

North Coast County Water District
Minutes of the Regular Board of Directors Meeting
October 17, 2007
2400 Francisco Blvd.
Pacifica, CA 94044
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, Assistant General Manager-Administration Cari Lemke, Attorney Patrick Miyaki, and Minutes Transcriber Jean Headley.

3) PLEDGE OF ALLEGIANCE:

In unison.

4) PUBLIC COMMENT:

Linda Corwin of Moana Way reported that Professor Mark Edwards, who first connected chloramines and lead, was awarded a McArthur Fellowship for \$500,000. Professor Edwards indicated that he is going to put it into more research.

Ms. Corwin discussed two articles from the Almanac and the Burlington Free Press that she distributed prior to the beginning of tonight's meeting.

5) APPROVAL OF ORDER OF AGENDA:

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

6) CONSENT CALENDAR:

- A. Report on Sale of District Property – None
- B. Financial Statements for September, 2007
- C. Overview of District Investments
 - 1. September, 2007 Union Bank Statement
 - 2. September, 2007 CAMP Statement
 - 3. September, 2007 LAIF Statement
- D. Minutes of the September 12, 2007 Special Meeting of the Board
- E. Minutes of the September 19, 2007 Regular Meeting of the Board

Director Brown had questions on pages 2 and 4 of the Financial Statements, and Staff responded.

Assistant General Manager-Administration Cari Lemke corrected the September 19, 2007 Minutes to reflect that Attorney Gehrig was in attendance, not Attorney Miyaki as shown in the Minutes.

ON MOTION by Director Brown, seconded by Director Cosgrove, the Board voted unanimously to approve the Consent Calendar with the amendment to the September 19, 2007 Minutes. Motion carried 5-0.

7) GENERAL MANAGER'S REPORT:

A. New Business

1. Approve Claims Dated October 17, 2007:

General Manager Kevin O'Connell informed the Board of an error in last month's Claims List regarding reimbursement of a \$100 exam fee to an employee who had not yet taken the certification exam. The employee will be reimbursed after he passes the exam. Director Brown indicated a desire to correct the September 19 Claims List to reflect the deduction of the \$100 reimbursement. Following extensive discussion, it was decided to leave the September 19 Claims List as is.

Director Vetter questioned the amount of the Cingular Wireless bill and asked how many employees in the field have a cell phone. General Manager O'Connell responded that everyone from the supervisory staff level up has a cell phone, and there is also a duty phone. Assistant General Manager-Administration Cari Lemke estimated the number as 10.

Director Vetter mentioned the additional amounts being paid on the Roberts Road leak, and General Manager O'Connell stated these are the last bills on this item.

Director DeJarnatt asked for an explanation of the \$1,802 payment to Ferguson Enterprise. General Manager O'Connell stated this is 12-inch T-piping for Royce Tank outflow piping that had to be purchased from back east.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to approve the Claims dated October 17, 2007 in the amount of \$751,606.08. The motion carried 5-0.

2. Adopt Resolution No. 2007-1004 Amending Labor Rates to be Charged for District Services:

Assistant General Manager-Administration Cari Lemke introduced the Resolution, provided background as to how the figures are computed, and requested that the Board adopt the Resolution. Discussion occurred between the Board and Staff regarding the hourly rates and administrative support.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, by the following Roll Call vote, the Board voted unanimously to adopt Resolution No. 2007-1004 Amending Labor Rates to be Charged for District Services, with the date of the Resolution changed to October 17, 2007:

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

Motion carried 5-0.

3. Adopt Resolution No. 2007-1005 Approving the Form of and Authorizing the Execution and Delivery of a Sixth Amended Joint Powers Agreement:

Assistant General Manager-Administration Cari Lemke provided background, explained the purpose of the Resolution, and recommended that the Board adopt the Resolution. Extensive discussion occurred regarding the purpose of this Resolution.

ON MOTION by Director DeJarnatt, seconded by Director Vetter, by the following Roll Call vote, the Board voted unanimously to adopt Resolution No. 2007-1005 Approving the Form of and Authorizing the Execution and Delivery of a Sixth Amended Joint Powers Agreement with the SDRMA:

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

Motion carried 5-0.

4. Potential Reschedule of November Regular Board Meeting Date:

It was suggested to hold the regular Board meeting at 6:00 p.m. on Monday, November 19, 2007, and hold the public hearing for the proposed rate increase on November 21, 2007 as scheduled, with refreshments of pumpkin pie and apple cider.

Staff will publish a separate notice in the Pacifica Tribune regarding both the public hearing and the change of date for the regular Board meeting. The notice will also state that people can speak regarding the proposed rate increase at the November 19th meeting.

Director DeJarnatt suggested that General Manager O’Connell discuss bond projects at the public hearing in order to show the public how the bond money is being spent.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to move the regular November 2007 Board meeting from Wednesday, November 21, 2007 at 7:30 p.m. to Monday, November 19, 2007, at 6:00 p.m. Motion carried 5-0.

