

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 3, 2007**

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Auditor-Controller David Bentley, Chief Engineer Drew McIntyre and Acting Secretary Sue Kessler.

District employees Robert Clark (Facilities Maintenance Superintendent), Doug Moore (Construction Superintendent) and Mr. and Mrs. Jeff Harriman were in the audience.

MINUTES

On motion of Director Schoonover, seconded by Director Baker and unanimously carried the Board approved the minutes from the previous meeting as mailed.

GENERAL MANAGER'S REPORT

Baker's Dozen Meeting

Mr. DeGabriele informed the Board that he and Directors Rodoni and Fraites had been invited to a "Baker's Dozen" meeting on water with Gary Giacomini on April 9, as well as several directors from Marin Municipal Water District.

Reception for Congressman Vislosky

Mr. DeGabriele informed the Board that on Tuesday, he would be asking a Board member to attend a reception for Congressman Vislosky. He noted that Mr. Vislosky was the chairman of the House Appropriations Committee on Energy and Water, noting that any funding for the US Army Corps of Engineers, including that requested by Sonoma County Water Agency, has to go through Vislosky's committee.

Presentation to Las Gallinas Valley Sanitary District

Mr. DeGabriele reported that on Thursday, he would be making a presentation to the LGVSD Board, at the request of their general manager, regarding NMWD's participation in the North Bay Water Reuse Authority, and the proposed project to bring recycled water to the Hamilton area of Novato.

Presentation to Marin Association of Realtors

Mr. DeGabriele also informed the Board that he would be making a presentation to the Marin Association of Realtors regarding NMWD's water conservation program.

Change of Date for Meeting with Marin Municipal Water District

Mr. DeGabriele reported that he had spoken with MMWD's General Manager, Paul Helliker, who advised him that one of MMWD's Directors would be unable to attend the meeting scheduled for May 29, 2007. Mr. Helliker had asked if the meeting would be changed to either Tuesday, June 12 or Wednesday, June 13. The NMWD Directors agreed that the Tuesday date would be better.

OPEN TIME

President Petterle asked if anyone in the audience or staff wished to bring up an item not on the agenda and the following items were discussed:

New Truck

Robert Clark stated that Crew Truck #503 was available for viewing in the yard.

Update of Recycled Water Project

Mr. McIntyre reported that this week, staff would begin testing at the Recycled Water Project. He noted that chemicals had been delivered the previous Thursday, that the equipment representative from Florida was available, and that test runs would occur later this week or early next week. He noted that the project was getting close to water delivery to Stone Tree. Mr. McIntyre stated he would keep the Board apprised, and would have more information to report at the next meeting.

Center Road Tank

Mr. McIntyre reported that the Center Road Tank project was wrapping up. He noted that the inside of the tank walls had been coated, and that work continued on the floor. Additionally, he stated that the exterior had been coated except for the final coat, which would take place this week. Mr. McIntyre stated he would have the project summary and close-out report ready for the Engineering Department's 3rd Quarter Report.

Director Rodoni asked what the final color would be, and Mr. McIntyre responded that it would be foliage green.

Director Fraites asked if the project driveway would be kept the present color and noted that it was very noticeable from the west. Mr. McIntyre responded that it was only the access road, but that concrete coloring would be looked at after the tank work had been completed.

In Memory of Joe Corda

Director Rodoni asked that tonight's meeting be adjourned in memory of local rancher Joe Corda (also grandfather of NMWD employees Joe and Jeff Corda), who had passed away on March 31st. On motion of Director Rodoni, seconded by Director Fraites and unanimously carried, the Board voted to adjourn tonight's meeting in memory of Mr. Corda.

PUBLIC HEARING – NMWD REVISED URBAN WATER MANAGEMENT PLAN 2005 and ADOPT RESOLUTION REQUESTING WATER SUPPLY FROM SONOMA COUNTY WATER AGENCY

Mr. DeGabriele advised the Board that there were two items for the Board to consider during the Public Hearing: (1) the revised Urban Water Management Plan (UWMP), and (2) a resolution to the Sonoma County Water Agency (SCWA) requesting water supply. Mr. DeGabriele reminded the Board that in March 2006, NMWD adopted its own stand-alone UWMP, with information compiled from SCWA's consultant, to submit to the State of California – Department of Water Resources (DWR) in order to be eligible for loan financing. He noted that at the time, SCWA had not yet completed their analysis of available water supply. However, SCWA approved their UWMP in December 2006, and the District also received comments from the DWR at that time. The revised plan incorporates information from SCWA's document and addresses DWR's comments, as well as concluding that the water supply available to NMWD is adequate over the next 20-year period.

