

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 19, 2008**

CALL TO ORDER

President Fraites 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.

Mike O'Brien of Novato Disposal and District employees Robert Clark (Operations/Maintenance Superintendent), and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

CLOSED SESSION

President Fraites immediately adjourned the Board into closed session in accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

OPEN SESSION

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

MINUTES

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

GENERAL MANAGER'S REPORT

Novato City Council Meeting

Mr. DeGabriele reported that he and Mr. Clark attended the Novato City Council meeting on Tuesday, August 12th wherein the Council heard presentations from Marin Clean Energy and PG&E about the proposed Community Choice Aggregation (CCA) plan in Marin County. He said that he had an opportunity to advise the City Council of the District's involvement in reviewing the CCA, how it analyzed the business plan and that the District can support the City Council authorizing the Marin Clean Energy to solicit proposals for clean energy supplies and develop more accurate costs for potential Marin Clean Energy customers.

Mr. DeGabriele advised that he has been asked by the Novato Sanitary District General Manager to attend their board meeting on August 25th to discuss the Marin Clean Energy proposal.

Novato Creek Watershed Management Plan Meeting

The General Manager reported that on August 27th he and Drew McIntyre will be meeting with the County of Marin and Novato Sanitary District staffs regarding the Novato Creek Watershed Management Plan. He said the county is updating their countywide watershed management plan and will be reviewing major drainages including Novato Creek.

Meeting with Marin Association of Realtors

Mr. DeGabriele stated that he and Ryan Grisso will be meeting with the Marin Association of Realtors to discuss the District's Retrofit on Resale requirement and that he believed they will advocate the District changing its requirement to that similar to Marin Municipal Water District wherein change of occupancy would trigger the retrofit of plumbing fixtures.

OPEN TIME

President Fraites asked if anyone in the audience wished to bring up an item not on the agenda and there was no comment.

STAFF/DIRECTORS REPORTS

Director Schoonover inquired if during the meeting with city staff, there was a discussion about the redevelopment of the north Redwood Boulevard corridor by the City. Mr. DeGabriele responded that the City Council has asked that the redevelopment of this area be included in the Novato General Plan update and that the Council will do a study when the general plan update has begun. He said that the District needs to focus on its goals and activities and determine whether to invest in remodeling the existing District headquarters building or to relocate as contemplated by the City Redevelopment Agency and what would be of benefit to its customers. He noted that the City has not complied with the agreement the District has with the City to develop a more concrete timeline.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the Monthly Progress Report for July, the first month of the fiscal year 2008/09, and stated that Russian River deliveries are at the same level as last year. He stated that water production in Novato, West Marin, and Stafford Treatment Plant and at the Recycled Water Facility are virtually the same as water produced in July 2007. He said that in Oceana Marin, irrigation field discharges continue and the ponds are at good levels and continue to gain freeboard. Mr. DeGabriele noted that in Safety and Liability, the District experienced four minor incidences with

no lost time. He also noted that over 6500 toilets have been replaced to date and that 1250 of those toilets are High Efficiency Toilets. He said that there were 38 Water Smart Home Surveys conducted in July. He stated that in the Summary of Complaints, complaints were down across-the-board by 35%, but a few more water quality complaints were received than the prior year.

CONSENT CALENDAR

At the request of Director Baker, Agenda Item 8, Water Service Agreement for Novato Disposal Fire Service – 2543 Petaluma Blvd S., was pulled from the Consent Calendar for further discussion.

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

BENESI LAND DIVISION

The proposed project on McClay Road subdivides an existing 1.19 acre lot with one residence into two lots for two single family homes. The Applicant previously applied for water service and the Board approved the Water Service Agreement on June 21, 2005; however, the Applicant failed to make financial arrangements within one year from date of approval and the job was closed. The Applicant is ready to move forward and the cost estimate has been updated. New water facilities for this high pressure water service include 25 feet of 6-inch PVC for a fire hydrant lateral, 45 feet of copper pipe, one residential fire hydrant, one 1-inch meter and one 1.5 inch meter.

The Board approved Resolution No. 08-18 entitled, "Authorization of Execution of High Pressure Water Service Facilities Construction Agreement with Steve C. Benesi."

NOVATO DISPOSAL FIRE SERVICE

Director Baker stated that he did not have a specific objection to the Water Service Agreement for Novato Disposal and requested that Mr. McIntyre comment on the various parcels in that area. He said that his impression was that the County of Sonoma has not been paying attention to redevelopment and the District's request that the City of Petaluma take over this area.

Mr. McIntyre said that the subject of the Petaluma Boulevard South customers has been in front of the Board for years; the last time was in regard to the Dutra Haystack project. He said that tonight's subject parcel is for the Novato Disposal and he identified the area on a map showing the parcel located on the east side of Petaluma Boulevard South. Mr. McIntyre said that the agreement before the Board tonight does not reflect an increase in water demand; and that because of improvements being made at the site, the Sonoma County Fire Marshall is requiring additional fire

protection for the property. He said that the project will add an 8-inch fire service and three fire hydrants.

