

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 1, 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, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Aaron Salars, representing Verizon Wireless, and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) and Ryan Grisso (Water Conservation Coordinator) were in the audience.

REORGANIZATION OF BOARD:

The secretary announced that she administered the Oath of Office to Director Fraites and Director Schoonover and will file the Certificates of Election and Oaths of Office with the Marin County Clerk.

1. Election of President

On motion of Director Schoonover and seconded by Director Petterle and unanimously carried, Director Baker was elected President of the Board for the ensuing year.

2. Election of Vice-President

On motion of Director Fraites and seconded by Director Petterle and unanimously carried, Director Schoonover was elected Vice-President of the Board for the ensuing year.

3. Establishment of Meeting Times and Place

On motion of Director Schoonover, seconded by Director Rodoni, the Board set the time and place of regular meetings to be the first and third Tuesday of each month at 7:30 p.m. at the District office, and that the Board will hold one meeting annually in West Marin with additional West Marin meetings to be scheduled on an as-needed basis by the following vote:

AYES: Directors Fraites, Petterle, Rodoni, Schoonover

NOES: None

ABSENT: None

ABSTAINED: Director Baker

Director Baker stated that because attendance at the West Marin meetings has declined he is not enthusiastic about holding a Board meeting in Point Reyes Station.

4. Establishes the Manner of Calling Special Meetings

On motion of Director Rodoni and seconded by Director Petterle and unanimously carried, the Board approved special meetings of the Board to be held as provided in Section 54956 of the Government Code.

5. Appointment of District Officers

On motion of Director Schoonover and seconded by Director Rodoni and unanimously carried, the following District officers were appointed for the ensuing year: Chris DeGabriele, General Manager; Renee Roberts, Secretary; David L. Bentley, Auditor-Controller; and Drew McIntyre, Chief Engineer.

6. Confirm Board Meeting Schedule for 2010

On motion of Director Schoonover and seconded by Director Fraites and unanimously carried, the Board accepted the proposed meeting schedule for the 2010 calendar year with the understanding that the calendar may be adjusted as needed.

7. Committee Appointments

President Baker stated that he will talk to each Director regarding their preferred participation in various committees and will make appointments at a future meeting.

MINUTES

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

GENERAL MANAGER'S REPORT

ACWA Conference

Mr. DeGabriele advised that he will be attending the ACWA conference in San Diego on Wednesday and Thursday of this week and that Drew McIntyre will be Acting General Manager during his absence. He will return late Thursday.

Potential SCWA Litigation

The General Manager provided an update on the potential litigation with Sonoma County Water Agency and said that the attorney meetings continue and a settlement agreement is being drafted in such a way as to advise the judge that progress is being made between the parties.

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 there was no response.

CONSENT CALENDAR

Director Rodoni requested that Item 9, Little Mountain Wireless Telecommunication Antenna Site License Agreement, be removed from the consent calendar for further discussion.

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

15 DIGITAL DRIVE FIRE SERVICE

This project will install a new fire service, as required by the Novato Fire Protection District, in an existing industrial building being converted to a warehouse from mixed industrial use. The existing 5/8-inch meter will remain in service and there is no new water demand.

On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the Board approved Resolution 09-36 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with MB Investment Holdings, LLC."

ANNUAL REPORT

The Board approved the Annual Report for Fiscal Year 2008-2009 as presented.

TERMINATION OF COOPERATION FUNDING AGREEMENT WITH SONOMA COUNTY WATER AGENCY

The Sonoma County Water Agency terminated the Cooperation Funding Agreement with the District due to budget reductions and requested that the General Manager sign a letter acknowledging the termination. The Board authorized the General Manager to acknowledge the termination of the Sonoma County Water Agency Cooperative Agreement for Funding and

Administration of the North Marin Water District Water Conservation Program, Funded in Fiscal Year 2007/2008.

LITTLE MOUNTAIN WIRELESS TELECOMMUNICATION ANTENNA SITE LICENSE AGREEMENT

This item was removed from the consent calendar by Director Rodoni for further discussion.

