

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 18, 2008**

CALL TO ORDER

Vice-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. President Rick Fraites was absent.

District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent); and Leonard Charles of Leonard Charles Associates and ten members of the public were in the audience.

MINUTES

On motion of Director Schoonover, seconded by Director Petterle and carried by the following vote, the Board approved the minutes from the previous meeting as mailed:

AYES: Directors Baker, Petterle, Rodoni, Schoonover

NOES: None

ABSTAIN: None

ABSENT: Director Fraites

GENERAL MANAGER'S REPORT

City of Santa Rosa Board of Public Utilities Meeting

Mr. DeGabriele reported that on November 6th he attended a Santa Rosa Board of Public Utilities meeting wherein a study session on their discharge compliance project was conducted to evaluate and determine how to discharge treated wastewater from the Laguna treatment plant. He said there were several options to directly discharge to the Russian River and that the environmentally preferred alternative and least expensive option was to continue with the Laguna discharge and that the City of Santa Rosa will move in that direction.

City of Novato Sustainability Committee

Mr. DeGabriele stated that he attended the City of Novato Sustainability Committee meeting. The committee is comprised of city staff and Council Members Jim Leland and Pat Eklund. He reported that he suggested that the city develop a climate action plan in concert with special districts; and the City Council decided to use the best practices framework from the Institute for Local Government to development that climate action plan. He said this will give them a good textbook approach on how to reduce greenhouse gas emissions.

Novato City Council Meeting

The General Manager reported that he spoke at last Tuesday's City of Novato Council meeting regarding the redevelopment within the City and urged the council to establish priorities; and he reminded the City of their agreement with the District and the desire that the north Redwood Boulevard corridor redevelopment should be a priority. He said he is hopeful that their priority determination will happen before the first of the year.

North Bay Watershed Council

Mr. DeGabriele said that tonight he attended the North Bay Watershed Association Council meeting. He said that it was not well-attended and hopes that NBWA will find a way to reinvigorate the watershed council.

Emergency Operations Center

Mr. DeGabriele reported that Wednesday, November 20th the Emergency Operations Center, a joint project between the City of Novato and Novato Fire Protection District, will hold an open house and reception at 6 p.m. at 95 Rowland Way.

ACWA Conference – Washington, DC

The General Manager advised that the Washington, DC ACWA Conference is scheduled for February 24-26, 2009 and that Sonoma County Water District will request that District elected officials attend the conference to continue to solicit funding for the Biological Opinion compliance.

OPEN TIME

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

STAFF / DIRECTORS' REPORTS

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

Joe Kauth

Doug Moore reported that former District Mechanic, Joe Kauth, passed away on Saturday. Mr. Kauth retired from the District approximately 1 ½ years ago after 27 years of service.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the Monthly Progress Report for October and stated that Novato water production was up 5% from a year ago and down slightly from 2004-2005 which was another dry spring and summer. He said local production combining Stafford Treatment Plant and Recycled Water is up 7% from 2007 and deliveries from the Russian River in 2008 are up slightly from 2007. He reported that the District has done its part to reduce deliveries from the Russian River in the summer months thus helping to preserve water in Lake Mendocino for the Chinook salmon. Mr. DeGabriele reported that West Marin water production is up 9% from the same period last year.

Mr. DeGabriele advised that Stafford Lake is well below normal levels and that the Stafford Treatment Plant shut down for the season at the end of October. The plant will be ready for start-up after the first of the year if it rains. He said that the slight increase in water production and demand is likely due to average temperatures in October 2008 being higher than October 2007. He said that the Oceana Marin disposal fields were shut down on October 7 and that storage levels are in good shape for the winter months.

Mr. DeGabriele reported that staff worked 23 days through October 31 without accident or injury and there was one lost time injury during the month; complaints were down 6% in October compared to a year ago, due to fewer leak complaints.

Mr. Bentley advised that he has added a new column in the Auditor-Controller's Monthly Report of Investments showing the Standard and Poor's (S & P) Rating and he explained the rating of investments and said that any rating of A- or above is considered "investment rating". There was discussion on the safety of investments between Mr. Bentley and Director Baker, and Mr. Bentley said he would keep the Board apprised.

Director Baker expressed his concern about District investments in Local Agency Investment Fund (LAIF) and asked if the District should be looking at alternatives during the current economic crisis.

