

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 7, 2009**

CALL TO ORDER

President Rodoni 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, Steve Petterle, Rick Fraites and John Schoonover. Also present were Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre (Acting General Manager). General Manager Chris DeGabriele was absent.

Novato customer, Bob Koch, Tim Omarzu (Novato Advance) and District employees Robert Clark (Operations / Maintenance Superintendent), and Doug Moore (Construction / Maintenance Superintendent) were in the audience.

MINUTES

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

OPEN TIME

President Rodoni asked if anyone in the audience wished to bring up an item not on the agenda and the following item was discussed:

District customer, Bob Koch, Santolina Drive, Novato, addressed the Board to voice his concerns about the proposed mandatory water use restrictions and that the restrictions not be based on previous household water use. He said that his family practices water conservation and he felt restrictions should be based on typical single family usage rather than individual usage as people who do not conserve water will have a higher allotment of water. He suggested that the price of water should be raised to encourage conservation.

STAFF / DIRECTORS' REPORTS

President Rodoni asked if staff or Directors wished to bring up an item not on the agenda and the following items were discussed:

District Logo

Ms. Roberts advised the Board that the logo project has been finalized, that a local printer has been engaged to print new stationery, and that the new logo will be introduced soon on District clothing, vehicles and signage.

Lynwood Tank Vandalism

Mr. Bentley reported that there was vandalism at the Lynwood Tank and that a police report was filed. Mr. Clark added that equipment was damaged and that the mobile cameras have been moved to the site.

Senate Bill 113

Mr. Bentley informed the Board that a letter supporting Senate Bill 113, Local Government Omnibus Act of 2009, amending Water Code Section 376, allowing a local agency to publish a summary of the revisions to its water conservation regulation instead of the regulation in its entirety in local newspapers, was mailed to Senator Wiggins, Chair of the Senate Local Government Committee.

Cal-Nevada AWWA Conference

Mr. Clark advised that he and Brad Stompe attended the spring Cal-Nevada AWWA Conference in Santa Clara and that Mr. Stompe was awarded the Distribution Operator of the Year for a medium-sized water district.

Novato Democratic Club

Director Fraites reported that he presented an overview of the Water District to the Novato Democratic Club. He announced that April 25th is Novato Clean and Green Day.

Brad Stompe

Director Baker noted that Brad Stompe was named the Commercial Fisherman on the County Wildlife Commission.

Recycled Water Facility

Mr. Clark announced that the District recently took over the operation of the Recycled Water Facility and it will start up this week.

CONSENT CALENDAR

On the motion of Director Petterle, seconded by Director Fraites and unanimously carried the following items were approved on the consent calendar:

RECORDS RETENTION PROGRAM – DESTRUCTION OF RECORDS

The Board approved Resolution 09-13 entitled, “Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records.”

RESOLUTION RE CONSOLIDATION OF DISTRICT ELECTION & FILING INFORMATION

The Board approved Resolution 09-14 entitled, "Resolution of the Governing Body of the North Marin Water District" requesting the Marin County Board of Supervisors to consolidate the election with any other election conducted on November 3, 2009 and requesting election services by the Registrar of Voters. The resolution also contains language stating that the District is requesting that Marin County hold the election for the few Sonoma County voters eligible to vote for the District's Board. Directors Fraites and Schoonover's terms will end in 2009.

REVISED VEHICLES TAKEN HOME POLICY

The Board approved the revised Vehicles Taken Home Policy to address use of vehicles by field personnel during lunch periods and authorizes the Operations/Maintenance Superintendent to take a vehicle home.

TEXT FOR WEST MARIN WATER LINE, VOLUME 7, ISSUE 7

The Board authorized the Acting General Manager to approve text and design of the West Marin *Water Line*, Volume 7, Issue 7.

ACTION CALENDAR

APPROVE –LETTER TO CUSTOMERS NOTICE OF 2009 WATER USE RESTRICTIONS AND PROPOSED RATE INCREASE

Mr. McIntyre presented the letter to customers re Notice of 2009 Water Use Restrictions and Proposed Rate Increase that was revised pursuant to comments received from District Directors and the Sonoma County Water Agency (SCWA). He said that the Water Advisory Committee, at its meeting held on April 6, identified some improvement in the reduced water allocation proposed by SCWA. However, this potential change in allocation for FY 2009/10 did not have any appreciable impact on the overall SCWA budget; therefore, the proposed Novato water rate increase remained at 25%. Mr. McIntyre informed the Board that it is necessary to mail the letter to all customers prior to April 11 to comply with Prop 218 and advised that he had received comments on the letter from Director Baker.

