

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 7, 2006**

CALL TO ORDER

President Schoonover 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, Steve Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

District employees Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent), and Robert Clark (Facilities Maintenance Superintendent), Mr. And Mrs. Skip Sussman, and Ed Grundstrom were in the audience.

CLOSED SESSION

Mr. DeGabriele announced that the closed session scheduled for tonight's meeting has been cancelled and will be rescheduled at a later date.

MINUTES

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

GENERAL MANAGER'S REPORT

North Bay Water Reuse Authority

Mr. DeGabriele advised the Board that he met with Harry Seraydarian who was interviewing member agencies of the North Bay Water Reuse Authority (NBWRA) for the purpose of developing a workshop to discuss what the government structure of the project would be and what the objectives are. He reminded the Board that the Novato Sanitary District (NSD) is the member agency of the NBWRA and that the District is assisting NSD in funding their participation. He said that he related to Mr. Seraydarian that the District's focus is developing local recycled water projects and that the District's participation will enable NBWRA to cost effectively complete environmental review for the local projects. Mr. DeGabriele said that he would keep the Board apprised and that the Board and the Recycled Water Sub-Committee would have the opportunity to participate in the workshop which will be scheduled sometime after the first of the year.

Novato Creek Watershed Survey

Mr. DeGabriele advised that he will be meeting this week with Liz Lewis of the County of Marin to discuss the scope of the Novato Creek Watershed Survey. He said that this project is funded by the Regional Board through a fine the Novato Sanitary District paid for a discharge violation.

Environmental Forum

The General Manager stated that he will be at the Environmental Forum next Tuesday and will talk about the District's water conservation efforts.

WaterLine

Mr. DeGabriele told the Board that the *WaterLine* newsletter has been mailed and customers will receive them this week.

OPEN TIME

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

Stafford Treatment Plant Security Enhancement Project

Robert Clark advised that bids for the Stafford Lake Water Treatment Security Enhancement Project have been received and are being evaluated. He said that he will make a presentation to the Board at the next meeting.

CONSENT CALENDAR

On motion of Director Petterle and seconded by Director Baker, the Board unanimously approved the following items on the Consent Calendar:

CITY CORP YARD

Proposed improvements to the City of Novato's 1.47 acre Corporation Yard includes removal of older structures and construction of an administration building, storage building and equipment parking building. New water facilities include 375 feet of 8-inch pipe, 4-inch fire service and one commercial fire hydrant and the additional water demand associated with the facility upgrade can be served by the existing one and one-half inch meter.

The Board approved Resolution 06-48 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with the City of Novato."

NATIVE PLANT REBATE PILOT PROGRAM

The Native Plant Rebate Pilot Program is aimed at attracting up to six Novato customers to participate in the District's Cash for Grass program for the purpose of bringing awareness of planting low water use native plants to create attractive landscapes.

OUTSIDE AUDITOR'S REPORT

The Board accepted Porter & Company's Outside Auditor's FY 05/06 Financial Report and Management Letter.

DISTRICT POLICY NO. 27 PUBLIC ACCESS TO STAFFORD LAKE SHORELINE

The Board adopted the revised Policy No. 27, Clarifying the Lease Agreement with Indian Valley Golf Course (IVGC) Regarding Public Access to Stafford Lake Shoreline Adjacent to IVGC.

DISBURSEMENTS

The Board authorized payroll and accounts payable vouchers totaling \$877,416.88 and estimated overheaded payroll for November of \$263,000 for payment.

ACTION CALENDAR

CONSIDER: ADDITIONAL BILL ADJUSTMENT – SUSSMAN

Mr. Bentley advised the Board that Mr. Skip Sussman, 25 Miwok Drive, is in attendance to request an additional bill adjustment. He stated that Mr. Sussman has had a leak for five years on his property and has gone through extreme measures to locate the leak. Mr. Bentley proposed three options for Board consideration: no further adjustment; a further credit of \$1,356 which is the amount of the Conservation Incentive Rate charge levied on his account since inception of the CIR (less the full CIR credit allowed on the adjustment previously given); or a further credit of \$3,283 based on the difference between the actual charge levied back to November 2000 when Mr. Sussman purchased the property, and the charge that would have been levied based upon the "normal" consumption registered over the past year. Mr. Bentley introduced Mr. Sussman who then addressed the Board.

