

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 17, 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 General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

District employees Robert Clark (Operations/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor), and Ryan Grisso (Water Conservation Coordinator) were in the audience.

MINUTES

On motion of Director Baker, seconded by Director Schoonover, the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Petterle

ABSENT: None

GENERAL MANAGER'S REPORT

Mr. DeGabriele informed the Board that last Friday, he met with Assembly Member Jared Huffman and took that opportunity to thank him for his support of the North Bay Water Reuse Authority project and congratulated him on the passage of the Water Bond. He said that he let Mr. Huffman know that meeting the water conservation requirements included as part of that legislation will be a challenge for the District and state financial support will be needed to develop additional recycled water in Novato.

OPEN TIME:

President Rodoni asked if anyone in the audience wished to bring up an item not on the agenda and there was no response.

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:

Recycled Water Project

Mr. McIntyre reported that the first payment of the Recycled Water Project state grant in the amount of \$180,000 has been processed and should be received in early December. He said this is partial payment of the \$240,000 grant that the District was awarded.

Novato Fire Protection District

Director Baker stated that on December 1st, the Novato Fire Protection District will be hosting a Chamber of Commerce mixer to celebrate the NFPD's International Accreditation Award and that he is planning to attend.

MONTHLY PROGRESS REPORT

Mr. DeGabriele reported on the Progress Report for October and stated that both Novato and West Marin water production is down significantly from last October which he attributed to the call for water conservation and cooler October temperatures. Stafford Treatment Plant production is on par for past Octobers, the plant has now been shut down for the season and the Treatment Plant crew will begin their maintenance activities during this time. He stated that recycled water production is down from a year ago but about the same as two years ago.

Mr. DeGabriele advised that the Oceana Marin effluent flow volume is about the same as last year (15,000 gallons per day) despite the rainfall this year. He said this is an indication that there is not significant inflow from manholes. He reported that the treatment and storage ponds are at safe levels.

The Manager reported that in Safety/Liability, staff has worked 242 days without lost time accident or injury through the end of October. He said that there is a 31% decrease in complaints for the same period as last year and even with numerous taste and odor complaints, overall complaints are down 19% compared to a year ago.

Mr. Bentley stated that at the end of October, the District portfolio had a cash balance of approximately \$9.5 million, including \$1.5 million from connection fees recently paid by Biomarin; the cash balance increased \$2.2 million during the month of October, and the weighted average portfolio rate for the month is 1.37%.

CONSENT CALENDAR

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

RENEW AGREEMENT WITH INFOSEND FOR BILL PRINT AND MAILING SERVICES

InfoSend prints and mails 141,000 water and sewer bills for the District annually and has agreed to maintain the existing charge of 13.1¢ per bill through December 2012. The Board authorized the Auditor-Controller to renew the agreement with InfoSend to provide document processing services for a three-year period commencing January 1, 2010.

VOTE FOR NATIONAL WATER RESOURCES ASSOCIATION (NWRA) CALIFORNIA CAUCUS POSITIONS

The Board authorized the General Manager to submit the District vote for current incumbents (Breninger, Libeu, Clark and Mathews) as well as Larry Russell for the National Water Resources Association California Caucus positions.

ACTION CALENDAR

DENY: REQUEST FOR ADDITIONAL BILL ADJUSTMENT

Mr. Bentley presented a customer's letter to the Board requesting the full adjustment on his water bill because the stated water use was out of line with his normal use. Mr. Bentley said that staff investigated and found a minor leak in the irrigation system which has been fixed.

It was the consensus of the Board to not take action. The consumer will receive the normal credit amount authorized under the Bill Adjustment Policy.

CONSIDER: CITY OF NOVATO 50TH ANNIVERSARY CELEBRATION

Mr. DeGabriele stated that the District has been asked to consider a contribution to sponsor the City of Novato's 50th Anniversary Celebration. He said that he reviewed past District contributions and noted that District contributions were few and most were for water-related purposes. He presented options for the Board to consider and advised that there is no money in the budget for this contribution.

Director Schoonover stated that this is a Chamber of Commerce activity and that the District should not contribute. Mr. DeGabriele stated that this is not a Chamber activity but a combination City of Novato and Paint the Town Red Committee event.

Director Fraites asked who is the Paint the Town Red Committee? Mr. DeGabriele said that the Paint the Town Red Committee sponsors annual City of Novato birthday celebrations and that this year, the committee has combined with the City of Novato to hold the 50th Anniversary

Celebration activities on the same day. The City's event will be held during the day, and the Paint the Town Red Committee's event will be in the evening and will include the naming of the Citizen of the Year. Director Schoonover added that the Citizen of the Year is oftentimes a member of the Chamber.

Director Baker moved that the District contribute at the "Community Friend" level in the amount of \$500.

Director Petterle seconded the motion.