Mr. Bentley said that last month he reported his concern with the State of California's cash shortfall and its plan to sell bonds. He said those state bonds were well received by investors. He advised that he had transferred \$2M of District funds out of the LAIF in September and put \$1M in the Bank of Marin and \$1M in the District's operating account at the Bank of the West to protect it

from any “borrowing” from the State. Mr. Bentley reported that the State Treasurer assured he would not let that happen and the District funds are now back in LAIF.

CONSENT CALENDAR

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

WATER SERVICE AGREEMENT 450 / 454 SCHOOL ROAD

One new single family residence is proposed to be constructed on each of the two parcels. A meter installed in 1949 for water service to one of the parcels will be killed as part of this project. New water facilities required include a residential fire hydrant, two 1-inch meters, 40 feet of 6-inch PVC for fire hydrant lateral and 60 feet of 1-inch copper lateral. Water demand is one EDU since the Applicant is credited for one EDU for the existing service.

The Board approved Resolution No. 08-30 entitled, “Authorization of Execution of Water Service Facilities Construction Agreement with Daniel Chador Black Point Homes, LLC.”

LETTER TO CITY OF NOVATO RE SALE OF SURPLUS PROPERTY

The Board authorized the General Manager to send a letter to the City of Novato advising that North Marin Water District is not interested in acquiring surplus property at 1523 South Novato Boulevard.

PUBLIC HEARING – STAFFORD TREATMENT PLANT SOLAR ENERGY PROJECT – CONSIDER ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF PROJECT RESOLUTION

Mr. McIntyre stated that tonight the Board will be asked to approve the environmental review of the Solar Energy Project at Stafford Treatment Plant. The purpose of the project is to reduce the Stafford Treatment Plant’s reliance on existing power sources and reduce greenhouse gas emissions thereby assisting the state in meeting standards as required by Assembly Bill (AB) 32. He said that in October, the Board received the Administrative Draft of the Initial Study for the North Marin Water District’s Stafford Treatment Plant Solar Energy Project prepared by Leonard Charles & Associates as part of the California Environmental Quality Act (CEQA) requirements. He stated that initially the project was to be brought to the Board for public hearing on November 4, but was rescheduled to tonight due to requests from interested parties who were concerned that it conflicted with the general election. The notice of the public hearing was published in the Novato Advance and Marin Independent Journal. Mr. McIntyre said that two written responses were received, two members of the public attended the public workshop held on November 5 and two subsequent comment cards were received and that all written comments and responses have been

incorporated in the Mitigated Negative Declaration. He reported that the Initial Study found that the project would have environmental impacts that could be mitigated to less than significant by following certain mitigation measures.

Mr. Clark explained that AB 32 was enacted to assist the State of California to reduce its greenhouse gas emissions and requires state agencies to reduce their emissions to 2000 levels by 2010. He further explained that 2020 emission levels should be at 1990 levels; and by 2050 emission levels have to be 80% below 1990 levels. He explained that the District has grown significantly since 1990 and described ways in which the District has already reduced its energy emissions, but those measures alone won't reduce District's emissions to 2000 levels by 2010.

Mr. Clark said that the District considered solar panel installation proposals at the office building, at pump stations, on the roof of the Stafford Treatment Plant, on the Stafford Dam and floating solar panels in the lake. He stated that these proposals were rejected for various reasons and that alternate sites for the proposed project location were too steep, too far away from the plant, not large enough to generate the power required, or in locations that were too windy. He said that 450 kW or 8000 kW hours are needed to zero the meter at the plant and up to 2900 solar panels would be required. He said the project would allow the District to meet its 2010 and 2020 emission goals and reduce the carbon footprint.

Leonard Charles summarized the Initial Study and said that most of the short-term impacts are construction related, i.e., traffic, noise, dust and other straight forward impacts of construction projects such as this. He said that construction would be minimal and would entail drilling to hold support panels. He said that the mitigations would have to be monitored to ensure compliance in regards to air quality and noise during construction. Mr. Charles explained that the long-term impacts are that three acres of biological habitat will be lost and visual aesthetics. He said the panels would be visible from the side windows of 5 or 6 houses at the end of Center Road but that landscaping is planned to shield the panels from sight. He said that the people most impacted by the aesthetics would be the hikers and equestrians walking in front of the site. Mr. Charles said that during the public workshop it was suggested that construction workers use an alternate route to the site through the golf course but there were environmental impacts, i.e. potential for erosion damage. He responded to the suggestion of looking at alternate sites by explaining that all impacts in this project can be mitigated to a less than significant level as considered by CEQA.