Director Petterle stated that he was concerned that the rate increase is not mentioned until the second page; and he suggested that since the rate increase is so significant, it should be addressed in the beginning of the letter.

After a discussion, the Board concurred to amend the letter whereby the proposed rate increase information will appear on the first page and the subject line will read in bold font, "Proposed 25% Rate Increase and 2009 Water Use Restrictions".

On motion of Director Petterle and seconded by Director Baker, the Board unanimously authorized the General Manager to send the proposed letter to all District customers in an individual envelope as amended.

CONSIDER - PROPOSED INCREASE IN WEST MARIN WATER CONNECTION FEES

Mr. Bentley stated that the last time connection fees for West Marin Water and Oceana Marin Sewer were increased was in 2006 and that due to the reduction in the rate of anticipated growth, substantial increases are proposed for FY 2009/10. He said that the proposed connection fee for West Marin Water is \$22,800 (a 140% increase) and for Oceana Marin Sewer \$15,200 (a 69% increase). Mr. Bentley said that for West Marin Water a more realistic projection of five connections per year was forecasted and that other costs, including the debt that West Marin Water owes to Novato Water factored into the proposed increase. He said that 25% of Improvement Project costs are attributed to new development; and, therefore, new development will pay for 25% of the debt incurred to construct the projects. Mr. Bentley said that the costs and projected growth was updated for Oceana Marin Sewer and that 75% of the proposed increase is to fund a pipeline replacement project that runs cross country in four areas of the subdivision.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously authorized staff to notice the public that connection fee increases are proposed and will be considered for adoption by the Board at the July 7, 2009 public hearing scheduled to be held in Point Reyes Station.

CONSIDER - WEST MARIN WATER TIER RATE THRESHOLD

Mr. Bentley stated that at the last meeting, staff presented the Board with proposed changes to the West Marin Water System rates, charges and rate structure and that Director Rodoni opined that the proposed tier rate of 300 gallons per day was too low and requested staff to return with additional information. Mr. Bentley reviewed staff's analysis comparing a tier rate of 300 gallons per day with 400 gallons per day. He said that although less revenue would be generated at the 400 gallon per day tier rate (approximately \$6,000), staff's objective is to encourage water conservation.

On motion of Director Petterle and seconded by Director Fraites, the Board unanimously approved setting the threshold at 400 gallons per day as an additional tier for West Marin Water System.

INFORMATION ITEMS

STATE WATER RESOURCES CONTROL BOARD LICENSE 4324B REPORT

Mr. McIntyre presented a comparison report showing minimum flows measured in Lagunitas Creek at the USGS Park gauge and at the District diversions at Point Reyes Treatment Plant for the period of May 1 through November 1. He stated that this report is a requirement related to the District's Water Right License 4324B and is only in effect during dry years. He said that the report summarizes the creek flow during that period and it shows 12 days that stream flows measured at the Park gauge below the requirement of eight cubic feet per second compared to 38 days last year. He further stated that there were only three days this year compared to seven days last year where diversions exceeded the water right of .67cfs. Even though this is not a dry year, this is an indication of how many days the District would have exceeded the amount as permitted in the water right license.

NORTH BAY WATER REUSE AUTHORITY UPDATE

Mr. McIntyre stated that President Obama executed the Federal Omnibus Public Lands Management bill which authorizes up to \$25M to be applied to the cost of design and construction of North Bay Water Reuse Authority's Phase 1 projects which include the North, South and Central Novato Service Areas. He advised that this bill authorizes the appropriation of funds and is an important first step. He said the District currently has an interagency agreement with Novato Sanitary District and Las Gallinas Valley Sanitary District that continues through the environmental clearance phase which should be completed by the end of summer 2009. He advised that there needs to be a discussion with members of the North Bay Water Reuse Authority (NBWRA) about continuing on with NBWRA participation to secure additional funds at the state and federal level. Mr. McIntyre said that a Recycled Water Sub-Committee meeting is scheduled for April 8 with Directors Baker and Schoonover and representatives from Novato Sanitary and Las Gallinas for the purpose of reviewing options for a path forward with participation in NBWRA. He said that the program manager for the NBWRA identified a three-year schedule with different levels of funding and the most robust funding included significant expenditures for the District - approximately \$100,000 per year. He stated that he and the General Manager are concerned about continuing costs and that there are ongoing discussions on the District's future participation level with NBWRA. Mr. McIntyre said he will keep the Board apprised.

