

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 2, 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. Present were Directors Jack Baker, Rick Fraites, Steve Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, and Auditor-Controller David Bentley. Chief Engineer Drew McIntyre was absent.

District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent), and Ryan Grisso (Water Conservation Coordinator) were in the audience. Stacey Laumann from County of Marin Community Development Department was also present for a portion of the meeting.

Auditor-Controller David Bentley announced that it was necessary to place an item on tonight's agenda which required immediate action which could not reasonably wait for the next regularly scheduled meeting. On motion of Director Schoonover and seconded by Director Baker, the Board unanimously approved adding Renewal of Oceana Marin Liability Insurance to the agenda as Item13 A, and the agenda was accepted as amended.

CLOSED SESSION

President Petterle immediately adjourned the Board into closed session for: Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to Government Code subdivision (b) of Section 54956.9 (one case re Lagunitas Creek Water Right License 4324B).

OPEN SESSION

Upon returning to regular session at 7:48 p.m., President Petterle stated that during the Closed Session the Board had discussed the issues and no reportable action had been taken.

MINUTES

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

GENERAL MANAGER'S REPORT

Labor Day at the Lake

Mr. DeGabriele reported that he and District Water Quality Supervisor Pablo Ramudo met with City of Novato and County of Marin staff in December and advised them that perchlorate was detected in raw Stafford Lake water after the 2006 Labor Day at the Lake fireworks event. He said that the city and county requested more time to consider alternatives to the event, such as a laser light show, as it was important to continue this well-attended, family-oriented event. He stated that he advised the city and county that this issue will be brought before the District Board at the next regular meeting and that city and county staff will attend. Mr. DeGabriele said he believes that both the city and county will be supportive of the District's decision not to permit future fireworks display at Stafford Lake.

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:

Inverness IPUD

Mike McMaster reported that Kaaren Gann, Manager of the Inverness Public Utilities District, told him that she has contacted the editor of the Point Reyes Light and has asked for a correction in the Light's report on the fire at Manka's Lodge in Inverness. The Light had incorrectly reported that Marin Municipal Water District had provided extra water to fight the fire, when, in fact, it was North Marin Water District's intertie connection that supplied the water to the IPUD.

WATER CONSERVATION WORKSHOP

Mr. Grisso conducted a workshop for the Board to review and discuss the District's Water Conservation programs. He displayed the promotional items that are used as giveaways to District customers, as well as bill stuffers and newsletters that are used to educate customers on water conservation programs and water supply issues. Mr. Grisso summarized the Residential and Commercial, Industrial and Institutional Rebate Programs, the number of Retrofit on Resale Certificates issued over the past six years, and also provided information on the large landscape program. He reported that the estimated total water savings from these programs is approximately 757 acre feet or 247 million gallons of water.

Mr. Grisso presented the Water Conservation Program and Outreach Schedule for 2007 that proposes a water-efficient landscaping seminar with Suburban Habitat; Novato Public Access

Television spots on water conservation and water quality; initiation of the native plant pilot program and HET distribution pilot program and that on-going residential programs will continue.

There was a discussion by the Board on ways to promote artificial turf and to increase participation in the Cash for Grass rebate program, methods to educate commercial property owners on reducing turf and how to reduce over-watering, and smart controller and subscription giveaways.

CONSENT CALENDAR

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

POLICY NO. 29 RECOGNITION AT RETIREMENT

The Board adopted revised District Policy No. 29, Recognition at Retirement.

SURVEY SERVICES CONTRACT – PACIFIC LAND SURVEYS

The Board authorized the General Manager to execute a topographic survey contract with Pacific Land Surveys for a not-to-exceed amount of \$7,240 plus a contingency of \$760 for the purpose of preparing topographic and utility details for the design of the Pt. Reyes treatment plant chemical feed line and contact tank replacement and replacement of the 30,000 gallon Inverness Park bolted steel tank.