Also, staff is asking the Board to adopt a resolution requesting water supply from SCWA. Mr. DeGabriele noted that in 1993, NMWD asked for a 19.9 MGD capacity in pipeline delivery capacity, and an allowance of 14,100 acre-feet annually. He explained that North Marin would now see 13,000 AFA of Russian River supply, the reduction being attributed to two major developments (Bel Marin Keys Unit Five and Bahia) which will now never be developed within NMWD's service territory. Mr. DeGabriele noted that combined, these two projects had proposed 2,250 dwelling units.

Mr. DeGabriele asked that the Board open the Public Hearing, take comments, and then adopt the two proposed resolutions.

Director Petterle opened the Public Hearing and invited comments from the audience. As there were no comments, Director Petterle then closed the Public Hearing.

On motion of Director Schoonover, seconded by Director Rodoni and unanimously carried, the Board adopted Resolution 07-09 entitled "Resolution of the Board of Directors of North Marin Water District Adopting the Revised Urban Water Management Plan 2005."

On motion of Director Schoonover, seconded by Director Baker and unanimously carried, the Board adopted Resolution 07-10 entitled "Resolution of the Board of Directors of North Marin Water District Requesting a Delivery Entitlement of 19.9 MGD Average Day Peak Demand and Annual Allocation of 13,000 Acre Feet from the Sonoma County Water Agency Russian River Water System."

CONSENT CALENDAR

Director Rodoni requested that Item #5 – 75 Laurel Street, Inverness Park – be removed from the Consent Calendar for further discussion.

On the motion of Director Fraites, seconded by Director Rodoni and unanimously carried, the following items were approved on the Consent Calendar:

RESOLUTION RE CONSOLIDATION OF DISTRICT ELECTION

The District had requested consolidation of the November 6, 2007 election, and election services by the County Clerk. The Marin County Registrar of Voters also requested that the District's resolution include language stating that the District is requesting Marin County hold the election for the few Sonoma County voters whom are eligible to vote for the District's Board.

The Board approved Resolution No. 07-12 entitled "Resolution of the Governing Body of the North Marin Water District Proposing an Election be Held in Marin County; Requesting the Board of Supervisors Consolidate with any Other Election Conducted on Said Date, and Requesting Election Services by the Registrar of Voters."

RECORDS MANAGEMENT PROGRAM – DESTRUCTION OF RECORDS

In 2002 the Board approved Resolution 02-20 for Retention of Documents and Destruction of Specified Documents (Policy). The policy states that once a year, on or about April 21st, the documents designated as eligible will be destroyed in an appropriate manner. The lists of files to be eliminated have been reviewed and approved by the (1) Department Head, (2) Records Retention Manager, (3) Auditor-Controller, and (4) General Manager.

The Board approved Resolution 07-13 entitled "Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records."

WATER MANAGEMENT AND TECHNOLOGY EDUCATION CENTER CHARTERING

The District has the opportunity to partner with Marin Community College District, Marin Municipal Water District, California Landscape Contractors Association and the Workforce Investment Board of Marin County to create the Water Management and Technology Education

Center (WaMTEC), which will be a world-class center for the utilization of environmentally sustainable water management tools and technologies. Staff's top priority for chartering WaMTEC will be the offering of training and certification to the landscape industry workforce in the District service areas.

The Board authorized the General Manager to sign the charter for the Water Management and Technology Education Center on behalf of the District.

COOPERATIVE AGREEMENT FOR FUNDING AND ADMINISTRATION OF NMWD WATER CONSERVATION PROGRAMS FY2006/2007 AND FY2007/2008

The subject agreement between Sonoma County Water Agency (SCWA) and the District authorized funding for the FY2006/2007 and FY2007/2008 water conservation program. This year, the District is eligible for \$676,311 in funding from SCWA which will allow the District to fund innovative water conservation programs, including such regional programs as: the Washing Machine Rebate Program, the Water Smart Home Survey Program, and the Commercial and Large Landscape Audit Programs. Funding generated from the Conservation Incentive Rate should cover any additional water conservation expenditures.

The Board authorized the General Manager to execute the Cooperative Agreement with Sonoma County Water Agency for Funding and Administration of the North Marin Water District Water Conservation Program Funded in FY2006/2007, and to execute any future amendments not to exceed \$25,000 in additional funding.

SEND COMPUTER USE POLICY TO SEIU FOR REVIEW

The District has developed a Computer Use Policy to document the rights and responsibilities of employees and the District in using computer equipment. The policy was crafted from policies used by other agencies, revised and reviewed by senior staff, as well as legal counsel, and is now ready to be submitted to SEIU for their review.

