

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 21, 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 Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent) and District retiree Gayle Smalley were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Mr. DeGabriele advised the Board that he and Drew McIntyre will meet with the City of Petaluma to initiate discussion on the possible transfer of water responsibility in the south Petaluma Boulevard area.

Mr. DeGabriele stated that he and Director Fraites are registered to attend the North Bay Watershed Association conference on April 7, 2006.

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:

Director Rodoni announced that April 22, 2006 is Novato Clean and Green Day and that once again, he is signing up the District to clean up Redwood Boulevard from Olive Avenue to San Marin Drive.

Director Baker advised the Board that he will be absent from the April 18th Board meeting.

Mr. Bentley reported that on Thursday, March 23, former District Field Services Representative, Dan Johnstone, will conduct a training for new employees on customer service in

the field. He also provided the Board with an update on the embezzlement situation, stating that Ms. Riska was arrested and had spent several days in the county jail. He said that her bail was reduced to \$25,000 and that there is a pre-trial on April 4. The preliminary hearing scheduled for April 10 will be cancelled if Ms. Riska pleads guilty on April 4. He stated that there will be a separate hearing on restitution.

Director Schoonover inquired if Ms. Riska would be placed on probation and Mr. Bentley replied that because of the amount of the theft, \$169,000, there will likely be no probation. Mr. Bentley said that if Ms. Riska's sentence is less than one year, she will be held at county jail and a sentence over a year will be served at state prison.

Mr. McMaster apprised the Board that the four Solar Bee aeration units are in operation in Stafford Lake.

PUBLIC HEARING -CONSIDER AND ADOPT URBAN WATER MANAGEMENT PLAN 2005

President Schoonover opened the Public Hearing on the Urban Water Management Plan 2005 and invited comments from the audience.

Mr. DeGabriele stated that at the last meeting, the Board set this Board meeting for the Public Hearing to Consider and Adopt the Urban Water Management Plan 2005 and that the Public Hearing was noticed in the Marin Independent Journal and the Novato Advance and no comments were received by the public or from other agencies. He stated that the Plan concludes that water supplies available to the District are adequate over the next 20 years based on hydrologic studies and analysis conducted by Sonoma County Water Agency which is based on the prior Urban Water Management Plan 2000. He stated that the District has prepared its own UWMP to be submitted to the Department of Water Resources so that the District will remain eligible for State Revolving Loan funding and that staff is prepared to send the Plan to Department of Water Resources after the close of the Public Hearing and adoption by the Board.

Director Schoonover commented that the Plan leaves the door open for desalinization and Mr. DeGabriele stated that the Plan leaves the door open for many options and he noted that desalinization is identified as a possible source of supply for MMWD and it may be possible that the District could supplement its water supply under an agreement with MMWD.

As there were no further comments, President Schoonover closed the Public Hearing.

On motion of Director Baker, seconded by Director Fraites and unanimously carried, the Board approved Resolution 06-10 entitled, "Resolution of the Board of Directors of North Marin Water District Adopting the Urban Water Management Plan 2005."

MONTHLY PROGRESS REPORT

Mr. DeGabriele reviewed the Monthly Progress Report for the month of February and noted that in Novato water production was down 14% from one year ago even though the average temperature in February was 9 degrees higher than one year ago. He stated that rainfall in February was less than last year and that the discrepancy between production and consumption is a reflection on metering errors that occurred in prior years. Mr. DeGabriele stated that in West Marin production was down 15%, but if the system leak that occurred last year is removed the District is in line with prior years. He reported that in Oceana Marin both the treatment pond and storage pond freeboards were at minimal levels. Mr. DeGabriele stated that the District has had no lost time accidents or injuries within the last three months. Complaints were down 22% from 2005 even with 4% more customers than last year.

Mr. Bentley reported on the Auditor-Controller's Monthly Report of Investments and stated that 23% of the District's portfolio was with the state treasury and that a payment of \$700,000 was received on the State Revolving Fund loan. He noted that it took 120 days for the state to reimburse the District once the SRF claim was filed and that approximately \$1M is still owed from the State. He reported that after 20 months of being self-insured, the District's cash balance in the Workers' Compensation account is \$480,000.

CONSENT CALENDAR

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

WATER AGREEMENT - 881 GRANT AVE FIRE SERVICE – AVALAR / CPS

The Board approved water service for the building at 881 Grant Avenue that is being renovated to accommodate the Avalar CPS Real Estate offices and a separate rental office space. The property is currently served by a 5/8" meter and the additional plumbing fixture units will result in one additional equivalent dwelling unit for a total of 2 EDUs. New Zone One water facilities include a 4-inch fire service and 4-inch lateral from the existing 6-inch main and will be connected in Cain Lane behind the building.

The Board approved Resolution No. 06-11 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with 881 Grant Avenue - Avalar CPS."

PURCHASE OF 2006 CHEVY COLORADO 4X4 TRUCK

The Board approved authorization to purchase a 2006 Chevy Colorado 4X4 Pickup truck for the amount of \$20,400 for the Construction Superintendent. The Board had approved the purchase

of a hybrid Ford Escape 4X4 November 1, 2005, but when the vehicle was delivered to the District, the vehicle was not what was ordered and it was returned.

SPRING WATERLINE TEXT

The Spring *WaterLine* text was approved by the Board and it is expected to be mailed to customers in mid to late April.

SPRING WATERLINE TEXT- WEST MARIN

The Board approved the text for West Marin's Spring issue of the *WaterLine* which will be mailed to customers in early April.

LETTER TO SCWA RE WAC INTERESTS

The Board authorized the District's Water Advisory Committee representative to vote affirmatively to send a letter to the Sonoma County Water Agency Board of Director regarding Water Advisory Committee interests.