Mr. Clark provided background on the Little Mountain Wireless Telecommunication Antenna Site License Agreement and provided an update on the permitting process. He stated that GTE Mobilnet/Verizon Wireless has been granted a use permit from Marin County, submitted an application for a building permit, obtained an FCC license for site specific use and is in the process of requesting bids for construction. He also reviewed the construction phase timeline.

Director Rodoni asked why the agreement states "North Marin County Water District" on the title and signature pages. He also said that there are several names for the licensee in the agreement and asked for clarification of who will be ultimately responsible for District property. Mr. Clark responded that all documents referring to the property's owner states "North Marin County Water District" and the name remained on the current agreement for legal purposes. Mr. DeGabriele added that at the time the property was acquired, the District was known as North Marin County Water District and that not all property deeds were subsequently revised when the District's name changed.

Mr. Clark advised that Verizon Wireless will ultimately be the responsible party on the agreement. Mr. Salars, stated that the different cell phone entities (Cellco Partnership and GTE Mobilnet) were acquired by Verizon Wireless and are now one company and that company is Verizon Wireless, the legal entity. He added that the FCC license is under the name of Verizon Wireless.

Mr. Clark stated that the terms of the agreement will be effective upon commencement of construction or issuance of a building permit whichever occurs later, most likely March 1, 2010.

Director Baker asked how the vendor will access the site when the golf course road is closed. Mr. Clark responded that that issue is being discussed and he will advise the Board once it is decided. He said that once the construction is finished, Verizon will need emergency access to the site.

On motion of Director Schoonover and seconded by Director Petterle, and unanimously carried, the Board authorized the President of the Board of Directors to execute the amendment to the Preliminary License Agreement.

PUBLIC HEARING – REVISION OF WATER CONSERVATION REGULATIONS 15 & 17

Mr. Grisso stated that the major changes to Regulations 15 and 17 is the addition of a section on landscape water efficiency requirement that will be consistent with AB 1881 updating the State's Model Landscape Ordinance requirement that will become effective January 1, 2010. He said that a group of local stakeholders worked together to create the new regional water efficient landscape ordinance, and provides uniform compliance amongst all jurisdictions in the North Bay area. Mr. Grisso stated that although the District does not have land use authority, it is expected that the District will be named the enforcement authority by the City and County for the requirements. He advised that if the regulations are approved, staff will notify the Department of Water Resources that the landscape ordinance is consistent with the state requirements.

Mr. Grisso reviewed the changes, and he said the incorporated specifications from the Regional ordinance differ slightly from District current requirements but are equally as strict in water use efficiency. He noted the exceptions to the regional specification include specific square foot turf limitations and drip irrigation for non-turf areas.

He advised that staff proposes an additional change to section M. to relax the sellers' responsibility for plumbing retrofit on resale alternative compliance payment. Mr. Grisso said that District legal counsel reviewed the language and made changes to provide clarity and that the purpose of the change is to make the compliance deposit negotiable between the seller and buyer.

Director Baker asked Mr. Grisso to explain why he recommends that the onus be taken off the seller. Mr. Grisso said that because of many properties in foreclosure, sellers are not retrofitting their fixtures, and he feels that if it is negotiable between the seller and buyer, there will be more compliance.

Mr. Grisso stated that in 2006, rebate amounts were removed from the regulations and put in resolution form to enable revisions. He noted that the washer rebate is proposed to be lowered from \$125 to \$75. Mr. Grisso stated that a public hearing is needed for the proposed regulation changes.

Director Fraites inquired if the regulations would include programs for gray water if proposed legislation passes. Mr. Grisso said that staff will develop a pilot program addressing rainwater, gray water and well water use and will bring that to the Board for approval.

President Baker opened the public hearing at 8:14 p.m., and hearing no comment, President Baker closed the public hearing.

