

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 16, 2008**

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 Bentley and Chief Engineer Drew McIntyre.

Mike Fontes and Leang Yee and District employees Doug Moore (Construction/Maintenance Superintendent) and Pablo Ramudo (Water Quality Supervisor) 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

Holiday Hours

Mr. DeGabriele advised the Board that the next Board meeting will be held on January 6, 2009 and that the District offices will be closed at noon on Christmas Eve and New Year's Eve and closed on Christmas Day and New Year's Day.

OPEN TIME

President Rodoni asked if anyone in the audience wished to bring up an item not on the agenda and the following item was discussed:

Employee Association

Pablo Ramudo advised the Board that the District employees held an election for the Employee Association officers today.

STAFF / DIRECTORS' REPORTS

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

Committee Appointments and Assignments

President Rodoni announced that Directors' committee appointments and assignments will remain the same as last year with the exception that Director Baker will replace Director Schoonover as the alternate representative to the Water Advisory Committee.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the monthly Progress Report for the month of November and stated that water production in both Novato and West Marin is up slightly from last year and that the District is on target with its forecast for production. He advised that there has been no production from Stafford Water Treatment Plant or the Recycled Water Facility in November. He further advised that the fiscal year total rainfall stands at 3.9 inches and that there has been no change in lake storage since October. Mr. DeGabriele stated that the Oceana Marin irrigation fields were able to operate due to the mild weather and freeboard has increased in the storage and treatment ponds. He pointed out that crews are preemptively replacing Polybutylene pipes at Santolina, Rock Rose and Fontana and service saddles in Plaza DeMira and Plaza Loma. He said that Water Conservation rebates for high-efficiency toilets and washing machines continue and that 4300 washing machines have been rebated since the program began in Novato. Mr. DeGabriele said that Ryan Grisso, District Water Conservation Coordinator, will present his report early next year. He stated that twenty-one Water Smart Home Surveys have been conducted. He advised that the considerable increase in consumer system problems were due to meter leaks on the consumer side, but that overall, consumer complaints are down 45% from a year ago.

Mr. Bentley reported that at the end of November, the District's Investment Portfolio had a cost value of \$9.2M and earning approximately 3.1%. He advised that 53% of the District's portfolio was invested in Local Agency Investment Fund and that a \$1M 30-day Bank of Marin Time Certificate of Deposit matured in November.

CONSENT CALENDAR

On the motion of Director Petterle seconded by Director Fraites and unanimously carried the following item was approved on the Consent Calendar:

COLLEGE OF MARIN PHASE II - MAIN BUILDING

The College of Marin Indian Valley Campus Phase 2 project consists of the construction of one new building and renovation of existing parking lots. The Novato Fire Protection District requires fire sprinkling of the new building, 3 new commercial hydrants and one upgraded hydrant. New water facilities required include 360 feet of pipe, 4 commercial fire hydrants, one 6-inch fire service, one 2-inch domestic service and one 1 ½ -inch irrigation service.

The Board approved Resolution 08-33 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with Marin Community College District."

APPROVE: LEONARD CHARLES & ASSOCIATES PROPOSAL TO PERFORM CEQA REVIEW -- CREST TANK #2

Mr. McIntyre stated that the Improvements Projects budget includes the preliminary design phase and permitting for the second Crest Tank and that staff is recommending that Leonard Charles & Associates provide the necessary environmental review work for this project. He reminded the Board that the Novato Water System Master Plan identified that there is a 300,000 gallon deficit in storage in the Crest Zone and that the second tank will be equal in size to the existing tank at 500,000 gallons thereby providing more storage than the minimum recommended. He said this would allow more flexibility if the first tank were taken out of service for repair. He advised that he asked Leonard Charles to add an additional element to his scope of work which is provide more outreach to customers earlier on in the process and an additional scoping meeting. Mr. McIntyre said Leonard Charles' cost is under \$13,000 which is reasonable and within the budgeted amount.

On motion of Director Petterle and seconded by Director Schoonover, the Board unanimously authorized the General Manager to execute an agreement with Leonard Charles & Associates in the amount of \$12,950 for the Crest Tank No. 2 CEQA documentation.

APPROVE: ADVERTISEMENT FOR BIDS – PONTI TANK RECOAT

Mr. McIntyre advised the Board that staff is ready to move forward with the recoating of Ponti tank which is included in this year's Improvement Projects budget. He explained that the 32-year old 500,000 gallon tank serves south Novato and has never been recoated and that \$450,000 has been budgeted for complete replacement of the inside of the tank and the overcoat of the exterior. He said that staff is recommending full removal and recoating of the tank exterior coating as it currently contains lead-based paint and the exterior lead-based paint on the roof of the tank is degraded. He stated that complete removal of the exterior paint will result in a longer-lasting coating. Mr. McIntyre said that the estimate is \$83,000 over the budgeted amount because of removal of the exterior lead-based paint was not part of the original estimate; and he stated he believes the competitive bid process will drive the estimated overrun closer to the original budget. He advised that there will be outreach to homeowners in the vicinity of the tank to keep them apprised of the construction, and the project is scheduled to be finished by the end of this fiscal year.

