

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 6, 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, Rick Fraites, Steve Petterle and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David L. Bentley and Chief Engineer Drew McIntyre.

District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Holiday Coverage

The General Manager reported that everything went smoothly over the holidays and there were no problems.

Gallagher Wells & Pipeline Project Presentation

Mr. DeGabriele advised that on Friday, January 9th, Marin Municipal Water District's Lagunitas Creek Technical Advisory Committee will tour the Giacomini Wetland Restoration Project and that staff has arranged for the tour to visit the Gallagher Ranch for a presentation by District staff on the Gallagher Wells and Pipeline project. He said that a one-page summary and map of the project will be distributed. He stated that this will be a good opportunity to reach out to the environmental organizations that are represented on the technical advisory committee.

Leadership Class Presentation

Mr. DeGabriele stated that he will make a presentation to the Leadership Novato class at the Stafford Treatment Plant on Wednesday, January 14, 2009 as part of their class on Novato special districts.

OPEN TIME

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

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:

Oceana Marin

Mr. Clark advised that he will attend the Oceana Marin Homeowners Association meeting on January 17th and will provide project updates including information on the just completed Infiltration and Intrusion Study.

Director Rodoni inquired about the progress of the generator enclosure screening project in Oceana Marin. Mr. Clark responded that there has been no progress and that he has not heard of any complaints from customers.

President to Excuse Himself on Agenda Item 9

Director Rodoni announced that he would be excusing himself from Item 9, Annexation No. 10 to Paradise Ranch Estates Improvement District and that Vice-President Baker will preside.

CONSENT CALENDAR

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

901 SHERMAN AVENUE

This project proposes to renovate and rehabilitate the building at 901 Sherman Avenue to be used as a city council chamber and community event venue. The project includes moving the existing building 12 feet north, demolition of adjacent buildings and constructing a public plaza and green space.

New water facilities required include a commercial fire hydrant, two 1½" meters, and 65 feet of pipe. The project is allowed to install new turf since the applicant consented to remove turf elsewhere at a rate of 1.5 to 1 per Regulation 15(e)3(ii).

The Board approved Resolution 09-01 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with City of Novato."

RESCISSION OF RESOLUTION 08-28 RE CALPERS TAX DEFERRED MEMBER CONTRIBUTIONS

On November 4, 2008, the Board approved Resolution 08-28 entitled, "CalPERS Tax Deferred Member Contributions" and staff was subsequently notified by CalPERS that the incorrect resolution template was used. The Board authorized the rescission of said Resolution 08-28.

EMPLOYER PICKUP RESOLUTION PRE-TAX PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASES (CONTRIBUTION CODE 14)

The Board approved Resolution 09-02 entitled, "Employer Pickup Resolution Pre-Tax Payroll Deduction Plan for Service Credit Purchases (Contribution Code 14)."

LETTER OF APPRECIATION TO CAROL FRIEDMAN, EXECUTIVE DIRECTOR - DANCE PALACE

The Board approved a letter of appreciation to Carol Friedman, Executive Director of the Dance Palace in Point Reyes Station, upon her retirement after 37 years of service to the Point Reyes community.

QUALIFIED WATER EFFICIENT LANDSCAPER (QWEL) TRAINING BILL INSERT

The Board approved the Qualified Water Efficient Landscaper (QWEL) training bill insert in English and Spanish. This training is a series of classes offered by Sonoma County Water Agency to assist landscapers to become more water efficient in their landscape maintenance and installation operations.

ACTION CALENDAR

APPROVE: ANNEXATION NO. 10 TO PARADISE RANCH ESTATES IMPROVEMENT DISTRICT

President Rodoni excused himself from this item and Vice-President Baker assumed the chair.

