

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

Carl Nelson of Bold, Polisner, Maddow, Nelson & Judson, Hank Szeto and Andy Ramelmeier of Biomarin and District employees Doug Moore (Construction/Maintenance Superintendent), David Jackson (Associate Civil Engineer) and Dianne Landeros (Accounting/HR Supervisor) were in the audience.

CLOSED SESSION

President Rodoni adjourned the Board into closed session at 7:31 p.m. for 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 8:20 p.m., President Rodoni stated that the Board, discussed the issues and that no action was taken.

MINUTES

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

GENERAL MANAGER'S REPORT

Mr. DeGabriele stated that on Wednesday, October 7th, the North Bay Watershed Counsel will be meeting to discuss the Watershed Indicators/Performance Measures Project including measures for water supply and conservation performance.

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 there was no response.

CONSENT CALENDAR

Item 7, Biomarin – 46 Galli Drive and Item 9, Fall Water Line Text were removed from the consent calendar for further discussion.

On the motion of Director Petterle seconded by Director Baker and unanimously carried the following items were approved on the consent calendar:

NORTH BAY KOREAN AMERICAN PRESBYTERIAN CHURCH

This project proposes conversion of an existing 3,691 square foot Veterinary Clinic building into a place of worship. The existing 1" meter installed in 1971 to serve the parcel will be killed as part of this project.

New water facilities required include 190 feet of 12-inch PVC main, 190 feet of 8-inch PVC main, 30 feet of 6-inch PVC for fire hydrant laterals, 10 ft of 4-inch steel pipe, one 4-inch fire service assembly, two commercial fire hydrants, one 1-inch domestic water service and one 1-inch irrigation service with a back flow preventer.

The Board approved Resolution No. 09-32 entitled "Water Service Agreement – North Bay Korean American Presbyterian Church – 2 San Antonio Road Petaluma, APN 125-130-13."

BIOMARIN – 46 GALLI DRIVE

This item was removed from the consent calendar for additional discussion as requested by Mr. McIntyre. He stated that there are two representatives from Biomarin present who would like to express their concerns regarding the connection fees.

Mr. McIntyre introduced David Jackson, Associate Engineer, to explain the project and answer any questions the Board may have.

Mr. Jackson stated that the Biomarin – 46 Galli Drive Project consists of renovations of the existing buildings located at 46 Galli Drive, increasing the capacity of the Biomarin production facilities. He stated that the work includes the installation of a 3-inch meter for commercial use, the upsizing of the fire service from a 6-inch to two 8-inch fire services and the addition of two fire hydrants behind the building.

Mr. Jackson introduced Hank Szeto and Andy Ramelmeier of Biomarin to the Board. Mr.

Szeto proposed that Biomarin pay the connection fees that were valid when the project first started. He mentioned that in 2008, the District and Biomarin knew what the water usage was going to be and wanted to pay the connections fees that were current at that time.

Mr. Ramelmeier stated that one other detail is the long term investment decision. He said that when Biomarin committed to this project the connection fees were not nearly where they are now and it came as a surprise. Mr. Szeto mentioned that because of the delays beyond their control Biomarin will be affected by the increased connection fee.

Director Baker asked for clarification of the timeline. Mr. Jackson stated that Biomarin has been working on the project since 2007; and in September of 2008, they submitted three projects which were going to have a higher water use. Mr. Jackson said that because of problems with complying with the fire department's requirements the subject project was delayed.

Director Petterle asked Mr. McIntyre if there were any other projects in Novato in a similar situation. Mr. McIntyre stated that there was not; however, the Board has dealt with previous situations similar to Biomarin. He stated that he was concerned about setting a precedent for other projects.

Director Rodoni commented that according to the regulation there was not an earlier opportunity for Biomarin to come in before now to take advantage of last year's connection fees. Mr. McIntyre said that the only way for Biomarin to have come in early would have been for the District to change the way it approaches things and to split up the projects into construction and entitlement and allow that to be done at different times which the District has not done before.

Director Petterle suggested that the connection fees remain, but allow Biomarin to pay it over a period of time. Mr. McIntyre said that the District has consented to that on previous occasions and therefore would be acceptable.

Director Baker suggested that the Board postpone taking action on the agreement. Director Rodoni asked if the District should re-formulate the agreement before voting. Mr. DeGabriele suggested that the Board consider the agreement with the current cost and that Mr. McIntyre, Mr. Bentley and he can work out the logistics of payment arrangements with the applicant.

On the motion of Director Petterle and seconded by Director Schoonover, the Board unanimously approved Resolution No. 09-33 entitled "Water Service Agreement – Biomarin – 46 Galli Drive APN 157-452-14, 157-412-01, 02."

AUDITOR-CONTROLLER'S ANNUAL STATEMENT OF INVESTMENT POLICY

The Board approved the Annual Statement of Investment Policy. This policy is presented to the Board annually for their review. There were no changes to the investment policy from that approved by the Board last year.

FALL WATER LINE TEXT

This item was removed from the consent calendar for additional discussion as requested by Director Fraites.

Director Fraites mentioned that he would like the following line deleted from the text "...although if you have let your lawn brown this summer, it would be acceptable to minimally water it to speed up the recovery until the fall and winter rains appear." Mr. DeGabriele said that it was easy to remove that section. Director Fraites suggested that it state, "Now is a good time to participate in the NMWD Cash for Grass program."

