

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 15, 2006**

CALL TO ORDER

Vice-President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:35 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Steve Petterle, and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, and Chief Engineer Drew McIntyre. Auditor-Controller David Bentley was absent. President Schoonover arrived at 7:36 p.m. and joined the Board in the closed session.

District employee Mike McMaster (Operations Superintendent), Pablo Ramudo (Water Quality Supervisor), Robert Clark (Facilities Maintenance Superintendent) (8:15) and Novato resident Ed Grundstrom were in the audience.

CLOSED SESSION

Vice-President Petterle immediately adjourned the Board into closed session for Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Government Code subdivision (b) of Section 54956.9 (one case re Lagunitas Creek Water Right License 4324B); and Conference with Real Property Negotiator (Chris DeGabriele) regarding terms of Restructured Agreement for Water Supply with Sonoma County Water Agency (Government Code Section 54956.8).

OPEN SESSION

Upon returning to regular session at 7:52 p.m., President Schoonover assumed the chair and stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

MINUTES

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

GENERAL MANAGER'S REPORT

North Coast Instream Flow Meeting

Mr. DeGabriele reported that he will attend the State Water Resources Board meeting on the North Coast Instream Flow Proposal on August 16, 2006.

Las Gallinas Valley Sanitary District

The General Manager advised that he will attend the Las Gallinas Valley Sanitary District's solar project dedication on August 18.

Labor Day at the Lake

Mr. DeGabriele reported that the 11th Annual Labor Day event at the Lake is Sunday, September 3.

Synthetic Turf Rebate Program

Mr. DeGabriele advised the Board that the District has received a lot of media attention regarding the synthetic turf and cash for grass rebate programs and that TV Channels 50, 5 and 2 and radio channels KCBS and KQED have interviewed Ryan Grisso about these programs.

Customer Outreach Program

The General Manager also advised the Board that the telephone survey of District customers will be completed next week and that a workshop is planned for the September 5th meeting with Ogilvy Public Relations for the purpose of presenting the summary of survey results and discussion with the Board on next steps in the customer outreach plan. Mr. DeGabriele suggested starting the Board meeting at 6:30 p.m. for the workshop with Ogilvy. The Board agreed.

Vehicle Accident

Mr. DeGabriele apprised the Board that a temporary summer employee was involved in an auto accident resulting in \$2,000 damage to a District vehicle and totaling the other car. He said that since the accident was determined to be the employee's fault, his employment was terminated.

OPEN TIME

President Schoonover asked if anyone in the audience or staff wished to bring up an item not on the agenda and the following items were discussed:

Tier Rate Protest

Mr. Grundstrom addressed the Board and voiced his opposition to increased rates and the proposed additional tier rate. Mr. Grundstrom stated that conservation is not the reason for the tier rate, but that NMWD ratepayers are being asked to conserve water so that surplus water can be delivered to MMWD.

Members of the Board stated that Mr. Grundstrom's recital was fraught with errors and he was encouraged to again confer with Mr. DeGabriele for the correct facts and figures on this issue.

Mr. Grundstrom thanked the Board and left the meeting.

Stafford Treatment Plant Start-Up

Mr. McMaster stated that he is very happy to announce that on Monday, August 21, 2006, the new Stafford Treatment Plant will start up. He stated that the preliminary tests prove the water to be "topnotch".

Recycled Water Project

Mr. McIntyre provided an update on the Recycled Water Project and stated that the project is progressing as scheduled and that the Construction Manager, Steve Cleveland of Coastland Engineering, is doing a good job.

Center Road Tank

Mr. McIntyre advised the Board that progress on the Center Road tank is continuing. He stated that the pad has been excavated and initial grading of the access road is in progress.

MONTHLY PROGRESS REPORT

Mr. DeGabriele reviewed the monthly progress report for July, the first month of the 2006/07 fiscal year. He stated that units of water production are now shown in million gallons rather than acre-feet. He reported that water production in both Novato and West Marin has remained steady during the summer months and that water demands remained constant even with temperatures exceeding 100 degrees in the months of July. Mr. DeGabriele apprised the Board of two new projects: construction of a new building to enclose at the Hayden Pump Station, and, at the City of Novato's Simmons Lane Bridge project, the District has installed two valves on either side of the bridge for use during reconstruction of the bridge.