Director Rodoni offered that instead of being a "Community Friend", the District purchase ten tickets for the same amount and share the tickets with staff or Board members.

After a brief discussion, the Board approved a contribution of \$500 to the Paint the Town Red Committee as a "Community Friend" by the following vote:

AYES: Directors Baker, Petterle, Rodoni

NOES: Directors Fraites, Schoonover

ABSTAIN: None

ABSENT: None

APPROVE: SET PUBLIC HEARING – REGULATION 15 & 17 REVISION

Mr. Grisso stated that he is requesting the Board set a public hearing for the revision of Water Conservation Regulations 15 and 17 for December 1, 2009 at 8:00 p.m. He summarized the revisions to the regulations that reflect the addition of a landscape water efficiency requirement section to comply with the current state law. He said that AB 1881 directed the Department of Water Resources to update the State's Model Landscape Ordinance but allows local agencies to adopt their own version that equals or exceeds State landscaping requirements to become effective January 1, 2010. Mr. Grisso reported that a working group was formed to create a new Regional Water Efficient Landscape Ordinance for the North Bay region comprised of local cities/agencies, landscapers, environmentalists, etc. He said that although current District regulations would have complied with the State Ordinance, the proposed District regulations are revised to be consistent with the regionally developed specifications. He stated that the District added in exceptions in the landscape specification that addresses turf square footage limitation in residential landscapes and no turf for commercial properties. The other exception was point source of drip irrigation requirement for non-turf areas.

He explained that Section M, Requirement for Installation of Water Conserving Plumbing Fixtures Upon Change of Property Ownership, is proposed to relax the requirement and will allow the buyer to make financial arrangement through title to put in a deposit for the retrofit of water conserving plumbing fixtures. He said that relaxing the seller's responsibility and allowing negotiation between the buyer and seller for the retrofit on resale responsibility is the best direction for compliance.

Director Baker asked for an explanation on how the proposed change differs from the current requirement. Mr. Grisso responded that in the past, when the housing market was robust, it was put upon the seller to comply with the requirements. He explained that the goal is to increase the percentage of compliance and by allowing the buyer to make the financial arrangement will accomplish that.

Director Baker stated that it is still a strong incentive for the seller to comply with the requirement and that he is not persuaded that the proposed change will meet the preferred result.

There was a discussion by the Board.

Director Rodoni commented that the seller is now often an out-of-town bank and that it would be better to deal with someone who is local, such as the buyer. Mr. Grisso agreed that out of town financial institutions and realtors are less likely to comply with the requirement as written.

Director Baker asserted that there is more incentive for the seller to comply and he is not comfortable with shifting the responsibility to the buyer. Mr. Grisso said that the transferor is either the seller or buyer to allow for a smoother transaction.

Mr. Grisso briefly discussed the revised resolutions and said that the Cash for Grass rebate amounts have been deleted from the regulation and moved to the resolution.

The Board approved setting the Public Hearing for December 1, 2009 at 8:00 p.m. to consider approval of proposed changed to Regulations 15 and 17 by the following vote:

AYES: Directors Fraites, Petterle, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Baker

ABSENT: None

INFORMATION ITEMS

QUARTERLY PROGRESS REPORT – WATER QUALITY

Mr. Ramudo stated that there were two significant issues this quarter. He reported that there was an algae bloom (geosmin) that caused District-wide taste and odor complaints of earthy and musty tasting water. He explained that the problem was exacerbated by the reduced deliveries from Sonoma County Water Agency, as water from the Stafford Treatment Plant made up a larger proportion of water distributed throughout the system. Mr. Ramudo further explained that the plant could not be shut down to mitigate the geosmin concentrations in the finished water during this period. He said that once the granular activated carbon (GAC) was replaced, the complaints eventually subsided. Mr. Ramudo advised that they are investigating using hydrogen peroxide as an algacide rather than copper sulfate as copper sulfate requires extra monitoring and reporting to the state.

Mr. Ramudo reported that in the Point Reyes water system, salt water intrusion continues to be a big issue and that the sodium levels this year are worse than past years. He said that the latest sodium level was 110 mg/L. He reported that there was a marked increase in the disinfection by-products this quarter and the higher concentration of bromine in seawater in combination with chlorine causes an increase in brominated Trihalomethanes that exceeded the Maximum Contaminant Level. He said that the District may be able to get help from the state to mitigate the problem and that submitting an application to receive Federal stimulus funding is also being considered. Mr. Ramudo said that despite the salinity problems, water quality in the Point Reyes system is good. Director Rodoni commented that the Gallagher Well and Pipeline Project would be one way to solve the salinity problem and Mr. Ramudo agreed.