PURCHASE OF USED FORKLIFT

Staff reviewed sealed bids from 5 different companies and inspected six used forklifts. The JCB 930 forklift from Hertz Equipment Rental was found to have met all of the safety and operational criteria and the Board approved purchase of the used JCB 930 forklift from Hertz Equipment Rentals for the price of \$21,545 delivered.

ETHICS COMPLIANCE WORKSHOP FOR DIRECTORS

In order to comply with AB 1234 that requires all Board members of special districts attend an ethics training, the Board authorized registration for the Marin County Special Districts Association Ethics Compliance Training to be held on May 18, 2006.

DISBURSEMENTS

The Board approved payroll and accounts payable vouchers totaling \$795,897.73.

ACTION CALENDAR

APPROVE: BUDGET FOR STAFFORD LAKE WATER TREATMENT PLANT OPEN HOUSE

Renee Roberts presented the Board with a preliminary budget for the Stafford Lake Water Treatment Plant Open House scheduled for May 13,2006. She stated that the bulk of the cost is for glass water bottles that will have the District's logo and the phrase "Novato Water - It's Worth Saving" applied to the bottle and will be used to encourage customers to bottle their own tap water for drinking. She also stated that there will be a formal dedication ceremony and tours of the facility, and that refreshments will be provided. Director Fraites suggested having drawings for prizes.

Director Petterle stated that he felt that the requested amount of \$2,500 may not be adequate and moved raising the amount to \$3,000.

On motion of Director Petterle and seconded by Director Fraites and unanimously carried, the Board approved \$3,000 for the Stafford Lake Water Treatment Plant Open House.

CONSIDER: RETIREE HEALTH BENEFIT

Mr. Bentley recapped the discussion that occurred at the last Board meeting wherein Gayle Smalley presented her arguments for an additional health benefit subsidy. At that time, the Board requested Mr. Bentley provide a cost comparison and cost implications for Ms. Smalley's request. Mr. Bentley presented the Board with his cost comparison of the retiree health insurance benefits among the different classes of employees and the cost implications for the District if Ms. Smalley's request was to be granted. He compared the difference in benefits of the four categories of retirees. He explained that the additional cost for the three eligible retirees to receive an additional benefit requested by Ms. Smalley would be approximately \$10,000 each. He stated that language in the policy which states, "Coverage terminates for the spouse when the spouse becomes eligible for Medicare," is clear and that staff stands by that interpretation.

Ms. Smalley countered with her interpretation that the classes were differentiated by whether they were retired before the 2005 union contract and whether they were part of the represented or unrepresented group. She reiterated her belief that she be covered under Section A of the policy and that her husband receive half the benefit of Section B.

The Board appreciated Ms. Smalley's tenacity, but was not convinced.

On motion of Director Baker, seconded by Director Petterle, the Board unanimously denied Ms. Smalley's request for additional subsidy.

Ms. Smalley requested a letter stating the reasons for the denial and left the meeting.

INFORMATION ITEMS

BILL STUFFER PROMOTING "H2O HOW2" FAIR

Mr. DeGabriele advised the Board that North Marin Water District is a full partner with Marin Municipal Water District in sponsoring the H2O How 2 Fair on May 20 for a second consecutive year and that to insure that customers in each billing cycle receives the bill insert before the event, staff authorized mailing to begin with the soonest available cycle.

SPH RE STAFFORD TREATMENT PLANT REHABILITATION PROJECT - DESIGN ENGINEERING CHANGE ORDER NO. 12

Mr. McIntyre advised the Board that delays in completion of the Stafford Treatment Plant Rehabilitation Project have impacted not only construction management, but also the project support provided by the design engineer, SPH Associates. He stated that he received a letter from SPH Associates that requested additional compensation due to the construction delays and that the letter also included efforts by SPH Associates to control costs. He stated that staff believes that compensation is due to SPH but that more time to review the request is needed and that staff proposes to meet and confer with SPH to negotiate a satisfactory resolution between both parties.

Staff requested and received the consensus of the Board that staff negotiate a price for Change Order No. 12 for additional construction phase design engineering services and return back to the Board for approval.

NEW SIGN FOR ADMINISTRATION BUILDING

Robert Clark advised the Board that the existing sign in front of the District Administration Building is deteriorating and needs to be replaced. He presented the Board with a design for the new sign that is a combination of wood, plastic and acrylic and will sit on the existing base.

There was a discussion on the size and design of the sign and the Board requested that staff return with alternative designs option that were originally presented to staff and that the full street address be included on the sign.

ANNUAL EQUIPMENT INVENTORY RESULT

David Bentley provided the Board with the results of the annual inventory of equipment which included three categories: items disposed of, items to be disposed or sold, and items that cannot be located.

COMMENT LETTER ON SONOMA COUNTY GENERAL PLAN UPDATE

Mr. DeGabriele advised the Board that he sent a letter to the Sonoma County Permit and Resource Management Department regarding request for comments on the Draft Environmental Impact Report for the Sonoma County General Plan. He stated that he advised them that North Marin was erroneously noted as not being a prime water contractor of the Sonoma County Water Agency.

MISCELLANEOUS:

The Board received the following miscellaneous information: Fine Tuning Point Reyes, 3rd Annual Water Conservation Showcase.

The Board also received the following news articles: MMWD's Water Outlook (3/16), Disputed Water Tank Plan Delayed (3/14), \$60K Saved by Schools on Turf Watering (3/8), North Bay Communities Need Greater Control Over Future Of Hydroelectric Dam, City Says (3/3), Carcinogens in West Marin Drinking Water? (3/2).

ADJOURNMENT

President Schoonover adjourned the meeting at 8:30 p.m.

Submitted by

Renee Roberts
District Secretary