

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 20, 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, 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 Dave Jackson (Associate Engineer) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Feral Cats

Mr. DeGabriele advised the Board that he received numerous emails from "Friends of Feral Cats" informing him of an attempted poisoning of the feral cat colony that resides along the railroad tracks bordering District property, and that the emails allege that District employees were suspected. He further advised that District staff discovered the cats' food contaminated with anti-freeze and that the Marin Humane Society and the Novato Police Department were called to investigate. Mr. DeGabriele informed the Board that over the past two years a group of employees have captured, spayed or neutered and reintroduced to the colony, many of the cats in an attempt to keep the population down. He said he responded to the emails and told them that the District will cooperate with the investigation and that District staff has been caring for the cats in the past and that the allegations seem contradictory to staff's care and concern.

General Manager Presentations

Mr. DeGabriele informed the Board that he will be giving a presentation to the Marin Builders Association and the Rotary Club of Novato next week.

North Bay Water Reuse Authority

The Manager said he will arrange for a meeting with the Recycled Water Sub-committee members and staff of the Novato Sanitary District and Las Gallinas Valley Sanitary District to get up

to speed on the North Bay Water Reuse Authority. He said it is expected that the EIR will be released in February or March. Mr. DeGabriele said that a proposal will be made to the Novato Sanitary District for the District to operate the Deer Island Recycled Water Facility.

Economic Stimulus Package Workshop

Mr. DeGabriele reported that he attended a workshop sponsored by the State Board and the California Department of Public Health on the economic stimulus package and that they believe that California will be the recipient of federal funds.

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:

Robert Clark advised that he attended the Oceana Marin Homeowners Association meeting and that there were no issues reported by the attendees. He said he will make a report at the next Board meeting.

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.

QUARTERLY FINANCIAL STATEMENT

Mr. Bentley presented the Quarterly Financial Statement for the second quarter of Fiscal Year 2008/2009. He reported that through the first half of the fiscal year, the District received 55% of budgeted income and expended 45% of budgeted outlays. Operating revenue was 2% less than budget and operating expense 3% less than budget resulting in a fiscal year-to-date deficit of \$902,315 compared to a budgeted deficit for the entire year of \$5.2M. Mr. Bentley said that the total cash balance increased \$79,582 in December and decreased \$1,259,809 since July and that \$381,200 in connection fees were collected in December.

Mr. Bentley provided summaries of the service areas. In Novato, year to date consumption as of December was 1% more than the prior year and total operating revenue increased 8% due to the 11% rate increase. He said that the total operating expense was 5% more than last year due to higher treatment plant operating costs and increased cost of purchased water. Mr. Bentley reported that Novato has a net year-to-date loss of \$1M compared to a budgeted net loss for the entire year of \$2.6M. 35% of the Improvement Project budget has been expended versus 19% for the same period in the prior year. Connection fees collected totaled \$424,588 and the Novato water cash balance increased \$88,908 in December and decreased \$1,365,875 this fiscal year.

Mr. Bentley said that the Recycled Water Facility has a net loss of \$168,000 and that a Integrated Regional Water Management Plan grant in the amount of \$244,000 was not yet received. The cash balance of the Recycled Water Fund is \$147,236.

Mr. Bentley reported that West Marin water consumption is up 9% from last year; operating revenue is 11% more than one year ago due in part to of the 9% rate increase. Operating expenditures are down from the prior year due to major projects last year resulting in a net income of \$58,000. He advised that 43% of the Improvement Projects Budget has been expended; \$9,500 in connection fees has been collected to date and the balance owed Novato is \$442,000.

The Board was informed that Oceana Marin sewer revenue was up 1%, expenditures were down 3% from the same period as last year; and 21% of the Improvement Projects Budget has been expended. Oceana Marin has a cash balance of \$193,000.

Mr. Bentley reminded the Board that because of the State budget crisis, the District pulled money out of the Local Agency Investment Fund (LAIF) in October and deposited the funds into local banks. He said that the new deadline for the State running out of cash is February 1, and he advised that if there is no state budget by then, the District will again move \$1M to \$1.5M out of LAIF and into local banks. When the State budget situation is resolved, those funds will be moved back into LAIF.