QUARTERLY PROGRESS REPORT – MAINTENANCE/OPERATIONS

Mr. Clark provided the quarterly progress report and stated that the treatment plant was in full production this quarter with the staff working 24 hours a day seven days a week and were able to offset the reduction in Sonoma County Water Agency water. He reported that the granular activated carbon filters were replaced to mitigate the taste and odor problems occurring District wide; the sanitary discharge line was flushed resulting in a flow rate capable of keeping up with daily production needs and treatment plant staff met with county health department officials to review the emergency response plan for the chlorine system.

Mr. Clark advised that recycled water production was down this quarter and the golf course did not require as much irrigation this year. He reported that the West Marin production was also down primarily due to cooler weather and water conservation. He stated that the Inverness Park

Tank 2 is on line and reported that the pump in Point Reyes well #2 failed in July and another pump failed two weeks ago and both were replaced. He said that the increase in salinity necessitates a change in the maintenance and that the seals and couplings in the standpipe became corroded as a result of increased salinity. Mr. Clark informed the Board that Oceana Marin is in good shape and identified root intrusions in sewer pipes will be cut and cleaned out to avoid collection system blockages.

Mr. Clark reported on District maintenance and said that only one temporary employee was hired this summer and a portion of the building and grounds maintenance was deferred and the cross connection control period was extended. The electrical/mechanical crew installed a motor control center at the Trumbull Pump Station which allows the time-of-use PG&E scheduling and reduced energy costs. Mr. Clark addressed the severe lightning storm in September and the loss of the SCADA system components resulting in manual operation of the system and \$5,000 in damage.

Mr. Clark advised that private well inspections are being performed by the cross connection control crew and they found approximately 12 abandoned wells have been put back into use by their owner. He advised that the buildings and grounds crew has done a good job clearing brush and small trees by the Stafford Lake spillway as requested by the state dam inspector.

DRAFT ANNUAL REPORT

Mr. Bentley presented the draft Annual Report for Fiscal Year 2008-2009 for the Board's review and requested that any comments be directed to him by Friday, November 20, 2009.

AUTOMATIC PAYMENT SERVICE/EMAIL BILL UPDATE

Mr. Bentley provided an update to the Automatic Payment Service (APS) program and said that 17% of customers pay their bill by direct debit with an annual savings in check processing costs of \$11,400. He reported that 558 customers received their bill via email only, saving the District \$1,600 in postage, printing and envelopes.

SAFE, CLEAN AND RELIABLE DRINKING WATER SUPPLY ACT OF 2010

Mr. DeGabriele provided a summary of the recent water bond and associated legislation passed by the State. He said the \$11.1 Billion bond sale will be voted on in November by the electorate. He noted that the big concern for North Marin is the water conservation conditions included in SB 7 that will require urban water per capita use be reduced by 20% in the next ten years. He advised that per capita calculation is based on the total water used divided by population in the service area and includes commercial water use as well as residential. He said that this will be the challenge for the District and will require the District to accelerate the development of recycled water along with increased emphasis on water conservation. Mr. DeGabriele explained

the charts included in the Board Agenda packet that showed that total residential use during the past 10 years remained flat and that the effect of the Conservation Incentive Rate and Conservation Incentive Tier Rate have had a significant impact on those high residential use customers; the middle tier down is 25% and the high tier is down 53% since its initiation in 2003. He surmised that the cost of water effects water use.

Director Rodoni asked what would the per capita use be? Mr. Bentley responded that it is 160 gallons per capita per day. Mr. DeGabriele added that the number would have to be reduced to less than 130 gallons per capita per day.

MISCELLANEOUS

The Board received the following Miscellaneous items: Disbursements, Invitation to Chamber Mixer Hosted by NFPD, Water for People Fundraiser, Letter of thanks from Bold, Polisner, Maddow, Nelson & Judson, Notification of ACWA 2009 Outreach Recognition Award, Marin County Leadership Summit, Letter to Thomas Ring Re Solar Project, Recycled Water Subcommittee Meeting Agenda (Dec. 2 2009).

The Board also received the following news articles: H2O conservation check is great – Letter to Editor, Water deal emerges after decades of work, Russian River Coho Salmon Recovery from Near Extinction, Salinity Notices.

CLOSED SESSION

President Rodoni adjourned the Board into closed session at 8:46 p.m. for:

Conference with Labor Negotiators – Review and provide instruction to designated representatives (Chris DeGabriele and David Bentley) regarding salaries, salary schedules and compensation paid in the form of fringe benefits for represented employees (NMWD Employee Association) in accordance with Government Code Section 54957.6; and

Conference with Legal Counsel - Anticipated Litigation – Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9 – One Potential Case.

OPEN SESSION

Upon returning to regular session at 9:30 p.m., President Rodoni stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

ADJOURNMENT

President Rodoni adjourned the meeting at 9:31 p.m.

Submitted by

Renee Roberts
District Secretary