OLEMA WATER TANK SITE – RENEWAL OF SPECIAL USE PERMIT WITH NATIONAL PARK SERVICE

The Olema water tank site lies within the National Park Service's Pt. Reyes National Seashore and requires the renewal of the Special Use Permit for a fee of \$50. It is noted that this renewal period is for one year compared to previous five-year renewal periods and that the District will enter into good faith negotiations with the NPS in 2007 for a new right-of-way permit in lieu of subsequent Special Use Permit renewals.

The Board authorized the General Manager to execute the Special Use Permit with the National Park Service

SPOT ADJUSTMENT – MAINTENANCE SUPERVISOR

The Maintenance Supervisor is responsible for the supervision of the Electrical/Mechanical and Buildings and Grounds and has recently added supervision of the auto mechanic and fleet, totaling 6.0 FTE employees under his supervision. In order to maintain internal equity, and to properly reflect the Maintenance Supervisor's responsibility level, a salary increase of 5% was recommended.

The Board approved a 5% spot adjustment for the Maintenance Supervisor effective January 1, 2007.

DISBURSEMENTS

Payroll and accounts payable vouchers totaling \$394,155.64 were approved and authorized for payment by the Board.

ACTION CALENDAR

HIGH EFFICIENCY TOILET DISTRIBUTION PROGRAM

Mr. DeGabriele presented the proposed High Efficiency Toilet (HET) distribution program wherein the District would give away 50 HETs with a follow-up of customer satisfaction and performance two months later. He said that if the survey response is positive, the District will begin a full distribution of 800 toilets on a weekly or monthly basis. He stated that Caroma, the toilet manufacturer, will install a working Royale 305 toilet flush rack system for display in the District lobby.

On motion of Director Baker and seconded by Director Rodoni, the Board unanimously approved to authorize the General Manager to implement the HET Distribution Program.

BILL ADJUSTMENT POLICY REVISION

Mr. Grisso stated that the proposed Bill Adjustment Policy revision requires the customer to participate in a water use survey before a bill adjustment can be made and that it will give staff an opportunity to identify the cause of the increased usage and inspect how the customer repaired the problem. He stated that the new policy will also enable staff to identify other water efficient actions the customer can implement, and it would also discourage illegitimate claims.

On motion of Director Schoonover and seconded by Director Fraites, the Board unanimously approved the proposed Bill Adjustment Policy revision.

COUNTY REQUEST TO REDUCE ACCESSORY UNIT CONNECTION FEE IN 2007

Mr. Bentley stated that the County of Marin has requested that North Marin Water District consider waiving or reducing its accessory dwelling unit connection fee by 50% in 2007 to encourage regularizing illegal units under the County's amnesty program. He said that under the county's proposed program, the county will issue legal, non-conforming permit status for illegal second units constructed or in existence prior to June 2003 in unincorporated areas of Marin County.

Mr. Bentley reviewed the five options presented for Board consideration: 1) take no action and maintain the current second unit connection fee (\$3,100 in Novato and \$2,000 in West Marin); 2) allow the second unit connection fee to be paid in equal installments over a two-year period on the bimonthly water bill (the connection fee would be secured by a lien against the property until fully paid); 3) reduce the second unit connection fee in unincorporated Novato by \$400 (to \$2,700) and maintain the connection charge in West Marin at \$2,000; 4) reduce the second unit connection fee by 50% during 2007 for both the unincorporated Novato service territory and West Marin commensurate with the County's 50% fee reduction; and 5) eliminate the second unit connection fee in the unincorporated service area during 2007. Mr. Bentley said that the advantage to the District would be that both the primary residence and second unit would be required to comply with District Regulation 15.e and 17.e, "Water-Saving Devices and Restrictions for New Development."

Director Petterle questioned the legality of charging two different rates for connection fees for Novato customers based upon whether they reside within the incorporated or unincorporated areas of Novato. Mr. Bentley said that he would ask legal counsel to review this question. Mr. DeGabriele stated that the District would not be discriminatory in the application of the connection fee because these are existing units being legalized.