Mike O'Brien, representative of Novato Disposal, explained that the improvements to the site now require fire protection to bring the facility up to code and that is the reason for the water service request. Mr. O'Brien told the Board that District staff has been very helpful and a pleasure to work with.

Director Rodoni said that staff should seize this opportunity to again appeal to the City of Petaluma and the Sonoma County Local Agency Formation Commission (LAFCo) stating that the District is being forced to provide water services to a parcel located in Sonoma County as a result of Sonoma County requirements and that Sonoma County LAFCo should be more active in helping the District resolve the question of who should be providing service to this and other parcels in this area.

Mr. DeGabriele stated that the District has made several attempts to encourage the City of Petaluma to take over water service in the Petaluma Boulevard South area. He said there is a new city manager in Petaluma and he will again approach the City of Petaluma on this subject and hopes that Mr. O'Brien will lend his support.

Mr. McIntyre briefly reviewed the status of the other parcels in the Petaluma Boulevard South area for the Board.

On motion of Director Baker and seconded by Director Schoonover, the Board unanimously approved Resolution 08-19 entitled "Authorization of Execution of High Pressure Water Service Facilities Construction Agreement with Novato Disposal Service."

Mr. O'Brien thanked the Board and left the meeting.

ACTION CALENDAR

APPROVE: MOU WITH LAS GALLINAS VALLEY AND NOVATO SANITARY DISTRICTS FOR JOINT PARTICIPATION IN NORTH BAY WATER REUSE AUTHORITY

Mr. DeGabriele stated the Recycled Water Implementation Plan was prepared by Nute Engineering in 2006 and the District is moving forward with that plan. He said that the District saw an opportunity in June 2006 to work cooperatively with Novato Sanitary District (NSD) in a Memorandum of Understanding (MOU) to participate in their membership with the North Bay Water Reuse Authority (NBWRA) so that it could obtain the Environmental Impact Report for the District's Implementation Plan. Mr. DeGabriele advised that staff and Board worked hard to encourage Marin Municipal Water District (MMWD) to follow the same tact with Las Gallinas Valley Sanitary District

(LGVSD) but were unsuccessful in encouraging MMWD to participate. He further advised that it falls on the District to secure recycled water in the south Novato area from LGVSD and he is proposing the District assist LGVSD in their participation in the NBWRA as well. Mr. DeGabriele advised that the Board Recycled Water Sub-committee (Directors Baker and Schoonover) met to discuss the joint participation with NSD and LGVSD and crafted a MOU that encompasses all three districts. He further advised that by adding LGVSD to the joint participation, the District's costs will increase as follows: \$50,000 to add LGVSD; and escalation of the work will add another \$50,000. He explained that the escalation is due to increasing the scope for public outreach, additional scope for management of the project and also the cost of the environmental impact review will increase. Mr. DeGabriele opined that it is worthwhile to include LGVSD in the MOU and that the District would spend that amount on conducting its own EIR and that money and time has already been invested. He said that this would make the District regional partners and it is his recommendation that the Board approve the MOU.

Director Baker said that the representatives of the District, LGVSD and NSD were all in agreement that this is going in the right direction.

On motion of Director Baker and seconded by Director Petterle, the Board unanimously approved the Memorandum of Understanding between NMWD, LGVSD and NSD for Joint Participation in the North Bay Water Reuse Authority.

INFORMATION ITEMS

POINT REYES WELLS SALINITY INTRUSION

Mr. DeGabriele informed the Board that the threshold for public notification for sodium levels in the Point Reyes Wells has been exceeded. He advised that under District Salinity Intrusion Operating Procedures the District published a notice in the Point Reyes Light advising the customers in the West Marin communities of the salinity levels. He said it is unknown at this time why salinity levels have increased, as creek flows have been maintained by Marin Municipal Water District. He said the District will avoid pumping at high tide and will continue to monitor the sodium level and notify the public as required. Mr. DeGabriele said it is unlikely that the chloride and sodium levels will decrease until Lagunitas Creek flows increase this fall.

Director Fraites asked if this problem will continue as sea levels rise and if the wetlands restoration at the Giacomini Ranch has an effect on the sodium levels. Mr. DeGabriele said that Don Neubacher, Superintendent of the Point Reyes National Seashore, advised that the Giacomini Ranch levees have not yet been removed. However, the marsh restoration project currently underway may have an affect on the magnitude and duration of salt intrusion and may allow salt

water to reach further up Lagunitas Creek during high tides. He said that at this point people cannot taste the sodium but it is important for people with sodium-restricted diets to be aware of the increased levels of sodium in the drinking water.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements (8/6/2008 and 8/13/2008), Marin Clean Energy – City of Novato Staff Report, Letter to Customer Re: Annexation to PRE-1. The Board received the following news articles: MMWD's Plan for Water Supplies (8/15), and Stafford Lake Stocked with Catfish (8/1).

ADJOURNMENT

President Fraites adjourned the meeting at 8:28 p.m.

Submitted by

Renee Roberts
District Secretary