On motion of Director Petterle and seconded by Director Fraites, the Board unanimously approved the bid advertisement for the Ponti Tank Recoat Project.

APPROVE: NBWRA PROPOSED OP-ED FOR REVIEW

Mr. McIntyre advised that the North Bay Water Reuse Authority has distributed advance copies of the Draft Environmental Impact Report for all agencies to review and that outreach actions are planned to dovetail with the release of the DEIR. He said that the District's Recycled Water Project with Novato Sanitary District and Las Gallinas Valley Sanitary District is part of the DEIR. He stated that an Opinion-Editorial article presented tonight for Board direction and approval is intended to remind local citizens about the program and provide an early notice of the release of the Draft EIR. Mr. McIntyre said the Op-Ed piece will be signed by the District and Novato Sanitary District's Board Presidents and will be published in the Marin IJ in January.

Mr. McIntyre stated that with the release of the DEIR, it is a good time for the Recycled Water Sub-committee members from all three boards to meet with the consultant who will provide an overview of key points of the document. He said it is staff's intent to bring the EIR back to the Board for certification for its individual projects.

On motion of Director Fraites and seconded by Director Petterle, the Board unanimously approved submission of the Opinion-Editorial article to local newspapers.

APPROVE: NORMALIZING IRREGULAR WATER SERVICE TO YEE AND FONTES

Mr. McIntyre provided a summary of events leading up to tonight's request for approval of normalizing irregular water service to parcels owned by Leang Yee and Mike Fontes adjacent to Petaluma Boulevard South. Both men were in the audience. Mr. McIntyre said that the proposed Dutra Haystack Landing Asphalt and Recycling Facility project Draft EIR revealed that Dutra's one-inch water meter has historically been used to provide water service to two adjacent parcels owned by Yee and Fontes. He stated that when contacted, Mr. Yee advised that his parcel had been receiving water from the Dutra meter since it was originally installed in 1966. Mr. McIntyre advised the Board that it was staff's intention to wrap together the Dutra Project and the irregular water service to Yee and Fontes but that the Dutra Project is taking longer than anticipated; and, recognizing that the connection fees will be increased in January, it is important to move this issue forward.

Mr. McIntyre said that the District received determination from Sonoma County Local Agency Formation Commission (LAFCo) that the Yee and Fontes parcels are legal non-conforming parcels and can be served by the District. He said that Sonoma County LAFCO would have to approve services because service was not officially provided in an approved fashion prior to 1994

when LAFCo took responsibility for oversight of service territories. He noted that the District has been serving the Dutra parcel since the 1960's; therefore, the Sonoma LAFCo was not involved with the District, but LAFCo would now be required to approve service to the Yee and Fontes parcels.

Mr. McIntyre presented two options for Board consideration: 1) that single service application be allowed for both the Yee and Fontes parcels not to exceed one dwelling unit per parcel, subject to conditions set forth, including owners obtaining approval by Sonoma County LAFCo; owner obtain easement from Dutra parcel for private water line to serve said parcels; Owner enter into an outside water service agreement with the District stipulating limitations on said service including continuation of irregular sub-metering from the Dutra meter. In addition, Owners will pay \$2,000 as a partial deposit for future service line installation costs to be applied at such time when the District can install individual meters to the Yee and Fontes parcels; pay current District connection fees for a single family residence (\$8,600 per parcel); pay all staff costs associated with processing an outside water service agreement (estimated at \$2,500 per parcel); or 2) terminate water service to both the Yee and Fontes parcels.

Mr. McIntyre said that staff believes that Option One would be appropriate and fair to Yee and Fontes and to the District and its customers. He advised that these options have been reviewed by legal counsel. Mr. McIntyre advised that there is another parcel in the vicinity, owned by Mr. Nerviani, who has periodically asked for water service from the District but has been denied water service because the parcel resides outside of the District's boundary. He said that if the Board decides to proceed with Option One, it is only fair that if Mr. Nerviani wants water service, the same conditions would be afforded to him. He noted that Mr. Nerviani is not in a position to request service at this time.

There was discussion on the size of the parcels in question and intended water use.

Mr. Yee addressed the Board and said that he has tried to normalize his water service for a long time. He provided a history of the parcels dating back to the 1950's and how he began receiving water service from the District via the Dutra parcel. Mr. Yee stated that he uses very little water and is very careful to not waste it.

Mr. Fontes asked for information on LAFCo and an explanation on the \$2,500 charge associated with staff costs. He stated that his parcel is zoned agriculture and doesn't anticipate an increase in water use. Mr. Yee asked what is the purpose of the \$2,000 deposit. Mr. McIntyre answered Messrs. Fontes and Yee's questions.

Director Schoonover made a motion to approve Option One. Before seconding the motion, Director Baker expressed concern about the awkward history of the parcels and he stated that he hopes that the issue is not revisited some day by new owners.

