopped to help him when his car broke down.

11) CORRESPONDENCE:

None.

12) PUBLIC COMMENT:

None.

13) ADJOURN:

President Piccolotti adjourned the meeting at 8:52 p.m. The next regularly scheduled meeting of the Board of Directors will be held on Wednesday, April 18, 2007.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Tom Piccolotti, President