MONTHLY PROGRESS REPORT W/QUARTERLY CUSTOMER SERVICE QUESTIONNAIRE

Mr. DeGabriele presented the Progress Report for December and said that water production for Novato is up slightly and that West Marin and Stafford Treatment Plant production are on track with the prior year. Recycled water production is up slightly from one year ago. He noted that the lack of rainfall to date signifies that it will be a dry year and that the dry weather has enabled discharge in the Oceana Marin irrigation fields and that there is ample freeboard in the treatment and storage ponds. He said that Improvement projects at Oceana Marin include the Infiltration and Inflow Study and Repair project and that several blockages have been found in the pipes and are being repaired.

Mr. DeGabriele stated that 74% of budgeted construction staff hours for developer projects have been expended year to date, and 44% expended for engineering hours. He further stated that for District projects, 52% of the construction hours budget has been expended and 63% of engineering hours. Mr. DeGabriele reported that on Safety and Liability, staff worked 84 days without a lost time accident or injury, and he informed the Board that thirty-seven Water Smart Home Surveys were completed in December.

The Manager reported that the Summary of Complaints and Service Orders for December show an increase principally due to consumer system problems, high bill complaints and water quality complaints, but on an annual basis, complaints are down 20%. He said that 78 quarterly customer service questionnaires were mailed, 41 were returned and of those returned 90% said staff is doing a good job.

Mr. Bentley summarized the Auditor-Controller's Monthly Report of Investments and said that the District portfolio totals \$9.2M and investments in LAIF have earned 3%.

CONSENT CALENDAR

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

MARIN COMMUNITY CLINIC, 6100 REDWOOD BOULEVARD

The Marin Community Clinic Project proposes conversion of one of two existing buildings on a 1.3 acre commercial lot. A 4-inch fire service and a 1 ½ -inch meter will be added and the 5/8-inch meter currently serving the building will be re-plumbed as a dedicated irrigation meter. New Zone 1 facilities required include 14 feet of 4-inch pipe, one 4-inch fire service assembly and one 1 ½-inch meter. The project is eligible for 2008 connection fees since all necessary information was provided and requirements were satisfied by the applicant by December 31, 2008.

The Board approved Resolution No. 01-04 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with NCCBG, LP. "

GERNER LAND DIVISION, 12 TAMARIN LANE

This project divides an existing undeveloped 6.54 acre parcel into three lots for single-family homes with second units provided on two of the lots. New Zone 2 water facilities required include 1,782 feet of pipe, two residential fire hydrants and three 1 ½ inch meters. New Intermediate Zone water facilities required to serve the new fire hydrant along Tamarin Lane include 618 feet of pipe. The project is eligible for 2008 connection fees since all necessary information was provided and requirements were satisfied by the applicant by December 31, 2008.

The Board approved Resolution 01-05 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with Thomas and Robbin Gerner."

350 HANGAR AVENUE SUBDIVISION

The 350 Hangar Avenue Subdivision Project subdivides an existing 5-acre parcel into 28 lots for 27 single-family homes and one sewer pump station. New Zone 1 water facilities required include 900 feet of 8-inch pipe, four new residential fire hydrants, 17 one-inch meters and two 5/8-

inch meters. The project is eligible for 2008 connection fees since all necessary information was provided and requirements were satisfied by the applicant by December 31, 2008.

The Board approved Resolution 01-06 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with BPG Novato, L.L.C."

ANNUAL REPORT

The Board approved the Annual Report for FY 2007/2008.

ACTION CALENDAR

APPROVE: DISTRICT LOGO REFRESH

Mr. DeGabriele stated that this year's budget includes as part of the updating of the District website, a refresh of the District logo redesign which was developed by the same vendor that was used for the website upgrade. He said that the vendor submitted eighteen designs and that staff narrowed the designs down to six. He said that he became involved in the process after the final three designs were selected and that Directors Rodoni and Petterle, serving as the website/logo sub-committee, met with him and Ms. Roberts for the final selection to be brought to the full Board for approval. Mr. DeGabriele informed the Board that another component of the project is the development of a "graphics standard guide" that will call out colors, size and placement of the logo consistently on all stationery, vehicles and clothing. He said that over time a schedule and cost for integrating the logo into District operations will be developed.

Director Schoonover requested to see the other two designs and Ms. Roberts briefly left the meeting to retrieve the other two designs. There was a discussion about the changes made to the current logo and Mr. DeGabriele said that over the years, the original logo went through many changes and that there are several versions of the logo currently being used. He said that the preferred new logo removes the lettering from the circle and will recapture the original focus on the water cycle arrow.