Mr. Clark presented the photo simulations of the solar panel project from different vantage points including the Indian Valley Golf Course, Novato Boulevard and Center Road.

There was a discussion centered on the placement of the panels and how to test for the optimum angle for the sun during the different seasons. Mr. Charles said that a final design would show where each panel would be laid on the hillside and then, with the aid of a computer program, the best positioning of the panels for optimum sunlight would be determined. He said that this analysis can be done now but is costly.

Director Schoonover asked if staff had looked at other sites for the project. Mr. McIntyre responded that staff had looked at alternative sites but taking into account for area square footage, property ownership and proximity to Stafford Treatment Plant, the proposed site was deemed to be most viable.

Vice-President Rodoni opened the Public Hearing at 8:31 p.m.

Stan Matsui, Center Road, stated that his house is approximately 600 feet from the project site. He said he moved there 41 years ago because it was a beautiful area and that recently he has been dealing with the Center Road water tank project construction traffic and he stated that he is not pleased with the solar project location. He wants to see the project moved to a hillside west of the existing site where he feels it would have less visual impact.

Mr. Clark responded that the area Mr. Matsui referred to was not included in the CEQA study and was not considered because of steep hillsides and risk of slides.

Tony Roth, Center Road, said he has no argument with going solar but suggested reducing the footprint of the project. He said the alternate site (as identified by Mr. Matsui) is less intrusive and noted an existing road for possible use by the construction vehicles. He said the site is closer to the Stafford Treatment Plant and would require less trenching for the conduit. He further suggested that installing solar panels on the roof of the treatment plant and/or dam as well as the proposed site would reduce the footprint of the project. Mr. Roth said that the alternate site is less intrusive to the general public and there is more space available for the panels. He also said that there may be a glare issue for golfers or damage to panels from stray golf balls.

Ed Kenny, Center Road, said he is concerned with noise and the amount of dirt during construction as he had experienced during the Stafford dam project and Center Road water tank construction. He said the amount of noise and dirt was intolerable. He said that this is a residential area and would like an alternate site for construction equipment to enter the project site that would lessen impact on area homes. Mr. Kenny stated that construction during weekends and early or evening hours would be unacceptable. He also asked about security plans and he opined that the project would be an "attractive nuisance."

Harry Brophy, Kenyon Street, stated that he agreed with the previous speakers about moving the location of the project to the hillside west of the proposed site. He said that the story poles are right along the road that shows that the project will interfere with the view of the hills and nature. He said this area is used by many people who will see the panels as they walk by. He urged the District to consider moving the project to an alternative location.

Judy Addison, Center Road, stated that she is not opposed to solar, but asks for consideration because of the dirt and dust she endured during the Center road water tank construction. There were a lot of trucks and activity that interfered with parking and raised safety concerns for her grandchildren who play nearby. Ms. Addison also advocated for moving the project site. She expressed her concern about wildfire danger in that vicinity and asked that a fire hydrant be installed.

Terrie Shanks, Center Road, stated that she absolutely concurs with everyone's concern. She described the amount of cleaning she's had to do in her house due to the dirt and dust during the dam and water tank projects and it was not acceptable. She also took issue with the project timeline as she felt the water tank project construction was not on schedule. She also complained that she could not get out of her driveway because of construction trucks blocking it. Ms. Shanks said she agreed with the solar project but does not want access to the project through the gate at the end of Center Road and agreed with the others that the project site should be moved.

Tony Costa, Center Road, addressed the condition of the area at the end of Center Road that was impacted by construction of the Center Road tank and said that the area has not be restored to pre-construction condition. He advocated for the alternate sites and asked if professional solar companies had input as to the best location of the project site rather than staff. He asked if there may be more efficient panels available to reduce the number of panels necessary to reach the energy goal. Mr. Costa said he plays golf at the Indian Valley Golf Course and said it is a beautiful place and was concerned about the glare from the panels.

Hearing no further comments, Vice President Rodoni closed the Public Hearing at 9:02 p.m. and asked Mr. Charles if he had any further comments.

Mr. Charles said that the residents brought up the noise, dust and aesthetic issues, as well as glare impacts to golfers. He said it is a question of what impacts are acceptable and if the District wants to consider investigating the alternative sites suggested by the speakers.

