

**North Coast County Water District**  
Minutes of the Special Board of Directors Meeting  
June 18, 2007  
2400 Francisco Blvd.  
Pacifica, CA 94044  
6:00 P.M.

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1) CALL TO ORDER:

President Piccolotti called the meeting to order at 6:00 p.m. at the District office.

2) ROLL CALL:

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

3) PLEDGE OF ALLEGIANCE: Led by Director DeJarnatt.

4) PUBLIC COMMENT: None.

5) RATIFY A 3.3% DISTRICT EMPLOYEE COST OF LIVING ALLOWANCE:

Assistant General Manager-Administration Cari Lemke summarized the Staff Report and recommended that the Board ratify the 3.3% Cost of Living Allowance for all employees to be effective July 1, 2007.

President Piccolotti inquired if this includes contract employees. Ms. Lemke replied that it pertains to all employees excluding summer interns.

ON MOTION by Director Brown, seconded by Director DeJarnatt, the Board voted unanimously to ratify the 3.3% Cost of Living Allowance for all employees to be effective July 1, 2007. Motion carried 4-0.

6) REVIEW/APPROVE DISTRICT'S FY 2007-08 OPERATING BUDGET:

Assistant General Manager-Administration Cari Lemke gave an overhead projection presentation of the proposed FY 2007-08 Operating Budget including the Budget Overview, Operating Revenues, Plant Expenses, Distribution Expenses, and Administrative Expenses. She provided explanations of significant items listed on the various schedules. Staff responded to Board questions and comments throughout Ms. Lemke's presentation. President Piccolotti requested a reduction from \$300,000 to \$100,000 for flushing activities.

Director Vetter arrived at 6:28 p.m. and President Piccolotti summarized the meeting to this point for Director Vetter.

Ms. Lemke continued her presentation of the proposed Operating Budget. At the conclusion of her presentation, Ms. Lemke requested that the Board adopt the FY 2007-08 Operating Budget with modification of the flushing item from \$300,000 to \$100,000. Discussion occurred regarding the number of District employees.

ON MOTION by Director Piccolotti, seconded by Director Cosgrove, the Board voted unanimously to approve the District's FY 2007-08 Operating Budget in the amount of \$9,277,000 as submitted, with an amendment to the flushing line item from \$300,000 to \$100,000. Motion carried 5-0.

The Board commended Staff and the Finance Committee for their work on the budget.

## 7) REVIEW/APPROVE DISTRICT'S FY 2007-08 CIP BUDGET:

General Manager Kevin O'Connell discussed each line item on the proposed FY 2007-08 CIP Budget. Mr. O'Connell responded to Board questions and comments throughout his presentation. There was discussion regarding the estimated amount of water to be captured from the Devil's Slide Tunnel Project. Discussion also occurred regarding the low water pressure in Vallemar.

Director Brown left the meeting at 7:00 p.m.

President Piccolotti requested that in the future Staff separate out annual programs from maintenance and other projects in the CIP. Director Vetter initiated a discussion regarding the possibility of borrowing more bond money. Board consensus is that safety sensitive projects should be top priority.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the FY 2007-08 Capital Improvement Project Budget in the amount of \$2,470,000 as presented in the 5-Year Capital Improvement Project spreadsheet. Motion carried 4-0.

## 8) DIRECTOR'S COMMENTS AND/OR AGENDA REQUESTS:

None.

## 9) ADJOURN:

President Piccolotti adjourned the meeting at 7:40 p.m. The next regularly scheduled meeting of the Board of Directors will be held on Wednesday, June 20, 2007.

Respectfully submitted,

Approved:

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Kevin O'Connell, General Manager

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Tom Piccolotti, President