

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 16, 2010**

CALL TO ORDER

President Baker 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 Rick Fraites, Steve Petterle (7:33 p.m.), 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 Robert Clark (Operations/Maintenance Superintendent) and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

On motion of Director Fraites, seconded by Director Rodoni and unanimously carried the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSTAIN: None

ABSENT: Director Petterle

GENERAL MANAGER'S REPORT

Invoice from SCWA

Mr. DeGabriele stated that he is continuing to work with Sonoma County Water Agency to reduce the amount of the invoice for liquidated damages resulting from last summer's water deliveries. He further stated that the invoice has now been reduced to below \$40,000 from approximately \$90,000, and he will continue to work on further reducing the amount.

Petaluma City Council

Mr. DeGabriele informed the Board that last night he attended the Petaluma City Council meeting and spoke to the Council to clarify information about North Marin. He said that the Petaluma Council was considering their position on the Sonoma County Water Agency's budget and that Petaluma will again vote "no" at the special WAC meeting scheduled for Monday, March 22nd. He said that the Council expressed concern about the relocation of the Kastania pipeline that is necessary because of the Marin Sonoma Narrows project; and, because North Marin conveyed

the pipeline to the Agency, the other retail water contractors must participate in the cost of its relocation. He said that the portion in question is the crossing underneath Highway 101. He said those costs cannot be avoided because of encroachment in the Caltrans right-of-way. Mr. DeGabriele advised that the Petaluma Mayor stated they would like to see North Marin participate in the relocation cost. He stated that Petaluma suggested that the decision makers and elected officials of Cotati, Rohnert Park, Petaluma, North Marin and Marin Municipal come up with a plan for the South Transmission Project and Petaluma Aqueduct.

Meeting with Senator Boxer's Office

The General Manager advised that he met today with Senator Boxer's staff regarding a funding request for the Gallagher Pipeline project. He said it was a good meeting.

Meeting with State Board

Mr. DeGabriele said that he, Paul Helliker and Glen Wright (from the City of Santa Rosa) will meet with the State Water Resources Control Board staff Friday, March 26, to talk about last summer's Temporary Urgency Change Order. He said that he will also have an opportunity to talk about the proposed Instream Flow Policy.

OPEN TIME:

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

Crest Tank No. 2 Project

Mr. McIntyre reported that the Crest Tank No. 2 project is out for bid and there has been a good response with approximately 30 sets of plans and specifications requested by bidders.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Monthly Progress Report for February. He stated that Novato water production is down 10% year-to-date compared to last year (13% if estimated water resulting from the 2009 Kastania meter malfunction is added); and in West Marin, water production is down 21%. He advised that on February 26 Stafford Lake spilled; and, 21.6 inches of rainfall through February was recorded. Mr. DeGabriele advised that Stafford Treatment Plant began production on March 1, and is averaging over 1 million gallons per day water production. He further advised that

Oceana Marin is in good shape and there was irrigation field discharge during the month of February.

Mr. DeGabriele proudly announced that staff has worked one year without a lost time accident or injury. He stated that complaints and service orders are down 10% for the month and 21% for the year, and that all categories have decreased except for water quality complaints due to the taste and odor problems experienced last summer.

Mr. Bentley reported that on the Investment Report, the District ended the month with \$8.9M in the bank, down \$63,000 from the previous month. He said that it is projected that by the end of the year, the balance will be \$7M. He said that he is watching the state's cash flow problems and that the State Controller indicated that there is enough revenue coming into the State to meet expenditures until April 15th. He advised that September is the next critical time for the state's cash flow.

ACTION CALENDAR

CONSIDER: REQUEST FOR ADDITIONAL BILL ADJUSTMENT

Mr. Bentley reported that staff received a letter from customer, Sarah Lamson, who was billed for an extraordinary amount of water compared to prior years and is appealing to the Board for an additional bill adjustment. He said that her letter stated she did not have any leaks or pooling of water to explain the high use; furthermore, staff checked the meter and found no leaks. Mr. Bentley advised that Ms. Lamson was given the normal bill adjustment under District Board policy. He stated that District cost of the water from Sonoma County Water Agency was \$432, and the District is asking the customer to pay \$425. If the Board decides to grant a full adjustment, her bill would be reduced to \$61. Mr. Bentley stated that the customer sent a payment equal to the amount of her normal bill for this time period.