Mr. McIntyre acknowledged the concerns of the public speakers and pointed out that the selected site is situated low on the hillside and only the tops of some panels would be visible from

Center Road. He said that the alternative sites as suggested by the public were not considered because the area is steeper and the panels would be placed higher on the hillside resulting in greater visibility from Novato Boulevard although not from Center Road. He asked for Mr. Charles' opinion.

Mr. Charles said that he was surveying the area for trenching for conduit placement not as an alternative site, and he does not remember the other sites except that they were steep. He advised the reason the site was selected was it has the proper declination for optimum sun exposure. One of the alternative sites is not facing enough toward the sun, but the other site may be suitable although it's very steep. Mr. Charles said that there would need to be better mitigation of the construction and aesthetic issues to the proposed site to avoid complaints from the Center Road residents.

Mr. Clark stated that staff worked with Marin Clean Energy and their professional engineer to evaluate the site and that they have a computer program to evaluate the slope factor and best location.

Vice-President Rodoni requested Board comments.

Director Schoonover asked, notwithstanding the cost to construct on a slope, if the project is moved closer to the treatment plant, would there be a savings on getting power to plant? Mr. Clark said that costs would be offset, because if construction on a steeper hillside, steeper footings and sturdier panel supports would be required; but the difference in cost was not evaluated.

Director Petterle asked if there would be a reduced footprint in the alternative location and would there be less energy loss. Mr. Clark responded no, that there would still be two transformers needed.

Director Baker said he was concerned about security for the project and asked if other measures are planned that would raise the level of security. He said he was also concerned about stability and landslides above the panels.

Director Petterle said that he supports the project but he felt that further investigation of the alternative sites is warranted before the District commits to the proposed site. He said that if the proposed site proves to be the best location, the District would need to provide immediate relief from visual intrusion by constructing a berm on the eastern side of the project. He said he is not convinced this is the best location and it is important that the District choose the right location.

Director Schoonover agreed and said that he did not think there was enough information to approve the proposed location at this time.

Director Petterle commented that he would like a report from staff on mitigations to have been performed on the Center Road Tank project and the status of those mitigations.

Vice-President Rodoni requested staff to follow up with the concerns expressed about the Center Road tank project and encouraged the public to notify the District when any issue arises concerning construction or water leaks. He said the District wants to take care of problems and wants to do a good job. He said that the issues raised tonight warrant taking another look at other sites to see if there are alternatives. He said he realizes there is a huge aesthetic impact but that at the same time there is a trade-off of constructability and cost of the project. He said the District is fortunate that there is State financing that may be available that has been extended to the end of the year. He said that if the Board concurs he would ask staff to spend more time looking at additional sites, and bring in professional people for additional input and come back with a firmer proposal.

It was the consensus of the Board to table the agenda item until after the new year.

Mr. DeGabriele said he appreciated the input from the public and advised that a public hearing will be held to provide another opportunity for the public to be heard.

ACTION CALENDAR

CONSIDER: REQUEST FOR ADDITIONAL BILL ADJUSTMENT

Mr. Bentley stated that Dr. Bales is asking for a full adjustment on his bill as he said that he did not use the water and believes there was a misread. Mr. Bentley said that staff investigated and found the read to be correct and that there were no leaks. Dr. Bales, in his letter to the District, stated that he is aware of the District policy but felt that he should not have to split the difference with the District.

Mr. Bentley reviewed the District Bill Adjustment Policy for the Board.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried by those Directors present, the Board denied Dr. Bales' request for a full adjustment and authorized the credit amount as per District Bill Adjustment Policy.

ADOPT: EMPLOYEE HANDBOOK REVISIONS

Mr. Bentley presented the Employee Handbook revisions as reviewed at the previous meeting. He summarized the revisions and addressed the issue of pay day notice requiring new employees to sign up for direct deposit. Mr. Bentley advised that he consulted with legal counsel and although many companies require it, it is not a cause for termination should an employee not sign up for direct deposit. Director Schoonover suggested using the word "encourage" rather than

“require” and Director Petterle concurred. Mr. Bentley said it was an administrative burden to issue paychecks and he would like to keep the wording as is. There was a brief discussion and Director Rodoni suggested that an exception to the rule be stated that the General Manager may waive the requirement.

On motion of Director Baker, seconded by Director Petterle and unanimously carried by those present, the Board adopted the 2008 revised Employee Handbook with the added statement that the General Manager may make exceptions to the direct deposit requirement for new employees.