The Board authorized staff to forward the proposed Computer Use Policy to SEIU for review.

DISBURSEMENTS

Payroll and accounts payable vouchers totaling \$344,927.98 were approved and authorized for payment.

ACTION CALENDAR

75 LAUREL STREET, INVERNESS PARK

This project is located at 75 Laurel Street in Inverness Park and consists of extending an

existing 6" water main by approximately 115 feet in order to supply water to a proposed 2,432 SF single-family residence, as well as a 720 SF second unit. High-pressure water service to this project is provided by the Inverness Park Tanks. Total water demand is 2 EDU. Sewer service will be provided by an on-site septic system.

Director Rodoni asked for clarification, noting that in the accompanying memo, the total water demand was 2 EDU, even though the 2nd unit was not allocated a full EDU, and stated he felt the agreement should reflect that the 2nd unit was only buying a portion of an EDU. Mr. DeGabriele stated that the procedure is to round up to the nearest EDU for water bank purposes even though the applicant is charged for and entitled to only a fraction (2/9.5) of an EDU.

On motion of Director Rodoni, seconded by Director Schoonover and unanimously carried, the Board approved authorization of this agreement.

USE OF DISTRICT CORP YARD FOR NOVATO SENIOR CITIZENS CLUB 4TH OF JULY PARADE FLOAT CONSTRUCTION AND STORAGE

Mr. DeGabriele reported that Mr. Angelo Caliendo had requested, on behalf of the Novato Senior Citizens Club, use of NMWD's corporation yard to prepare, construct and store a float for the upcoming Novato 4th of July parade. Mr. DeGabriele explained that work would only be conducted during business hours or when arrangements could be made for staff to monitor access to the corporation yard. He noted that staff believes this is a reasonable accommodation for a local community group and that there is room in the corporation yard to provide such space for the community volunteers.

On motion of Director Frites, seconded by Director Rodoni and unanimously carried, the Board approved the Novato Senior Citizens Club using an area of the District's Corporation Yard for assembly and storage of a float for the 2007 Novato Fourth of July Parade.

REQUEST FOR EXEMPTION FROM REGULATION 1.C., INCREASE CONNECTION FEES – 10003, 5 STATE HWY 1, FARM HOUSE, OLEMA (HARRIMAN)

Director Schoonover asked that this item be moved up to be discussed immediately after Open Time and there were no objections from the remaining Board members.

Mr. McIntyre introduced Mr. Jeff Harriman, owner of the Olema Farmhouse. Mr. Harriman thanked the Board for the opportunity to speak, and explained that he and his wife were recent owners of the Farmhouse and were lifelong residents of West Marin. He stated that since the time they had owned the Farmhouse, they had spent a great deal of money improving the building, making water-saving improvements to the bathrooms, as well as the remainder of the structure. He

stated he felt like he was being “singled out” for the increase in connection fees and felt he wasn’t being treated fairly.

Mr. McIntyre explained that historically, when the District has received notification from the County through the process of legalizing an existing operation or any changes thereto, staff uses that opportunity to review the historical water usage, and noted that District Regulation 1.c. authorizes collecting additional FRCs when water use exceeds historical entitlement. It had been identified that the Farmhouse showed a noticeable increase of two EDUs over the historical water use. Mr. McIntyre further stated that recent water consumption records for the Farmhouse showed a ten-year running average of 9.2 EDUs, versus the baseline entitlement of 7.5 EDUs.

Mr. Harriman asked how long this policy had been in place, and Mr. DeGabriele replied that it was in place when he started with the District sixteen years earlier.

On motion of Director Rodoni, seconded by Director Fraites and carried by the following vote, the Board denied Mr. Harriman’s request for exemption for Regulation 1(c):

AYES: Directors Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSTAIN: Director Baker

ABSENT: None

RETIREE HEALTH CARE ACTUARIAL VALUATION REPORT

Mr. Bentley reported that the District had requested and received an actuarial valuation of its retiree health care liability, prepared by a certified actuary (Demsey Filiger and Associates of Chatsworth, California). He noted that GASB 45 requires each government agency to calculate and disclose its retiree health care liability in its financial statements.

Mr. Bentley noted that Filliger calculated the District’s actuarial liability at \$3.3M. In August 2003, the Board had authorized \$2.55M to be designated as a reserve fund for retiree health care benefits. As of February 27, 2007, after deducting retiree health care benefits paid and adding interest revenue earned during the last 42 months, \$2.2M remains in that designated reserve fund, leaving a \$1.1M gap. The next step for the District is to determine how to fund that \$1.1M gap between the liability and existing reserves.