Mr. DeGabriele stated that the Oceana Marin irrigation field discharge was not reported but is estimated to be 600,000 gallons in July, and he advised that the project to automatically rotate the disposal fields at Oceana Marin is completed.

In the absence of the Auditor-Controller, the Manager reported that all investments are in accordance with District policy and the total yield is 4.2% and that the District has \$13.6 million in reserves. He reported that the executed agreement for the State Revolving Fund loan for the Recycled Water Project was received.

CONSENT CALENDAR

On motion of Director Fraites and seconded by Director Petterle, the following item was unanimously approved on the consent calendar:

DISBURSEMENTS

The Board approved payroll and accounts payable vouchers totaling \$1,180,162.75.

ACTION CALENDAR

EMPLOYEE REQUEST TO REDEEM VACATION

Mr. DeGabriele stated that District employee, Joe Kauwe, has requested that a portion of his vacation time be converted to cash because of a serious family health situation. He stated that Mr. Kauwe's request does not fall into any of the District current policies, and, therefore, it would be a Board decision whether or not to honor his request.

Director Schoonover stated that he is in favor of Mr. Kauwe's request, but that requests like this would be considered on a case-by-case basis, and Director Petterle added that requests such as this would be granted only in dire circumstances.

On motion of Director Fraites and seconded by Director Rodoni, the Board unanimously approved Mr. Kauwe's request to redeem 15 days' vacation for cash for one time only.

LETTER TO CITY OF SANTA ROSA RE DISCHARGE COMPLIANCE PROJECT

Mr. DeGabriele stated that he attended the City of Santa Rosa's informational pre-scoping meeting last week on Santa Rosa's Discharge Compliance Project Notice of Preparation. He stated that the Discharge Compliance Project considers four direct and three indirect discharge locations into the Russian River. He said that he is asking Board approval to send a letter that he has drafted to the City of Santa Rosa commenting on Santa Rosa's Subregional Incremental Recycled Water Program. Mr. DeGabriele said that the District will continue to object to the discharge of recycled wastewater upstream of the Sonoma County Water Agency water collectors and that it would be prudent for the District to have its own discussions with the Department of Health Services.

Director Baker asked if the other agencies have commented. Mr. DeGabriele stated that North Marin is the only agency objecting to the discharge and that Rohnert Park and Cotati are regional wastewater partners with Santa Rosa. He replied that he did not know why Sonoma, Petaluma and Valley of the Moon are not commenting. He noted that Windsor already discharges into the Russian River.

On motion of Director Baker and seconded by Director Petterle, the Board unanimously approved sending the letter to the City of Santa Rosa commenting on the Discharge Compliance Project Notice of Preparation and Initial Study.

NEW RATE INCREASE NOTICE REQUIREMENT

Mr. DeGabriele advised the Board that Proposition 218 was passed by voters in 1996 and gave taxpayers the right to approve or reject local governments' tax increases and special assessments on property. He stated that the California Supreme Court recently decided that water service is a property related fee; however, an election is not required to enact a rate increase, but a notice must be sent to each customer 45 days before the public hearing at which the rate increase will be considered. Mr. DeGabriele pointed out that to avoid a special mailing for the District's proposed tier rate public hearing, which is scheduled for December 5, 2006, customers would be notified on their water bill and he presented draft wording for the Board's approval. He stated that in order to enact the tier rate by January 2007, noticing needs to be acted upon immediately due to the District's billing cycles. Mr. DeGabriele also noted that the public hearing will be noticed in the newspapers.

On motion of Director Fraites and seconded by Director Petterle, the Board unanimously approved the wording to appear on water bills mailed to Novato customers commencing August 17, 2006.

INFORMATION ITEMS

QUARTERLY WATER QUALITY REPORT

Water Quality Supervisor, Pablo Ramudo presented the water quality report for the fourth quarter of the fiscal year. He stated that in Novato, the District has discontinued monitoring for *cryptosporidium* and *giardia* in Stafford Lake because enough data has been collected to comply with requirements set in the Long Term Enhanced Surface Water Treatment Rule Phase II. He also reported that monthly watershed monitoring continued through June this year and that a STRAW project (Students and Teachers Restoring a Watershed) in collaboration with the Marin County Parks Department is in progress to improve the drainage areas of creeks in the watershed to reduce sedimentation and improve water quality.