Mr. DeGabriele advised the Board that at the end of September the District had given out \$21,000 in Cash for Grass rebates.

On the motion of Director Baker and seconded by Director Fraties, the Board unanimously approved the Fall Water Line Text as amended.

ACTION CALENDAR

APPROVE: ADOPTION OF ORDINANCE NO. 23

Mr. DeGabriele stated that the purpose of Ordinance No. 23 is to sunset Ordinance No. 22, the Emergency Water Conservation Ordinance. He explained that the purpose of Ordinance 22 was to declare a water shortage emergency and to prohibit waste and non-essential use of water. Mr. DeGabriele stated that the ordinance ran through October 2nd and the State mandated period for water conservation has ended. He stated that the District reduced Russian River water use from June 1, 2009 through September 30, 2009 by 45.4%.

Director Fraites asked Mr. DeGabriele if there was going to be a letter in the paper thanking the customers in Novato for their efforts. Mr. DeGabriele answered that the intent of the "Water Line" newsletter is to do so. He also stated that he was going to issue a press release to let the customers know. Director Rodoni asked if the District should state the accurate percentage of water conservation. Mr. DeGabriele stated that would be 21%.

On the motion of Director Petterle and seconded by Director Baker, the Board unanimously approved the Adoption of Ordinance No. 23, declaring the end of a water shortage emergency and

rescinding Ordinance No. 22, effective October 6, 2009.

APPROVE: BEL MARIN KEYS COMMUNITY SERVICE DISTRICT IRRIGATION/LANDSCAPE DAMAGE

Mr. DeGabriele explained to the Board that there has been a dispute with the Bel Marin Keys Community Service District (BMKCSD) about the reported damage to their irrigation and landscaping. He stated that although the staff does not believe the District is responsible for all the claimed damage to the landscaping, BMKCSD and North Marin Water District will be working together for years to come and so he recommends that the Board authorize the payment of \$2,500 to BMKCSD.

Director Baker asked if the damage was done on the road or private property. Mr. DeGabriele said that the damaged landscape was on state land, on an easement where the District has a water facility, adjacent to BMKCSD property at the entrance of the Bel Marin Keys community.

On the motion of Director Schoonover and seconded by Director Baker, the Board authorized the District to make a payment of \$2,500 to BMKCSD to settle the dispute regarding the damage to BMKCSD irrigation and landscape.

INFORMATION ITEMS

WAC/TAC MEETING – OCTOBER 5, 2009

Mr. DeGabriele provided an update to the Board on the discussion about the Water Project Redirection and New Water Supply Strategies. He stated that Jake Mackenzie, Chair of WAC, directed the General Manager/Chief Engineer to work with the Board Liaison to the Water Advisory Committee (WAC) and the chairs of the Water Advisory Committee and Technical Advisory Committee (TAC) to carry out the actions included in the SCWA Board adopted resolution. Mr. DeGabriele mentioned that Mr. Mackenzie requested that the vice chairs of the WAC and TAC be included in the discussion.

Mr. DeGabriele advised the Board that the water agency did file the petition to modify Decision 1610 Minimum in Stream Flow Requirements, consistent with the Biological Opinion.

Mr. DeGabriele stated that the WAC had a discussion on the summer 2009 Water Contractor Statistics. He stated that Lake Mendocino currently has approximately 5,000 acre feet more water stored than the last three years on this date.

Director Rodoni commented that the WAC and TAC need to focus on the water supply

needs and that this can be done with leadership from Sonoma County.

NORTH BAY WATERSHED ASSOCIATION MEETING – OCTOBER 2, 2009

Mr. DeGabriele stated that he, Pablo Ramudo and Director Fraites had attended the meeting. He said that there was an excellent presentation on the Giacomini Wetlands and that he took the opportunity to advise the National Park Service staff that while North Marin Water District is very supportive of the project, the District is seeing an increase in salinity intrusion in the community water supply.

Mr. DeGabriele stated that Sonoma County Water Agency (SCWA) gave information on the low impact design for storm water run off control. He indicated that the current guidelines for new construction used in Marin County seem counterproductive since the plantings in porous soil require irrigation for the majority of the year.

Mr. DeGabriele summarized the presentation given by Paul Helliker, regarding SCWA's Water Project redirection.

Director Fraites offered additional comments on the Giacomini Wetlands presentation as well as the presentation given by Mr. Helliker. Director Fraites commended Pablo Ramudo for the way he spoke to the representative of Point Reyes National Seashore regarding the salinity intrusion in the Point Reyes Wells.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Indian Valley Associates Letter 9/10/09, Underground Service Alert (USA) - "Call Before You Dig", Customer email re Excessive Charges, and a Customer letter re Water Boarding. The Board also received the following news articles: Salinity Notice (3), Water future needs 'thorough' conversation, Gorin and McKenzie say and Novato Joins Water Lawsuit.

CLOSED SESSION

President Rodoni adjourned the Board into closed session at 9:12 p.m. for conference with Legal Counsel – 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 in accordance with Government Code Section 54957.6.

OPEN SESSION

Upon returning to regular session at 10:00 p.m., President Rodoni said the Board provided direction to the designated representatives regarding the salaries, benefits, etc. for the represented employees.

ADJOURNMENT

President Rodoni adjourned the meeting at 10:01 p.m.

Submitted by

Katie Young
Acting District Secretary