APPROVE: PURCHASE OF NEW 35 KILOWATT PORTABLE GENERATOR

Mr. Clark stated that after severe storms last year, the District had to borrow two generators from Marin Municipal Water District and the Novato Sanitary District in order to maintain service in Novato. He advised that at that time the Board was informed that staff would purchase two quiet generators. One 75 kW generator was purchased in March and the District has received 3 bids for a 35 kW portable generator. Mr. Clark further advised that one bid did not meet the minimum specifications for Tier 3 emission rating and one vendor has the unit in stock and can deliver in mid-December. He advised that although the bid amount (\$27,502.12) exceeds the amount budgeted (\$25,000), the \$5,000 savings realized in the large crew truck cab and chassis purchase will offset the difference and a budget augmentation will not be necessary.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried by those present, the Board authorized staff to purchase the United Rentals 36 kW portable generator in the amount of \$27,502.12.

CONSIDER: PARTICIPATION IN NOVATO WATERSHED PROGRAM

Mr. DeGabriele presented a request from the County of Marin for District participation in the Novato Watershed Program. He stated that the Watershed program is primarily for flood control, but that in order to be competitive for grant funding, the project needs to be multi-beneficial. He said that staff believes that an integrated plan that includes water supply and water quality, habitat, stream function and flood control makes sense and is better suited to obtain grant funding from integrated water management funding programs. Mr. DeGabriele said there are several options to consider and staff recommends participating at the level requested by the County Department of Public Works in the amount of \$100,000. He advised that the District budget does not include any money for development of the watershed plan, but the County advised that payment of funds can be postponed until next fiscal year.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously approved by those Directors present participating in the Novato Creek Watershed Plan at the requested amount of \$100,000 and include this amount in the FY 2009/10 budget.

CONSIDER: APPLICATION FOR ANNEXATION TO PRE IMPROVEMENT DISTRICT – GROUP APPLICATION

Vice-President Dennis Rodoni excused himself from discussion on this item as he represents one of the applicants for annexation. Director Petterle assumed the chair.

Mr. McIntyre said he received a request from parcel owners in West Marin for annexation to the PRE Improvement District. He noted that these parcels, currently being served by Hamilton Mutual Water Company, are in the District service territory; therefore, the Local Agency Formation Commission (LAFCO) does not have oversight. He said that the owners of the four parcels have met and agreed to share the cost of annexation, and that one applicant will make a request for a water meter if the Board declares its intent to proceed with the annexation. The remaining three applicants may request water meters in the future. Mr. McIntyre advised that this is the first step in annexation. He said that after staff collects the fees and have the consent forms signed by the applicants, the Board will have an opportunity to approve the annexation. He noted that one of the parcels does not front Sir Francis Drake Boulevard but has a utility easement which would allow the meter to be set on Sir Francis Drake and then a private line would run through the easement. He said he advised the applicant that the District would need to see the easement for review before bringing the annexation back to the Board.

On motion of Director Baker, seconded by Director Schoonover, the Board declared its intent to proceed with annexations by the following vote:

AYES: Directors Baker, Petterle, Schoonover

NOES: None

ABSTAIN: Director Rodoni

ABSENT: Director Fraites

INFORMATION ITEMS

NORTH BAY WATERSHED ASSOCIATION LATERAL ORDINANCE PROJECT – ALLOCATION OF PROJECT EXPENSES

Mr. DeGabriele reported that the North Bay Watershed Association (NBWA) Water Quality Sub-Committee has proposed a project to develop a model ordinance for private sewer lateral replacements. He said he believed that this project would be funded under the NBWA umbrella,

however, the Water Quality Sub-Committee broadened the scope to include other agencies not members of the NBWA. He advised that this effort would be useful for the Oceana Marin Improvement District and it would be a good idea to participate. Mr. DeGabriele said the District's share (\$161.27) is proportional to its share of the number of sewer equivalent dwelling units (223 in Oceana Marin) to the total number of sewer equivalent dwelling units in the project area (113,389.)

NORTH BAY WATERSHED ASSOCIATION MEETING, NOVEMBER 7, 2008

Mr. DeGabriele provided information on the North Bay Watershed Association meeting.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements (11/5/08 & 11/12/08). The Board received the following news articles: The Common Good (11/10), Bandur Chosen New Water Board Director (11/6), Unburden the Marin Home Market (11/5).

ADJOURNMENT

Vice-President Rodoni adjourned the meeting at 9:44 p.m.

Submitted by

Renee Roberts
District Secretary