

1 **NORTH MARIN WATER DISTRICT**  
2 **MINUTES OF REGULAR MEETING**  
3 **OF THE BOARD OF DIRECTORS**  
4 April 21, 2009

5 **CALL TO ORDER**

6 President Rodoni called the regular meeting of the Board of Directors of North Marin Water  
7 District to order at 7:32 p.m. at the District headquarters and the agenda was accepted as  
8 presented. Present were Directors Jack Baker, Steve Petterle, Rick Fraites and John Schoonover.  
9 Also present were Secretary Renee Roberts, Auditor-Controller David Bentley (arrived at 7:45 p.m.)  
10 and Chief Engineer Drew McIntyre, Acting General Manager. General Manager Chris DeGabriele  
11 was absent.

12 District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore  
13 (Construction/Maintenance Superintendent) were in the audience.

14 **MINUTES**

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

17 **OPEN TIME**

18 President Rodoni asked if anyone in the audience wished to bring up an item not on the  
19 agenda and there was no response.

20 **STAFF / DIRECTORS' REPORTS**

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

23 **2<sup>nd</sup> Feed to Amaroli Tank Bid Opening**

24 Mr. McIntyre reported that bids were opened for the 2<sup>nd</sup> Feed to Amaroli Tank project on  
25 April 9 and that there was a significant irregularity in the completion of the bid by the low bidder. He  
26 said that the second low bidder has filed a protest letter and the bid protest is under District legal  
27 counsel review. He said the project will be delayed until resolution of the bid protest and he hopes  
28 to bring the contract to the Board for approval at the May 5<sup>th</sup> meeting.

29 **Recycled Water Sub-Committee Meeting**

30 Mr. McIntyre stated that Directors Baker and Schoonover attended the Recycled Water Sub-  
31 committee meeting held on April 8 with representatives from Novato Sanitary District and Las  
32 Gallinas Valley Sanitary District. He said there were two items for discussion; if the District should

1 continue to participate with North Bay Water Reuse Authority (NBWRA) after the environmental  
2 clearance Phase when the MOU terminates; and what level of involvement the District will have with  
3 the NBWRA in the future. He said the NBWRA has funding through the environmental phase of  
4 the project and expects the Draft EIR to be released in early May. He said that there is discussion  
5 among the NBWRA members about continued funding for lobbying for appropriation of Federal and  
6 state grant monies.

7 SCWA Workshop

8 Mr. McIntyre reported that he attended a Sonoma County Water Supply workshop held on  
9 April 13 wherein Agency staff presented an overview of the entire water system and the challenges  
10 facing the Agency. He said Agency staff developed twelve recommended strategies for moving  
11 forward which will be included in the strategic plan expected to be presented to the Agency within  
12 six months.

13 Customer Letter Re: Notice of Proposed Rate Increase and Water Use Restrictions

14 Mr. McIntyre reported that the customer notification letter was mailed April 9 and some initial  
15 comments have been received. He said that eleven written correspondence and emails addressed  
16 the rate increase (one in support of the proposed increase); and the bulk of the phone calls  
17 (approximately 75) were related to water use restrictions. He said these customers feel they are  
18 already using a minimal amount of water and are interpreting the notice that they have to cut back  
19 water usage another 15%. He said that Mr. Grisso has outreached to these customers to explain  
20 the intent of the Emergency Water Conservation Ordinance.

21 Director Rodoni said there should be a clear message of the number of gallons per day that  
22 customers should be using.

23 Mr. McIntyre said that it is expected that staff will return to the Board to approve Phase 2 of  
24 the water waste restrictions and that will be an opportunity to consider revising the wording.

25 Director Fraites said that there needs to be a way to create equity in the water restrictions  
26 and rate increases and that staff should look at other areas of the country that have gone through  
27 this for suggestions. He said people are already being very conservative with their water use and  
28 that the District is asking for another 15%.