Director Rodoni asked if the agreement includes language that if water service became available from the City of Petaluma, that the agreement would be void and Messrs. Yee and Fontes would seek water service from Petaluma. Mr. McIntyre replied yes.

The Board unanimously approved Option One for continuation of service to the Fontes and Yee parcels.

Mr. Fontes and Mr. Yee thanked the Board and left the meeting.

APPROVE: LETTERS TO RETIRING SONOMA SUPERVISORS REILLY AND SMITH

Mr. DeGabriele presented letters of congratulations and thanks to Sonoma County Supervisors Tim Smith and Mike Reilly who are retiring after serving 20 years and 12 years respectively on the Sonoma County Board of Supervisors. He said that both men cooperated with the District throughout the years.

On motion of Director Fraites and seconded by Director Petterle, the Board unanimously authorized both letters to retiring supervisors Reilly and Smith.

INFORMATION ITEMS

FIRST QUARTER FY 08/09 WATER QUALITY REPORT

Mr. Ramudo provided the quarterly water quality report and stated that there was a large number of algae identified in Stafford Lake water and that the diversity of algal species was up from last year. He said that a small algae bloom, lasting seven weeks, impacted filtration at the Stafford Treatment Plant and efficiency was reduced. Mr. Ramudo stated that the Solar Bee aerator units were adjusted on a weekly basis which prevented a large bloom. He said there were no coliform positive samples this quarter in the Novato distribution system and the average disinfection by-products concentrations were below the MCL this quarter.

Mr. Ramudo reported that in Point Reyes there has been severe salt water intrusion in the wells which when combined with chlorine has caused an increase in the disinfection by-products this quarter.

Mr. Ramudo presented charts depicting creek flows in Lagunitas Creek comparing years 2004, 2007 and 2008 and he noted that there was no variation in the creek flows during those three years. He said that in 2007 there was moderate salinity intrusion, and the District was not required to notify the public. In 2004 and 2008 salt water intrusion was experienced. He noted that in 2004

there was limited storage in West Marin and the District was not able to perform off-tide pumping which allows salt water in the wells. This year, off-tide pumping was performed and there still was salinity intrusion in the wells. Mr. Ramudo's second chart identified high tides during 2004, 2007 and 2008 and explained that off-tide pumping is performed when high tides reach six feet and above and pumping is stopped three hours before and three hours after high tide to prevent drawing salt water that could be in the creek into the aquifer. In years 2004 and 2008, spring high tides were nearly identical. Mr. Ramudo opined that the high tides may have had an effect on the salinity levels. The third chart showed the sodium levels and that in August 2008 the sodium levels rose above the threshold of 50mg/L with the high level being 85mg/L. He said that in 2004 the high level was 92 mg/L and in 2007 it was below the 50 mg/L.

Mr. Ramudo summarized his analysis by saying that he could not ascertain a clear reason for salinity intrusion even with off-tide pumping and closely observing the operation of the system. He cautioned that as sea water rises, the salinity intrusion will worsen.

Mr. Ramudo answered questions from the Board. He said that two ways to mitigate the salinity intrusion are to find a new source of water, and salt removal through treatment. Mr. McIntyre added that a study performed for the Point Reyes Treatment Plant looking at ways to deal with the salinity problem revealed that treatment was more costly than the Gallagher Well Pipeline Project which is currently in the environmental review process. Director Rodoni said that a trip to Washington, DC to make another appeal to fund the Gallagher pipeline is necessary and there may be other funding sources available.

PRESENTATION OF FIELD COMPUTER ACCESS TO DISTRICT MAPS AND DRAWINGS

Construction/Maintenance Superintendent Doug Moore demonstrated how District maps and drawings can be accessed in the field using his laptop computer. He explained that all District maps and as-builts have been digitized and are stored on his laptop as well as on the District's server. Director Rodoni asked who besides him has a laptop in the field and Mr. Moore replied that just he did. Director Rodoni stated that it would be good for foremen to have access in the field as well.

WATER PROJECT DEIR PROPOSED PUBLIC MEETING FORMATS

Mr. DeGabriele advised the Board that the Sonoma County Water Agency released the Water Project Draft EIR. He said that last spring when the Water Project DEIR was anticipated to be released, there was discussion about conducting sub-regional public meetings for the purpose of receiving public comments, but that the release of the DEIR was postponed. Mr. DeGabriele stated

that the public meeting for the Petaluma/North Marin region is scheduled for February 18, 2009 in Petaluma and he advised that Directors Rodoni and Baker will represent the District at the meeting.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements (12/3 & 12/10), Cost of Annual Sick Leave Buy-Back Benefit, Letters to Customers (2), Novato Banks – Financial Ratings, Indian Valley Golf Course Green Fees, North Bay Watershed Meeting – December 5, 2008, Sonoma County Water Agency Press Release.

The Board also received the following news articles: SR Keeps Laguna as Sewage Option (12/5), New Desalination Option Studied (12/4), Consumers as Producers, Salinity Notice (11/20 & 12/4).

ADJOURNMENT

President Rodoni adjourned the meeting at 9:18 p.m.

Submitted by

Renee Roberts
District Secretary