Director Baker asked for more information on the owner's property lot size and landscaping. He noted that the high bill reflected usage during a rainy period, and it would be difficult for the customer to notice a leak occurring.

On motion of Director Fraites, seconded by Director Rodoni, the Board authorized staff's recommendation that Ms. Lamson receive the normal bill adjustment as authorized under the Bill Adjustment Policy by the following vote:

AYES: Directors Fraites, Petterle, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Baker

ABSENT: None

APPROVE: LETTER RE COMPLAINT ABOUT WATER SERVICE DISCONNECTION PROCEDURE

Mr. Bentley reported that a letter from a customer was received complaining about the District's disconnection of water service procedure, and he presented a draft response letter for Board comments and approval. He reviewed Regulation 55, Termination, Disconnection and Reconnection for the Board. He stated that a customer has 25 days to pay their bill and if no payment is received a customer will receive up to three reminder notices, the later two with assessed late fees. He further stated that if, after forty-five days the bill is still not paid, a Field Service Representative will be dispatched to the residence to collect payment or disconnect the service and additional charges are levied. He advised that if the customer has been on the shut-off list three times or more within a 12-month period, no reminder notice is sent, and a representative is dispatched to the house for payment or service is shut off.

On motion of Director Petterle and seconded by Director Schoonover, the Board unanimously authorized the General Manager to send the letter to the customer.

APPROVE: PROPOSITION 218 LETTER TO CUSTOMERS REGARDING PROPOSED RATE INCREASE

Mr. Bentley presented the draft letter to customers regarding the proposed rate increase to comply with Proposition 218 whereby each customer must be notified of the rate increase within 45 days of the public hearing being proposed for May 25th. He summarized the rate increase as 11% across-the-board for residential accounts; and advised that staff is proposing implementing a seasonal rate for non-residential customers that would result in a 9% to 15% rate increase from June 1 through October 31 depending on summer irrigation use. He said that legal counsel advised that the letter specifically invite customers to protest in writing. He requested that the Board provide comments on the tone of the customer letter by Friday as the letter must be in the mail by April 10th to meet the requirements of state law.

On motion of Director Fraites and seconded by Director Petterle, and unanimously carried, the Board set Tuesday, May 25, 2010 as the date for a special meeting to hold a public hearing.

APPROVE: WATERSHED FENCING

Mr. DeGabriele stated that in 2004, the Board approved the Cooperative Agreement for Water Quality Protection on the Marindale (James Grossi, Sr.) Ranch for continued maintenance of the sediment dam and cost sharing to install creek-side fencing. He said that the District paid for 7,000 feet of installed fencing through February 2005 and that an invoice in the amount of \$9,675

for 3,870 feet of additional fencing was received and will satisfy the terms of the agreement. He informed the Board that he toured the Marindale Ranch and found the recently installed fence to be in good condition. He advised that while on the ranch, he observed a huge slide that is falling into the creek and which will require remedial action.

On motion of Director Schoonover and seconded by Director Fraites, the Board unanimously authorized payment of \$9,675 for the watershed fencing on the Marindale Ranch pursuant to the Cooperative Agreement for Water Quality Protection.

APPROVE: EMERGENCY SURVIVAL KITS AND SWEATSHIRTS FOR DISTRICT STAFF

Mr. DeGabriele stated that considerable amount of money was saved in the purchase of the digital recording system for Board meetings and that he is proposing the District purchase sweatshirts with the new logo for each employee in recognition of working one year with no lost time accident or injury. He said that in addition, he is asking Board consideration for the purchase of earthquake survival kits for each employee to be kept in their personal vehicle. He reminded the Board that all District employees are designated to be disaster service workers and are required to report to work during a disaster.