5. Authorize On-line Bill Payment Fees be Charged to District:

Assistant General Manager-Administration Cari Lemke discussed the Staff Report and recommended that the Board eliminate the fee charged to customers for on-line bill payment. She feels that many more customers would utilize the on-line payment feature if the fee were eliminated.

Director Brown asked how much it would be worth to the District in interest to be earned through LAIF, for example, by the money coming to us quicker via on-line payments. Ms. Lemke indicated this would be difficult to compute, as many people don’t pay their bill until the last day it is due.

Director DeJarnatt stated that it would be good public relations to remove the fee, thereby eliminating customer irritation. Directors Vetter and Cosgrove and President Piccolotti all seemed to agree during the ensuing discussion.

ON MOTION by Director Vetter, seconded by Director DeJarnatt, the Board voted unanimously to eliminate the fees charged for customers paying their bills on-line. Motion carried 5-0.

6. Discussion Re: District Security Deposits:

General Manager Kevin O'Connell presented the Board with the current Resolution regarding the security deposit policy. Board discussion occurred regarding the amount to be paid as interest, if interest is to be paid. Direction to Staff was to prepare a Resolution to return the deposit with 2.5% interest per year and to bring the Resolution to a meeting in the near future. Interest would only be added to a refund after the deposit has been with the District for one year. The new policy would become effective on the date of the new Resolution and would not apply to deposits received before the effective date of the new Resolution.

7. Adopt Resolution No. 2007-1006 Approving Gypsy Hill Tank Site as Preferred Alternative Location for the Recycled Water Storage Tank for the Pacifica Water Recycling Project:

General Manager Kevin O'Connell summarized the Staff Report, discussed various aspects of the project, and recommended that the Board adopt the Resolution.

Director Cosgrove announced he would abstain from discussing or voting on this issue because of a potential conflict of interest as he works for the City of Pacifica Wastewater Department, which would be affected by the proposed location of the tank. Attorney Patrick Miyaki provided legal clarification regarding Director Cosgrove's abstention.

ON MOTION by Director DeJarnatt, seconded by Director Brown, by the following Roll Call vote, the Board adopted Resolution No. 2007-1006, approving the Gypsy Hill Tank Site as the preferred alternative for the location of the recycled water storage tank for the Pacifica Water Recycling Project:

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

Motion carried 4-0-1, with Director Cosgrove abstaining.

The Board took a recess at 8:35 p.m. and reconvened at 8:45 p.m.

B. Continued Business

1. Capital Improvement Program and Bond Projects:A. Roberts Road Pipeline Project:

General Manager Kevin O'Connell discussed the photos depicting the Roberts Road Pipeline Replacement Project and reported that work is proceeding as planned.

B. Gypsy Hill/Royce Tank Projects:

General Manager Kevin O'Connell's report states that the construction of the tank is substantially complete and has been in service since July.

C. Christen Hill Tank:

General Manager Kevin O'Connell indicated that the Structural Engineer will analyze the geotechnical report and advise if the tank can be upgraded or downgraded. Directors Cosgrove and Vetter each requested a copy of the geotechnical report (e-mail to Director Cosgrove).

Director DeJarnatt inquired regarding the Nelson Tank, and General Manager O'Connell discussed this project.

8) BAY AREA WATER SUPPLY AND CONSERVATION AGENCY ISSUES:

President Piccolotti reported that today he received comments on the Draft EIR for the WSIP via BAWSCA via SFPUC. He indicated he will review it and make it available to the District for review by anyone who wants to see it.

President Piccolotti reported that at the last BAWSCA meeting, SFPUC's Susan Leal gave a report that the PUC is on-time and on-budget with the WSIP.

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

None.

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

Director DeJarnatt inquired what water rates are in nearby communities. Assistant General Manager-Administration Cari Lemke stated that she will provide Director DeJarnatt with a copy of the BAWSCA study that shows agency member rates.

General Manager Kevin O'Connell indicated two items for the next meeting as a result of discussions at tonight's meeting, i.e., the security deposit issue (if ready) and discussion of the potential rate adjustment. The discussion of the rate adjustment should be agendaized for early in the meeting.

11) CORRESPONDENCE:

President Piccolotti read an e-mail from customer Avril Hughes requesting an explanation of how rates are computed and why there have been so many rate increases over the years. Staff has prepared a response to Avril Hughes.

12) PUBLIC COMMENT:

Linda Corwin of Moana Way commented on a news item she saw regarding computer hackers and cautioned the District to protect itself.

13) ADJOURN:

President Piccolotti adjourned the meeting at 9:15 p.m. The next regularly scheduled meeting of the Board of Directors will be held at 6:00 p.m. on Monday, November 19, 2007.

Respectfully submitted,

Approved:

Kevin O'Connell, General Manager

Tom Piccolotti, President