On motion of Director Schoonover and seconded by Director Petterle and unanimously carried, the Board approved changes to Regulations 15 and 17 and proposed revisions to Resolution 06-01 and Resolution 06-02.

ACTION CALENDAR

CONSIDER: PARTICIPATION IN SUSTAINABLE NOVATO WORKSHOP

Mr. DeGabriele stated that Sustainable Novato has asked for Director Fraites' participation as a panelist in a workshop on December 16th on the Marin Clean Energy program. He provided background on past District participation in the review of the development of Community Choice Aggregation (CCA), now known as Marin Clean Energy. He said that in 2008, the District reviewed the Marin Clean Energy business plan, and at that time, the District stated it would support the Novato City Council's participation in Marin Clean Energy to obtain bids for energy supplies; however, the City Council chose not to participate. He said that the District cannot participate if the City does not; therefore, the District has begun developing plans for its own energy generation facility with the Stafford Treatment Plant Solar Project. Mr. DeGabriele stated that Sustainable Novato is attempting to get the information out to the citizens of Novato so that they are better informed to persuade the City Council to either make another review of Marin Clean Energy program or not.

Director Fraites asked for direction on how to participate while on the panel. Mr. DeGabriele suggested that Director Fraites tell the story of the District's participation including its support of the City Council authorizing the Marin Clean Energy to solicit proposals for more accurate information on costs and has participated financially. He further suggested that Director Fraites relate that the District suggested early on that the Marin CCA look at investing in local solar projects instead of going out of the area to purchase green energy. He said that Sonoma County has followed the Berkeley model developed under different a legislation, AB 811, wherein solar and alternative energy and conservation projects can be financed through individuals and locally which not only generates energy savings, but generates local jobs. He opined that this is a good concept and Marin County should consider that approach.

Director Rodoni suggested that Director Fraites become familiar with AB 811 and the Sonoma County program.

On motion of Director Petterle and seconded by Director Rodoni and unanimously carried, the Board authorized Director Fraites to represent North Marin Water District at the December 16th Energy Workshop sponsored by Sustainable Novato.

APPROVE: NORTH BAY WATER REUSE AUTHORITY – FINANCIAL SUPPORT LETTERS FOR ALTERNATIVE 1, PHASE 1 PROJECTS

Mr. McIntyre informed the Board that President Obama has authorized \$25 million for the North Bay Water Reuse Authority (NBWRA) project. He said that completion of the final Environmental Impact Report is necessary to obtain federal grants to help fund local recycled water projects. He stated that a positive sign from the federal government was a Senate appropriation of \$200,000 in the FY 10 Budget for NBWRA projects which triggers the process of the District providing “deliverables”. He explained that the Board is being asked to approve issuance of two letters declaring NMWD’s intent to financially participate with Novato Sanitary District (NSD) and Las Gallinas Valley Sanitary District (LGVSD) in the local Novato area projects. He further explained that these letters are part of the \$25 million grant application. Mr. McIntyre said that it is unknown if the \$25 million will be appropriated, but that if everything goes well, many NBWRA projects could be funded on the federal level at a 25% share. He advised that the total project expenditures to the District for the local recycled water projects are estimated at \$14 million, and that the bulk of this funding commitment has already been included in the District’s recent connection fee increase. He said that it is important to identify recycled water as an additional source of water supply as additional potable water supply from Sonoma County is less likely. Mr. McIntyre informed the Board that at the next meeting there will be a discussion and request to approve the Environmental Impact Report for the North Bay Water Recycling Program and he expects a representative from ESA Consultants to be present to provide an overview of the report.

Mr. McIntyre summarized the two projects, the South Service Area with Las Gallinas Valley Sanitary District serving Hamilton Field and the North and Central Service Area with Novato Sanitary District.

Director Baker asked if Marin Municipal Water District would have any rights to the recycled water. Mr. DeGabriele responded that LGVSD recycled water facility would be separate from Marin Municipal’s existing treatment facility and is not intended to expand the Marin Municipal’s facility. He advised that Marin Municipal is not a part of the NBWRA and they are not eligible for federal funds. He stated that LGVSD has plenty of wastewater to treat for both Marin Municipal and Hamilton users and the project is not likely in any danger of being thwarted by Marin Municipal.