Mr. McIntyre advised that at the second meeting in November, the Board declared its intent to proceed with the annexation of four parcels into the West Marin Improvement District. He stated that the parcels are in the District service territory and all but the Fox parcel front Sir Francis Drake Boulevard. He reported that Mr. and Mrs. Fox have provided the District with a grant deed of their parcel identifying a 5' wide utilities easement that runs across an adjacent parcel. Mr. McIntyre stated that staff has requested a grant deed confirming said easement from the adjacent parcel owner. He said that the next step is for the owners of the parcels to come in to the District and request an "over-the-counter" agreement application for a water meter. He noted that one owner has made an application. He further noted that all four customers are currently served by Hamilton Mutual Water Company.

Director Baker questioned the width of the easement for the pipeline, and Mr. McIntyre responded that the trenching is for the Fox private water service and will be sufficient. Mr. DeGabriele stated that Fox water meter will be installed on Sir Francis Drake and clarified that the easement will allow the Fox private water service line to cross the Dolan parcel for connection to their house.

On motion of Director Fraites and seconded by Director Petterle, the Board approved Resolution 09-03 entitled, "Resolution of the Board of Directors of North Marin Water District Ordering the Annexation No. 10 of Territory Within Said District to Improvement District No. PRE-1 of Said District" by the following vote:

AYES: Directors Baker, Fraites, Petterle, Schoonover

NOES: None

ABSENT: None

ABSTAIN: Director Rodoni

President Rodoni assumed the Chair.

APPROVE: NEW CREW TRUCK BODY PURCHASE

Mr. Clark informed the Board that staff had received and reviewed the bids for the body of the new crew truck. He said that seven vendors were solicited, three bids were returned and all bids were within the budgeted amount. He reported that the low bid was from Superior Aluminum Body of San Francisco.

On motion of Director Baker, seconded by Director Petterle, the Board unanimously authorized staff to award the purchase contract for the new crew truck body to Superior Aluminum Body for a total of \$34,296.18.

INFORMATION

INVERNESS TANK NO. 1 REPLACEMENT – PROJECT UPDATE

Mr. McIntyre provided an update on the progress of the Inverness Park Tank No. 1 Replacement project. He reported that the 30,000 gallon tank is 80% complete and that there is an expected project cost overrun of \$6,000 to \$9,000 primarily due to higher tank material costs and increased yard piping costs due to differing site conditions. Mr. McIntyre said that the project is going well and is expected to be complete in February. He will provide the Board with a complete accounting at that time.

DRAFT ANNUAL REPORT

Mr. Bentley presented the Draft Annual Report and asked that the Board submit comments or concerns to him by Friday, January 9th and that the final Annual Report will be on the next agenda for Board approval.

CONTEMPLATED 2009 RATE AND RATE STRUCTURE REVISIONS

Mr. Bentley stated that several water rate changes are being contemplated for 2009 and that he will review each proposal for the Board.

He said that the 2008 Novato Water Five-Year Financial Plan called for a series of 11% increases for the next five years so that cash reserves do not fall below \$10M. He said that it is hoped that the new connection fee increase, when incorporated into the 2009 financial plan, will help to mitigate the double-digit increase. Director Rodoni commented that he did not recall a discussion by the Board on maintaining a \$10M reserve balance. He suggested that the Board address this at some point since it impacts the five-year plan. He said that the District should avoid having the highest reserves in the area and for staff to survey other districts on their reserve policy.

Mr. Bentley advised that the West Marin Water and Oceana Marin Sewer connection fees were last increased in 2006 and will be reviewed again this year. He further advised that the 2008 West Marin Water Five-Year Financial Plan called for annual 9% increases for five consecutive years to repay money borrowed from Novato water. He reminded the Board that it was recommended that a more aggressive repayment plan be considered.

Mr. Bentley stated that a seasonal rate for non-residential customers in West Marin is being considered, and if it proves to be successful in promoting water conservation during summer months, a seasonal rate will be considered for Novato non-residential customers. He further stated that monthly service charge for Oceana Marin Sewer is adequate and no increase is being proposed.