Mr. Sussman stated that this was an extraordinary leak that even the pros could not find. He said that Water District staff spent 3 full days attempting to locate the leak and that he also hired a leak detection service, all to no avail. He said that through the course of trying to locate the source of the leak, their yard was dug up in numerous places and they were incurring costs from the plumber, the leak detection service as well as the additional Conservation Incentive Rate (CIR) levied against them for high usage. He said eventually, a new water line was installed and the source of the leak was finally discovered when the original line was replaced. It was determined at that time that the original contractor failed to glue the joints of the service line when the pipes were

originally installed. Mr. Sussman told the Board that he is not a water waster and has taken extraordinary measures to locate the leak and have it repaired.

Board members asked staff and Mr. Sussman to clarify the situation. Mr. Sussman stated that he is requesting that the CIR penalty be credited as they did all that could have been done to locate and repair the leak.

Director Petterle stated that this is a special circumstance and he made a motion that the Board adopt Option 2, a further credit of \$1,356 which is the amount of the Conservation Incentive Rate charge levied on Mr. Sussman's account since inception of the CIR (less the full CIR credit allowed on the adjustment previously given. The motion was seconded by Director Fraites and was unanimously approved by the Board.

Mr. and Ms. Sussman thanked the Board and left the meeting.

RENEW AGREEMENT FOR BILL PRINT SERVICES

Mr. Bentley informed the Board that InfoSend has been printing and mailing the District's water and sewer bill for the past two years and that the District has been very pleased with their service. He said that the new agreement is for three years and includes an increase of 3% and that this cost will be held for the three-year period ending in 2009.

On motion of Director Baker and seconded by Director Rodoni, the Board unanimously authorized the Auditor-Controller to enter into an agreement with InfoSend to provide document processing services for a three-year period commencing January 1, 2007.

ACCEPT: PUBLIC OUTREACH RECOMMENDATIONS

Mr. DeGabriele presented the recommendations from Ogilvy Public Relations for the District's Customer Outreach Plan. He stated that Ogilvy conducted polling, developed messages and tested those messages to assist the District with conveying the water supply situation and the proposed tier rate to its customers. He said that the recommendations offered by Ogilvy cost less than \$10,000 and include reaching out to news media, placing paid aids in the Marin Independent Journal and the Novato Advance; develop collateral material as bill stuffers and hand-outs, making community presentations and develop partnerships with local businesses. He stated that District staff will implement some of these recommendations and will bring these recommendations before the Board for approval as necessary. He stated that several activities are underway; the *WaterLine* newsletter has been released to customers and District staff will be guests on the Soroptimist Novato Public Access Television "Sounding Board" and will discuss water supply, water

conservation and the proposed tier rate, and the public hearing notice will be published next week in the Marin Independent Journal and the Novato Advance.

Ed Grundstrom addressed the Board and said that he felt that \$10,000 was too much to spend on a “campaign” to get customers to conserve water. He stated that tier rate structure was too heavy handed in getting customers to conserve, and that the tier rate structure will not motivate people to conserve and that a softer approach would be more effective.

Mr. DeGabriele stated that it was important to continue outreach to the District’s customers and that these are recommendations by Ogilvy with estimated costs and that the District will not necessarily spend that amount as most of the recommendations will be implemented by District staff.

On motion of Director Petterle and seconded by Director Fraites, the Board unanimously accepted the recommendations from Ogilvy Public Relations for District Public Outreach Plan with the understanding that staff will request Board approval of paid advertising before they are implemented by staff.

INFORMATION ITEMS

QUARTERLY PROGRESS REPORT – ENGINEERING

Mr. McIntyre reported on the status of the engineering department’s first quarter projects and stated that he is not predicting any increase in the budget throughout the fiscal year. He stated that in Novato major projects are the Center Road Tank and the Recycled Water Facility and that the Board has recently heard special progress reports on these projects in October. He stated that the City’s Measure B paving projects has necessitated the District include two new projects in its schedule: Clayton Avenue Main Repair/Replacement and Simmons Court Main Upsize. Mr. McIntyre informed the Board that the Stafford Water Treatment Plant Rehabilitation project has been closed out, and a new job number has been added to track the Stafford Treatment Plant start-up costs.

Mr. McIntyre reported that actual completion of West Marin projects lagged planned progress due to delays in Upgrade of Inverness Park Pump Station and the Pt. Reyes Treatment Plant Chemical Feed line Repair and Replacement projects, but the majority of West Marin projects are projected to be completed within original budget costs.