Mr. Ramudo reported that Point Reyes' raw water quality was good and that there was no sign of salt intrusion and that coliform bacteria that was present in the wells last quarter is no longer present. He said that Point Reyes water treatment was optimal and water quality was excellent. He also stated that there were no coliform samples collected in either Novato or Point Reyes distribution systems.

Mr. Ramudo then presented an interesting presentation on endocrine disruptors, pharmaceuticals, and personal care products in water and explained the effects, sources and ongoing research and regulations of these emerging contaminants.

QUARTERLY PROGRESS REPORT – OPERATIONS

Mr. McMaster presented the fourth quarter report for the Operations Department. He noted that even though one of the wettest days on record occurred in April, rainfall totals were down slightly from last year; however, lake elevation, at 201 feet, was the highest in many years. He reported that peak flow on the aqueduct was 19.69 million gallons and that lack of Stafford production during this period and increased demands in Novato resulted in less available water for Marin Municipal Water District. Mr. McMaster stated that operations in the Point Reyes system continue to be trouble free this quarter, that peak demands match past peak demands and that most of the daily production numbers remain in the middle of the demand trends for the past 6 years. He advised that the Oceana Marin discharge field was shutdown due to rain and that the automatic valve rotation control project was completed.

CONSERVATION INCENTIVE RATE – 2-YEAR APPRAISAL

Mr. DeGabriele presented an analysis of the two-year appraisal of the Conservation Incentive Rate that first appeared on bills in June 2004. He stated that the analysis clearly shows that water use dropped 44% since implementing the Conservation Incentive Rate and that it is an effective tool in generating water savings.

BOARD REVIEW OF DISTRICT POLICIES

The General Manager presented Policy No. 19, Policy on Senate Bill 211 (Fluoridation) to the Board for review and comment. He stated that the Board has always remained neutral on this issue and that the District is in compliance with State law and the Health and Safety Code. He noted that the policy's title will change to "Policy on Fluoridation." Mr. DeGabriele also presented Policy No. 20, Policy on Purchase of Winter Safety Jackets.

WATER ADVISORY COMMITTEE MEETING – AUGUST 7, 2006

Mr. DeGabriele updated the Board on the Water Advisory Committee meeting of August 7, 2006 and reported that Mike Martini of Santa Rosa was elected WAC Chair and that Jake MacKenzie of Rohnert Park was elected Vice-Chair. He stated that the WAC will meet quarterly and that the Technical Advisory Committee (TAC) will meet every month.

SONOMA COUNTY SALMON COALITION

Mr. DeGabriele reported that he attended a meeting of the Salmon Coalition on August 4, 2006. He stated that the coalition is comprised of the Water Agency, Russian River Property Owners Association, Home Builders Association of Northern California, Sonoma Grape Growers Association, United Wine Growers and Syar Industries and that NOAA Fisheries is also participating. He stated that NOAA is cooperating with the coalition to come up with a recovery plan

for the anadromous salmonid species. Mr. DeGabriele said that water contractors were represented at the meeting because of the concerns pertaining to Dry Creek, which is used as the major conduit for delivery of water released from Lake Sonoma by SCWA for rediversion at the collectors. He said that Coho salmon grow in Dry Creek and that flows are too high in Dry Creek during summer for juvenile Coho. He said that NOAA has identified four alternatives to solve this dilemma: a Dry Creek pipeline, Dry Creek Channel Widening, Estuary Flows Reduction, Quid Pro Quo Tributary Enhancement in Exchange for Dry Creek. He said that he will attend another meeting scheduled for August 25.

MISCELLANEOUS

The Board received the following miscellaneous items: Labor Day at the Lake Announcement, Las Gallinas Valley Sanitary District Solar Power Project Dedication Invitation, Napa River Salt Marsh Restoration Project Clears U.S. Senate Floor – Press Release, Marin Conservation League’s Special Environmental Luncheon & Book Signing Invitation.

The Board also received the following news articles: Rethinking Our Love for Lawns (8/11), Water: It Rates Serious Conservation, Even Here in Novato (8/9), Waterways Proposals Stir More Debate (8/9), Mendocino County Water Agencies Back Reservoir Plan (8/9), Stirring Stafford Lake (8/5), Company Ponders Removing Some Dams on Klamath (8/3), Waterways Debate: County’s Future at Stake (8/2), Thwarting Temptation with Policy (8/2).

ADJOURNMENT

President Schoonover adjourned the meeting at 9:15 p.m.

Submitted by

Renee Roberts
District Secretary