Mr. Bentley advised that water use thresholds used to calculate tier charges are proposed to change from bimonthly threshold to a daily threshold. He stated that this will avoid minor billing distortions that arise based upon number of days billed that may put customers into the next tier rate. He further advised that an increase in the double check valve service charge for both Novato and West Marin of approximately 10% is proposed.

TAC MEETING – 1/5/09

Mr. DeGabriele provided highlights of the Water Advisory Technical Advisory Committee meeting held on January 5, 2009.

Sonoma-Marin Saving Water Partnership

Mr. DeGabriele reported that three contractors remain to sign the Memorandum of Understanding for the Sonoma-Marin Saving Water Partnership; and once all contractors have signed, he will forward the document to the Sonoma County Water Agency Board of Supervisors for their approval. He also reported that the Water Conservation Sub-Committee met on December 16th and is supportive of the Agency's proposal for a multi-cultural outreach spanning Sausalito to Windsor.

Fluoridation

Mr. DeGabriele stated that all contractors have provided their costs to fluoridate water supply information to the Water Agency and Pam Jeane has been asked to provide the WAC with a report identifying cost, environmental issues, political process, health benefits and risks and enabling legislation. He advised that legislation indicates that water districts must fluoridate if there are funds available from other than ratepayers. He said that a member of the public strongly voiced her opposition to fluoridation of the water supply.

Biological Opinion

Mr. DeGabriele advised that he had crafted a draft resolution and circulated it to the Water Advisory Committee recommending the top SCWA strategic priorities address impacts on listed fish species pursuant to the Reasonable and Prudent Alternative. He asked that the resolution be taken to their elected officials for review and comment and bring back to the next TAC meeting. He reported that the contractors suggest the Water Agency develop a planning document or "road map" so that the long-term and expensive project will remain on track.

Water Project DEIR

Mr. DeGabriele reported that the contractors plan to develop a set of comments on the Draft EIR for efficiency in the Agency's response. He advised that the public hearing for North Marin and Petaluma is scheduled for February 18 in Petaluma and that Directors Rodoni and Baker will attend.

Budget Sub-Committee

Mr. DeGabriele stated that the Budget Sub-Committee met on December 18th and was advised that the O & M proposed charge is a 27% increase. He said that he and Krishna Kumar have been working with the Agency over the past several months and that this increase is over two times the proposed increase identified in the long-range plan financial model that they have been using. He advised that he suggested that the Agency limit their proposed rate increase to that reflected in the long-range plan model to provide guidance for the agency and to provide contractors with a look ahead so they know where rates are going. Mr. DeGabriele stated costs to the contractors continually increase and that the facilities needed to provide water are very expensive. He further stated that the contractors will be taking a hard look at their water demands to determine if additional capacity is really needed. He said it was a contentious discussion, and there were many blunt statements made by the TAC members to the Agency.

NORTH BAY WATERSHED ASSOCIATION MEETING 1/9/09

Mr. DeGabriele noted that at the next North Bay Watershed Association meeting, Gordon Becker will speak on the Salmonid Monitoring Program in the North Bay Region but will not include the Novato Creek Watershed. This is because Novato Creek is less likely to have anadromous trout

than other watersheds. He advised that the Tomales Bay Watershed Council (TBWC) will also make a presentation and that it is expected that the TBWC will be invited to be an associate member of the NBWA.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements (12/17, 12/24, 12/31), CUWCC Press Release, TBI Announces New Executive Director, Analysis of Weekly Disbursements, Letter to City of Novato Re Local Climate Action Plan Draft.

The Board also received the following news articles: Salinity Notices, IPUD General Manager to Retire, Diplomat-Rancher Predicts Farm Subsidies Abolished Within the Next 10 Years, Inverness Picks Next Manager

ADJOURNMENT

President Rodoni adjourned the meeting at 8:29 p.m.

Submitted by



Renee Roberts
District Secretary