On motion of Director Schoonover and seconded by Director Petterle, the Board approved the refreshed logo design by the following vote:

AYES: Directors Petterle, Rodoni, Schoonover

NOES: Directors Baker, Fraites

ABSENT: None

ABSTAIN: None

APPROVE: PROPOSED BUDGET REVIEW SCHEDULE FY 2009-10

Mr. Bentley presented the proposed budget review schedule for the Fiscal Year 2009-2010 budget and advised that this is the same format as in prior years.

On motion of Director Baker and seconded by Director Petterle, the Board unanimously approved the proposed budget review schedule for FY 2009-2010.

APPROVE: STAFFORD TREATMENT PLANT SOLAR ENERGY PROJECT- REJECT ALL BIDS

Mr. McIntyre stated that since the public hearing in December, and, at the direction of the Board, staff has investigated additional alternative sites for the proposed solar energy project. He advised that one component of the investigation was to expand the geotechnical survey between the original proposed site and other sites, and that the Stafford Treatment Plant site, although a smaller and shadier site, will also be reconsidered. He said that approximately \$4,000 was expended to expand the geotechnical survey and that estimates in consultant fees for the investigation of the Stafford Treatment Plant site range from \$4,000 to \$9,000. Mr. McIntyre said that it is appropriate to reject all bids that were opened on November 6, 2008 since different sites are being explored and cannot be completed within the 90-day period for bid acceptance. Mr. McIntyre stated that the homeowners in the neighborhood will be kept apprised and their comments will be solicited on the alternative sites.

On motion of Director Petterle, seconded by Director Fraites, the Board unanimously approved rejection of all bids opened on November 6, 2008 for the Stafford Treatment Plant Solar Energy project.

INFORMATION ITEMS

STAFFORD DAM OUTLET TOWER REHABILITATION PROJECT – PROGRESS REPORT

Dave Jackson, Associate Engineer, provided a progress report on the Stafford Dam Outlet Tower Rehabilitation Project. He said that the recent construction activities have progressed very quickly including the placement of the 6' diameter tower "cap" set by helicopter on January 9, and that the seismic reinforcement of the tower has been completed. Mr. Jackson reported that the project is running behind schedule due to the changed conditions and late delivery of materials; the hydraulic control unit necessary to operate the gates is expected to be delivered by January 30th. He said that there have been several change orders but the project is still within budget, and it is expected that the project contingency will be sufficient to cover the anticipated change orders.

Mr. Jackson answered questions posed by the Board. Director Baker complimented staff for the good work on the project.

STAFFORD LAKE SPILL/RAINFALL 10-YEAR HISTORY

Mr. Clark provided information on Stafford Lake elevations as requested by the Board. He presented a chart with information gathered from the Daily Production Reports that identifies the lowest level of the lake over the past ten years, the annual rainfall for the water year (October 1 through September 30), and the rainfall for the period of October through January of the specified year. He said that the dates above the graphed column data indicate the day the lake reached full capacity and spilled during the water year. He noted that the lake spilled every year except 2001. He stated that the chart indicates that over the past ten years, significant rainfall occurred after January, and he opined there is still hope sufficient rainfall this year.

Mr. DeGabriele distributed a spreadsheet comparing rainfall during the water year in 1976 and 1977 with 2008 and 2009. In 1976 total rainfall was 4.45"; in 1977 total rainfall was 5.3" and this year through January 6.2" of rainfall was recorded. He noted that in 2008, it did not rain after February. Mr. DeGabriele said that a very dry spring is being followed by a very dry first half of the year and that staff is considering backfeeding Stafford Lake. He stated that he advised the Marin Municipal Water District General Manager that the District expects MMWD to pay for the water and energy costs to backfeed Stafford Lake. He provided information on the lake level of Lake Mendocino and said that water diverted out of the Eel River is being reduced to protect the fishery and that there will likely be a water shortage on the Russian River. He advised that staff is looking at ways to protect the local supply and will come back to the Board with the District's water conservation outreach plans. He further advised that the Sonoma County Water Agency will likely increase the rate of purchased water significantly.

There was discussion on possible cutbacks and contingency plans and Mr. DeGabriele informed the Board that Water Conservation Coordinator Ryan Grisso will be at the next meeting with a report.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Renewal of Oceana Marin Liability Insurance, Scrap Metal Receipts, and Gallagher Project Handout.

ADJOURNMENT

President Rodoni adjourned the meeting at 8:36 p.m.

Submitted by

Renee Roberts
District Secretary