On motion of Director Schoonover and seconded by Director Petterle, the Board unanimously approved the purchase of new sweatshirts in the amount of \$3,320 and the purchase of earthquake survival kits for each employee in the amount of \$3,700.

INFORMATION ITEMS

NORTHERN CALIFORNIA COASTAL STREAMS INSTREAM FLOW POLICY

Mr. DeGabriele presented a draft letter to the State Water Resources Control Board commenting on the proposed Policy for Maintaining Instream Flows in Northern California Coastal Streams and requesting additional time for evaluation of the policy effects. He said this policy has been several years in the making and that the District has been commenting on the policy since the legislation was first added as a trailer bill in 2004. He noted that there is an adoption hearing scheduled for April 27th and comments are due on Friday, March 26th. Mr. DeGabriele said that he will be meeting with the State Board staff on Friday, March 26th.

Mr. DeGabriele said that it is not known how this complex policy will be applied to the District's existing water right licenses and permits. He said that the District has licenses for Novato Creek and Lagunitas Creek that could be affected detrimentally if the policy is followed to the letter, even for minor changes. He advised that for the most part, the policy would not apply to Lagunitas Creek, but there are some changes where it may; for example, the District will be asking for a new point of diversion. He said the change in stream flow from the new point of diversion to the existing

point of diversion will have to be addressed within this policy. He said that another question is if stop logs are placed in the slotted spillway of the Stafford dam, would that be considered new storage?

Mr. DeGabriele informed the Board that he spent several hours with District legal counsel Robert Maddow reviewing his questions and had conversations with State Board staff to try to get answers to his questions. He said the letter and comments are presented with Mr. Maddow's edits in highlight/strikeout format for the Board's information and that he has shared the draft comments with Sonoma County Water Agency, Marin Municipal Water District and the Association of California Water Agencies asking for their review. He said that he hopes they will have similar concerns and join with the District in asking the State Board for more time to review the policy changes. He said there are no legal challenges that he knows of at this time.

Mr. DeGabriele stated that Mr. Maddow has been in contact with grape growers and Trout Unlimited who are working together and plan to contact the Governor's office, state legislators and state Board members. He further stated that those two groups would be appreciative of having a water retailer join them in their request for an extension; however, at this time, he prefers to send a letter from the District detailing North Marin concerns as outlined in its own letter to the State Board.

STATE WATER RESOURCES CONTROL BOARD LICENSE 4324B REPORT

Mr. DeGabriele presented the annual report to State Board for License 4324B and stated that at no time last summer did diversions at the Point Reyes Treatment Plant exceed 0.67cfs. He noted that out of 122 days, 98 days had flows less than the required 8 cfs.

Director Rodoni stated that it may be beneficial to compare the Gallagher gauge and the Park gauge and to analyze the impacts the low flows may have on increased salinity in Lagunitas Creek. Mr. DeGabriele agreed and stated that he will bring that information back to the Board at a future meeting.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Cynthia Koehler as CA Water Legislative Director, Update on Alameda del Prado Bike Path Project, Board Planning Workshop Summary, Reimbursement Program 2009.

The Board also received the following news articles: Novato's future water supply, Sonoma County Water Agency Selects Jay Jasperse as Interim Chief Engineer, Sonoma County Energy Loan Program Gets State Money – and Restrictions, Dillon Beach Blames Water Hike on Plant, Salinity Notices.

CLOSED SESSION -

President Baker adjourned the Board into closed session at 8:24 p.m. in accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager; and

In accordance with California Government Code Section 54957.6, Conference with Labor Negotiator; Agency designated representative: Chris DeGabriele; Unrepresented employees: District Officers.

OPEN SESSION

Upon returning to regular session at 9:00 p.m., President Baker stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

ADJOURNMENT

President Baker adjourned the meeting at 9:01 p.m.

Submitted by

Renee Roberts
District Secretary