Director Baker commented that the chances for state funding for both projects are slim. Mr. McIntyre stated that all are individual projects and there is an application into the State Water Resources Control Board for the North Service Area project and low interest rate loans and grants still need to be acquired. He opined that there is a good chance for federal money.

Director Schoonover asked if the escalation of costs have been factored into the projects' estimate and Mr. McIntyre said that costs are adjusted every year.

Director Fraites expressed his concern with recycled water and stated that pharmaceuticals have been found in runoff into lakes in certain areas of the country that dramatically affected the fish and that the District needs to be vigilant in keeping up with research on the negative and positive uses of recycled water. Mr. McIntyre said that the NBWRA projects are for landscape irrigation and the permitting restrictions are very strict about recycled water runoff.

On motion of Director Rodoni and seconded by Director Petterle and unanimously carried, the Board authorized the General Manager to sign the financial support letters for the local LGVSD-NMWD and NSD-NMWD recycled water projects.

INFORMATION ITEMS

NOVATO SANITARY DISTRICT ADMINISTRATIVE COMPLIANCE ORDER

Mr. Clark said that the Environmental Protection Agency recently conducted an audit and inspection of Novato Sanitary District (NSD) on how they regulate their permits. He said that it was discovered that the Water District had not complied with the Non-Domestic Discharge Permit for Stafford Treatment Plant in submitting quarterly reports. He said that as a result, the NSD issued an Administrative Compliance Order to the District ordering that all discharge reports must be submitted to them on a quarterly basis, and if said reports are late, that details for the reason for the delay be submitted. Mr. Clark said that during discussions with NSD representatives, he advised them that due to compliance testing requirements certain information will be unavailable for reports for the quarters ending June 30 and October 30, when the Stafford Treatment Plant is in full production when discharge occurs up to the last day of the quarter, but that they will be advised what information is missing from the report and when that information will be submitted per the permit. He said that the recent Administrative Compliance Order is a catch up over the last three years.

DEPARTMENT OF PUBLIC HEALTH 2009 WATER SYSTEM FEES

Mr. Clark stated that the Department of Public Health has annually charged the District an operating fee to monitor the Novato Water System; and this past year they performed a complete audit of the Stafford Treatment Plant operations plan and distribution system. He said that he was not aware that the DPH annual fee would include the additional cost of performing the audits (\$37,000). He said that the budget does not account for this increase in fees, and after review of the FY 09/10 improvement projects, the GAC Building Rehab and Paving project will be deferred to

cover these unexpected fees. Mr. Clark said that the audit was very extensive and thorough and provided the District with a full description of facilities and included GPS maps.

INDICATORS AND PERFORMANCE MEASURES FOR NORTH BAY WATERSHEDS – DRAFT REPORT

Mr. DeGabriele advised that the North Bay Watershed Association report on the Indicators and Performance Measures identifies appropriate indicators and recommended performance measures and can be used in as a scorecard on the health of the North Bay watershed.

CALPERS PPO HEALTH PLANS PREMIUM HOLIDAY

Mr. Bentley informed the Board that CalPERS has two self-funded health plans which were over-funded and that the CalPERS Board of Administration adopted the Health Benefits Committee recommendation to provide a premium “holiday” resulting in a savings to the District of \$15,000 for those enrolled in the PERS Choice and PERS Care health plans.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Greening Our Water Infrastructure, Meter Reading Accuracy. The Board also received the following news articles: Sonoma County sending 7 people to climate conference in Denmark, Judge blocks resumption of gravel mining along Russian River, Supervisor Kelley to lead statewide water group, State water reform might not help delta, and Salinity Notices.

ADJOURNMENT

President Baker adjourned the meeting at 8:50 p.m.

Submitted by

Renee Roberts
District Secretary