29 There was discussion on ways to make the message clearer to customers.

1 Assembly Member Jared Huffman's Annual Environmental Breakfast

2 Director Fraites stated that he attended Assembly Member Jared Huffman's annual  
3 environmental breakfast on April 15<sup>th</sup> and gave a brief report.

4 Novato Clean and Green Day

5 Director Rodoni stated that April 25<sup>th</sup> is Novato Clean and Green Day and to meet in the  
6 District parking lot at 9 a.m.

7 **MONTHLY PROGRESS REPORT W/QUARTERLY CUSTOMER SERVICE QUESTIONNAIRE**

8 Mr. McIntyre reported that water production was down in both Novato (-27%) and West  
9 Marin (-8%) compared to the previous year. He said that Stafford Treatment Plant is not operating  
10 at this time as water is being stored in Stafford Lake for use during peak summer months but the  
11 plant is in stand-by mode ready for start-up. He reported that Stafford Lake storage is 1,341 MG  
12 which is similar to last year. In Oceana Marin flow was similar to last fiscal year and noted that  
13 there was no discharge to the irrigation field during March because the treatment and storage pond  
14 levels are low. Mr. McIntyre advised that there are a couple of ongoing developer projects and that  
15 District crews are installing sample stations and expanding recycled water to Novato Fire  
16 Production District Station No. 2 as part of approved District projects. In Safety and Liability, there  
17 have been 32 days with no lost time accident or injury and that in Water Conservation, activity  
18 continues in the high efficiency toilets and washing machine rebates. In the summary of complaints  
19 and service orders, complaints were down 34% from last year.

20 Mr. Bentley presented the Monthly Report of Investments and said that at the end of March,  
21 \$8.7M was in the bank and he included a chart of the 10-year history of District cash balance. He  
22 said the cash balance peaked in 2000 at \$19,268,702 and expects that it will fall below \$7M this  
23 year.

24 **QUARTERLY FINANCIAL STATEMENT**

25 Mr. Bentley said that through the first nine months of the fiscal year, the District collected  
26 74% of the budgeted revenue and expended 66% of budgeted expenditures; 59% of the  
27 Improvement Projects Budget was expended this fiscal year to date. He said the two major projects  
28 accounting for the expenditures are the Stafford Lake Outlet Tower and Palmer Drive Tank.

29 In Novato, Mr. Bentley reported that consumption is down 4% this year compared to last  
30 year. He said the last 10 years have seen a reduction in water use even though Novato has grown  
31 by 11%. Production is down 4% and the District won't make its annual sales goal; however,  
32 revenue is up 6% due to the 11% rate increase that began in September. He advised that a

1 proposed rate increase is scheduled to begin June 1 and the billing system will be revised so that  
2 the rates will be pro-rated using the old and new rates. He said that 117M gallons of water has  
3 backfed into Stafford Lake and will be resold to Marin Municipal Water District. \$3.8M of Novato  
4 Improvement Projects Budget has been expended and cash balance has decreased by \$1.8M. He  
5 said it is anticipated that additional connection fees will come in before June 30 and that BioMarin is  
6 planning on an expansion that will require \$900,000 in connection fees. The recycled water  
7 operation has \$91,000 in the bank and we hope to secure the Integrated Regional Water  
8 Management Plan Grant before June 19 when debt service is due.

9 Mr. Bentley reported that water consumption is up in West Marin. Revenue is up due to the  
10 9% rate increase and expenditures are down. He said the West Marin Water has paid back  
11 \$150,000 to Novato this fiscal year and now owes \$449,000.

12 Mr. Bentley said that Oceana Marin revenue is up 1% and expenses are lower than last  
13 year. He said the cash balance is \$192,000.

14 **ACTION CALENDAR**

15 **APPROVE: 2009 VEHICLE AUCTION REPORT**

16 Mr. Clark presented the list of surplus equipment scheduled for auction and offered an  
17 explanation of the outcome of last year's auction. He said that last year, four vehicles were sent to  
18 the Nation Wide Auction System for auction; all four sold, but the District was never paid. He said  
19 that the company has gone out of business and the District is trying to recoup the money.