Mr. McIntyre also updated the Board on the bill insert to all customers regarding the Phase 1 recycled water project and that the bill insert letter should reach all customers by the end of this month. He said another letter will be mailed to potential recycled water use customers and stakeholders after the release of the Draft Environmental Impact Report. Mr. McIntyre also advised that at the sub-committee meeting, participants will discuss revisions to the NMWD/NSD

Interagency Agreement for Recycled Water addressing NMWD operation of the facility and that a revised agreement will be brought back to both boards for consideration.

Director Fraites expressed his concern that recycled water be used for existing agriculture use and not for expansion of vineyards.

Mr. McIntyre said that funding for the District's Phase 1 projects are not related to agriculture but directly offset North Marin's potable water supply.

WATER EDUCATION FOUNDATION – WATER 2009

Director Fraites stated that he attended the Water Education Foundation – Water 2009 Executive Briefing in March wherein he received a plethora of information on the future of California's water. He said that the information focused on the agricultural needs of the Central Valley and the Los Angeles basin and that 85% of the state's water is conveyed to these regions.

WAC TAC MEETING - APRIL 6, 2009

Mr. McIntyre reported on the special Water Advisory Committee meeting held on April 6; a continuation of the Water Advisory Committee meeting that was held on March 2, wherein the proposed annual deliveries was not approved by a majority of WAC members. He advised that discussions were held during the month with Chris DeGabriele, other Technical Advisory Committee members and Sonoma County Water Agency (SCWA) staff to determine if an allocation in excess of 52,000 acre feet was possible; and as a result of those discussions, SCWA presented a new total FY 2009/10 allocation of 54,591 acre feet. He said the increase (5%) was not enough to have a substantial impact on the rate; therefore, the rate increase of 25% remains the same. The allocation was unanimously approved by WAC members.

Mr. McIntyre stated that at Monday's meeting, it was reported that Randy Poole will meet with the State Water Resources Control Board (SWRCB) for filing a Temporary Urgency Change Petition and that a state order would be expected in late April or early May. He stated that it was later learned that SCWA filed the request for the Temporary Urgency Change Petition on Monday, April 6 and the order was received from SWRCB via email at 4 p.m. today, April 7. He said that the quick turnaround is good news from an instream flow reduction perspective to keep water in Lake Mendocino over the summer months. He said that it is doubtful SCWA will declare a Stage 2 level water emergency and that staff may need to come back to the Board to modify the Emergency Water Conservation Ordinance.

Mr. McIntyre stated that SCWA's wholesale rate increase to the District for FY 2009/10 is still 25%. The budget was approved unanimously by WAC members.

Director Rodoni stated that there is zero money in the budget allocated to respond to comments to the Water Project Draft Environmental Impact Report. Mr. McIntyre said SCWA was under pressure to release the document, but the Agency is not endorsing the project, nor allocating any money for its implementation. He said that it is important to note that with the reduction in water sales, the Agency is also cutting back in other areas of the budget including maintenance of facilities. Contractors are aware of the budget cuts and realize that SCWA cannot operate under such an austere budget over the long run without jeopardizing system reliability.

Mr. McIntyre stated that members of the WAC and TAC have requested regular updates on meeting the requirements of the Biological Opinion.

NORTH BAY WATERSHED ASSOCIATION – APRIL 3, 2009

Director Fraites provided a summary of the North Bay Watershed Association meeting held on April 3, 2009.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Countywide Water Infrastructure Summit, Response to customer letter, Marin County Local Coastal Program Update – Response Letter, Result of LAFCO Election by Ballot, SCWA Press Release: Carbon World Conference Praises Water Agency for Greenhouse Gas Reduction Research.

The Board also received the following news articles: Supervisors protest water-diversion ban, Fixing Marin's aging sewers, Rain not helping Novato's water source, County salutes environmentalist for her long service, Salmon must top state's water agenda, Snowpack's water content lags, Hopes high for new salmon species.

ADJOURNMENT

President Rodoni adjourned the meeting at 8:46 p.m.

Submitted by

Renee Roberts
District Secretary