On motion of Director Schoonover, seconded by Director Fraites and unanimously carried, the Board accepted the Actuarial Report prepared by Filliger and Associates.

PURCHASE ORDER FOR POTASSIUM PERMANGANATE CONTACT TANK (POINT REYES)

TREATMENT PLANT)

Mr. McIntyre reported that in FY06/07, the District had budgeted \$70K to add a potassium permanganate contact tank to the chemical feed lines at the Pt. Reyes Treatment Plant (PRTP) pursuant to the PRTP Upgrade Study, completed in July 2005. The contact tank will provide additional contact time between pumped well water and the potassium permanganate, which would in turn ensure more effective removal of iron and manganese. Mr. McIntyre noted that fifteen minutes of detention time could be achieved with an 8' x 15' tank, but only when operating one pump (approximately 300 gpm); however, only ten minutes of detention time would be achieved when both pumps are being used. Mr. McIntyre explained that the original cost had been budgeted at \$70K, but was now estimated at \$90K, and stated that the reason for the increase was that the original quote was over one year old, and that over time, the cost had increased by \$10K, and it became appropriate to purchase a larger, 10' x 15' tank to achieve optimal contact time.

Director Schoonover questioned what would account for the difference in price. Mr. McIntyre responded that each company had offered their quotes based on the same tank specifications, and surmised that perhaps there were differences between vendors selling another manufacturer's products versus purchasing directly from the manufacturer (LoPrest).

Director Schoonover asked if the District had dealt previously with the manufacturer, and Mr. McIntyre replied that the District had. He also stated that staff was predicting the tank would be shipped around the end of the fiscal year, with installation to take place during the beginning of the next fiscal year. He noted that this was a carryover project from FY06/07, but with the approval, staff could get the bulk of work moving forward.

Director Rodoni asked if the site were changed, could the tank be moved. Mr. McIntyre responded that it could be moved, but with great difficulty.

On motion of Director Rodoni, seconded by Director Schoonover and unanimously carried, the Board authorized the General Manager to execute a purchase order to LoPrest for a not-to-exceed amount of \$46,795 (includes \$2,000 contingency) to purchase a 10 ft. diameter by 15 ft. long pressurized contact tank.

MOU BETWEEN NMWD AND NOVATO SANITARY DISTRICT FOR JOINT PARTICIPATION IN THE NORTH BAY WATER REUSE AUTHORITY

Mr. DeGabriele reported that the previous Thursday, the Ad Hoc Recycled Water Subcommittee between NMWD and NSD had met to review the subject MOU and both agencies had agreed to bring it before their respective Board of Directors. Mr. DeGabriele commented that while the District's share was projected to be \$64,500 (up from the FY06/07 estimated \$54,000), he

didn't feel the end cost would be that much. He noted that while the MOU itself was brief, it did identify cost sharing, reporting for action items, participation in NBWRA meetings and termination of the MOU.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried, the Board approved the Memorandum of Understanding between NMWD and NSD for joint participation in the North Bay Water Reuse Authority.

INFORMATION ITEMS

TAC AND WAC MEETINGS – APRIL 2, 2007

Mr. DeGabriele reported briefly on yesterday's TAC / WAC meetings. He noted that the meetings focused on the schedule for the Water Project EIR as well as the WAC's resolution to be presented to SCWA's Board of Directors at an April 10th workshop. Mr. DeGabriele noted that the resolution essentially restates its previous communication between the WAC and SCWA, and identifies WAC's highest priority to be completion of the Water Project EIR. Further, the WAC agreed to work with SCWA to develop a strategy to include participation by elected representatives of the water contractors in the public hearing process for the EIR.

MISCELLANEOUS

The Board received the following miscellaneous information: Review of Scheduled Agenda Items; Email Re SWRCB Decision on IRWMP Grants; Letter to Editor of Press Democrat from NMWD General Manager; ACWA Region 1 Tour; Pioneer Park Gazebo Donation Request Flyer; ACWA Letter Re *California's Water Series*; DeLano Market – Re-Open USPS Pay Station; and Scrap Metal Receipts. The Board also received the following news articles: Judge Jolts State's Water Delivery Operation (3/24); Dry Creek Wastewater Pack Nullified by Court Order (3/22); and Massive Water Plan Posed (3/21).

ADJOURNMENT

President Petterle adjourned the meeting at 8:42 p.m. in memory of Joe Corda.

Submitted by

Sue Kessler
Acting District Secretary