20 He said that in researching options to dispose of the surplus equipment, it was determined  
21 that Craigslist and 1<sup>st</sup> Capitol Auction (used by the County of Marin) would be the best option.

22 On motion of Director Petterle and seconded by Director Baker, the Board unanimously  
23 authorized the General Manager to enter into a sales contract with an individual or 1<sup>st</sup> Capitol  
24 Auction to dispose of the surplus vehicles.

25 **INFORMATION ITEMS**

26 **INITIAL REVIEW – FY 10 PROPOSED EQUIPMENT BUDGET**

27 Mr. Bentley reviewed the FY 10 Proposed Equipment Budget and stated that this is the first  
28 of three reviews before Board approval. He said the equipment budget totals \$281,000, down 9%  
29 from last year's budget. He said that the General Manager directed that all costs be held to FY 09  
30 levels with the exception of water. He also presented a chart showing ten year's of equipment  
31 purchases history, a plan for purchase of new computers and the five-year vehicle and equipment  
32 replacement plan. Mr. Bentley asked the Board to forward any comments they may have to him.

1 **INITIAL REVIEW - FY 10 IMPROVEMENT PROJECTS BUDGET**

2 Mr. Bentley presented the FY 10 Improvement Projects Budget for the Board's initial review.  
3 He said that a comprehensive 2-year plan has been developed and the major projects scheduled  
4 are: Zone A Pipeline to Ignacio Area, STP Solar Panel Design/Build, Crest Tank #2, Water  
5 Conservation, and an OM Sewer Line Replacement. He said that the solar project is the largest  
6 project at \$4M over two years but will be financed with a loan if the project is determined to be cost-  
7 effective. He advised that funds for the cross-country sewer line replacement project will hopefully  
8 be provided through Federal/State grant and/or stimulus funding.

9 **CONSUMER CONFIDENCE REPORT - NOVATO WATER AND WEST MARIN WATER**

10 Mr. Clark reviewed the Consumer Confidence Reports for Novato Water and West Marin.

11 **WAC TAC MEETING – APRIL 20, 2009**

12 Mr. McIntyre stated that he and Director Rodoni attended a hastily scheduled WAC meeting  
13 to draft an appropriate response to the recent Order by the State Water Board that addresses  
14 SCWA's petition to approve reductions and water releases out of Lake Mendocino. He said the  
15 Order allowed the Water Agency to immediately start reducing flows to keep storage in Lake  
16 Mendocino; however, there are provisions in the Order that the contractors take issue with. He  
17 advised that the State Water Board will have a public hearing on May 6 and the cut-off for any  
18 response to the Order is Friday, April 24. Mr. McIntyre said that the version of the draft response  
19 letter that was included in the Board agenda packet has been replaced with a newer version at the  
20 start of tonight's meeting. Mr. McIntyre discussed the three key issues and requests as stated in  
21 the WAC response letter.

22 Mr. McIntyre stated that the letter, with final comments, will be emailed to all WAC officials  
23 for any final comments before the letter is executed and mailed by chair of the WAC before Friday,  
24 April 24. He noted that Mr. DeGabriele and District legal counsel, Robert Maddow, have reviewed  
25 the letter and the most recent version reflects changes suggested by Mr. Maddow.

26 **MISCELLANEOUS**

27 The Board received the following miscellaneous information: Disbursements, Rate  
28 Schedule cards, and USPS Address Update Service. The Board also received the following news  
29 articles: A boost for recycled water, Hearing set for 25 percent water rate, New location for solar  
30 array a win, Solar panels to go near golf course, Santa Rosa official hired as city manager, Close to  
31 Home: A new kind of drought, City to impose water rationing, Proposed 25 percent water increase  
32 a lie, Summit highlights local water dilemmas, NMWD supervisor honored at conference.

1 **ADJOURNMENT**

2 President Rodoni adjourned the meeting at 8:54 p.m.

3 Submitted by

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Renee Roberts  
District Secretary