QUARTERLY PROGRESS REPORT – MAINTENANCE

Mr. Clark stated that the Maintenance Department’s projects are proceeding as planned and that no injuries were reported this quarter. He reported that the District’s facilities’ reliability

was impacted this quarter by a power failure at the Trumbull Tank facility when PG&E service was lost for five days. He said that he has discussed this unsatisfactory situation with the PG&E account manager and was assured that there will be a better response in the future. Mr. Clark said that among the special projects, a design / build RFP for the Solar Energy Field for Stafford Treatment Plant is being developed, and software procurement to provide assistance in the Board approved Energy Efficiency/Green House Gas Emissions program is underway.

Mr. Clark stated that bids for the Stafford Lake Water Treatment Plant Security project are being reviewed and that the bids came in two times higher than the engineer's estimate, and that he will update the Board at the next meeting on why costs are so high. He also stated that the City's Measure B project has impacted the department more than anticipated and that he will be working with the City to better forecast their needs so that Maintenance projects can be kept on track. Mr. Clark advised that Joe Cilia has been working with the Marin Sonoma Weed Management Area to help develop a best management practice weed abatement program, and the new cross connection software is providing better customer notification.

BILL STUFFER FOR WINTER 2006/2007

Mr. DeGabriele presented the annual freeze alert bill stuffer that will be included in customers' bills for the purpose of reminding customers of the District's Freeze Alert Program and also to help customer identify the location of their home water valve.

DUTRA HAYSTACK LANDING ASPHALT FACILITY

Mr. McIntyre apprised the Board of the continuing communication with The Dutra Group regarding their request for expansion of their water service. He said the District has recently become aware of unauthorized water service to dwellings on adjacent parcels that are receiving water from service assigned to Dutra's parcel. He said that in 1966, unbeknownst to the District, the two adjacent parcels were connected to the meter on Dutra's parcel. He said that the District is contacting the county for their confirmation that the parcels are legal and can be served by the District in accordance with District regulations.

Director Rodoni questioned if the District is obligated to serve the other two parcels and that by doing so may encourage other property owners in the S. Petaluma Blvd. area to request service from the District. He said that the City of Petaluma should be serving these parcels which are outside of the District territory.

Mr. DeGabriele said that the District has discussed this with the City of Petaluma but has been unsuccessful and will try to go through LAFCo to require Petaluma to serve these parcels.

NBWA MEETING – NOVEMBER 3, 2006

Mr. DeGabriele reported that he was unable to attend the North Bay Watershed Association meeting and that he has attached the agenda and back-up material for the Board's information.

WAC MEETING – NOVEMBER 6, 2006

Mr. DeGabriele reviewed the WAC meeting of November 6, 2006 and stated that Sonoma County Water Agency made a presentation to the WAC on the Water Policy Update and that the contractors agreed to share the policy documents with their elected officials and that he will bring this to the Board for their input. He stated that he felt after an initial review of the policy, that there are too many priorities and that the Agency should focus on three areas: fulfill contractual water supply obligations, reliability of the water transmission system, and protecting salmonids. Mr. DeGabriele also apprised the Board that the Agency is waiting for the biological opinion from NOAA Fisheries and summarized the discussion regarding the Dry Creek Pipeline.

TAC MEETING – NOVEMBER 6, 2006

Mr. DeGabriele provided an update of the November Technical Advisory Committee. He also reported that he had been elected Chair of the TAC at the October 2 meeting.

MISCELLANEOUS

The Board received the following miscellaneous items: Press Release – Soroptimist Sounding Board – “Novato Water – It’s Worth Saving”, Donation Acknowledgement from Novato Fire Foundation, Golden Egg Omelet House Water Service Agreement & EDU Entitlement Update, Bacteriological Quality Monitoring Report, Automatic Payment Service/Email Bill Update, PG&E Response to Resource Agency Letter Re Operating Rule Compliance, SCWA Letter to Waste Management Re Redwood Landfill, SCWA Letter to City of Ukiah Re: Water Right Petitions, 2007 Health Insurance Contribution.

The Board also received the following news articles: Water, Sewer Rates to Increase (10/18), Water District Shows Off New Treatment Plant (10/30), The Public is Invited! (11/1).

ADJOURNMENT

President Schoonover adjourned the meeting at 9:20 p.m.

Submitted by

Renee Roberts
District Secretary