Director Petterle inquired if connection fees are paid for more than one unit, how would the tier rate be applied and Mr. Bentley stated that if two dwelling units are on one meter, then the entitlement would be multiplied by two. Director Rodoni noted that this is now District procedure. Director Petterle said that he was concerned that the District would be sending a mixed message to its customers concerning the water supply problem and adding additional dwelling units. Mr. DeGabriele responded that the units are already there and using water and that this is an opportunity to make the primary and second units more water efficient. He agreed that some customers may avoid the Conservation Incentive Tier Rate by legalizing their second unit, but the property owner would be required to comply with Regulation 15.e.

Director Rodoni stated that he supports the 50% reduction in connection fees and stated that it should be made clear to the property owner that District Regulations 15.e and 17.e will also apply to the primary residence.

Stacy Laumann from the County of Marin Community Development Department reviewed the proposed county plan and answered questions from the Board. Ms. Laumann advised that the County ordinance states that amnesty permits will require that low flow fixtures be installed in both dwelling units. Mr. Grisso noted that District regulations, however, require High Efficiency Toilets be installed.

On motion of Director Baker and seconded by Director Fraites, the Board unanimously authorized staff to implement option 4, a second unit connection fee reduction of 50% applicable to the unincorporated areas of Novato and the West Marin service area to regularize existing second unit water service and require commensurate water conservation requirements pursuant to District Regulations 15.e and 17.e.

Mr. DeGabriele said that after legal review, a resolution will be brought back to the Board for adoption.

LIABILITY INSURANCE

This item was added to the agenda by a unanimous vote as it required immediate action and could not reasonably wait for the next regularly scheduled meeting. Mr. Bentley reported that he received a bill today for the 2007 premium for Oceana Marin Sewer Improvement District's Liability Insurance and that the insurance has increased 12% over 2006 and is \$330 more than budgeted for in FY 07. He stated that the premium cost is \$30 per customer for the 220 customers in Oceana Marin.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously approved purchase of liability insurance for Oceana Marin through California Sanitation Risk Management Authority (CSRMA) for an annual premium not to exceed \$6,695 effective January 1, 2007.

INFORMATION ITEMS

OLD RANCH ROAD TANK OUTAGE – DECEMBER 17, 2006

Mr. DeGabriele reported on the Old Ranch Road tank outage that occurred on December 17, 2006 and stated that this was the second outage of this tank in the last six months. He said that the first outage was due to equipment failure, but that this recent outage was the result of operator error. He reported that all necessary steps were taken to alert affected customers and that the

Maintenance Department is revising current procedures to ensure pumps which have been turned off are turned back on once maintenance has been completed.

RESPONSE TO CIVIL GRAND JURY QUESTIONNAIRE

Ms. Roberts stated that a questionnaire from the Marin County Civil Grand Jury seeking information on how District Board meeting information is conveyed to the public was received and the District's response is being provided to the Board for their information.

REVIEW/UPDATE POLICY STATEMENT ON PUBLIC RECORDS

Mr. Bentley stated that the District's Policy Statement on Public Records specified that customer data is to be kept confidential in order to protect customer privacy, but that in May 1978, the Board authorized the Novato Sanitary District (NSD) access to non-residential customer consumption data for purposes of computing sewer use charges. He stated that the policy was revised at that time. However, in December 1978, the Board authorized the NSD access to residential customer data but that the policy was never updated. He reported that other minor changes have been included in this revision presented tonight and that this policy will be brought back at the next meeting for Board adoption.

MISCELLANEOUS

The Board received the following miscellaneous information: Information: Monthly Report of Investments – Float, Emergency Use of Intertie Connection with Inverness Public Utilities District, District Organizational Chart. The Board also received the following news article: Petition to Protect Salamander Reconsidered (12/21).

ADJOURNMENT

President Petterle adjourned the meeting at 9:37 p.m.

Submitted by

Renee Roberts
District Secretary