

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 4, 2014**

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, Rick Fraites, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

LAFCO Executive Director, Keene Simonds, District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Marin Coalition Presentation

Mr. DeGabriele advised the Board that tomorrow he and Marin Municipal's General Manager, Krishna Kumar, will be speaking at the Marin Coalition meeting in San Rafael. He informed the Board that they will be speaking about water supply in Marin.

North Bay Business Journal

Mr. DeGabriele informed the Board that he, Marin Municipal's General Manager, Krishna Kumar, and Novato Resident, Dietrich Stroeh will be attending the North Bay Business Journal conference next Thursday to speak about the water supply in Marin County.

Marin Conservation League Dinner

Mr. DeGabriele asked the Board for a volunteer to attend the Marin Conservation League Dinner on April 11th. Director Fraites stated that he already purchased his tickets and would represent the District.

North Bay Watershed Conference

Mr. DeGabriele asked if any of the Directors were planning on attending the North Bay Watershed Conference at StoneTree Golf Course on April 11th. He noted that the District is a

sponsor of the conference. Director Fraites and Director Baker informed Mr. DeGabriele that they were both interested in attending the conference.

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:

Keene Simonds, the New Executive Director of Marin LAFCO, introduced himself to the Board and informed them that LAFCO is embarking on a countywide water study in conjunction with their municipal service review of water agencies in Marin County. Mr. Simonds informed the Board that an administrative draft of the work product should be available this summer and Marin LAFCO would request internal feedback from the District prior to releasing the study for public review.

STAFF / DIRECTORS' REPORTS

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

Mr. McIntyre advised the Board that staff has been interviewing consultants for the Aqueduct Energy Efficiency Project and are in negotiations with the detailed scope of work and cost proposal. He advised the Board that he would come back at the next meeting with a recommendation.

Mr. McIntyre informed the Board that the advanced tree removal contract is going well for the AEEP project, although CalTrans' is requesting that additional trees be removed, so staff will bring a change order request to the Board in the future. He noted that CalTrans' will pay 100% of that extra cost.

Mr. McIntyre advised the Board that he and Carmela Chandrasekera will conduct a pre-bid meeting for the Gallagher Well Pipeline Project at the site tomorrow. He noted that there were approximately 4-5 contractors who expressed interest.

District Secretary, Katie Young, reminded the Board and District Officers to complete their Ethics Training by April 1st.

Director Schoonover asked about the status on the North Redwood Boulevard Corridor and asked what improvements needed to be done to the existing Administration building in the near future. Mr. DeGabriele stated that there was nothing new to report on the topic of relocating the NMWD headquarters. Robert Clark, Operations/Maintenance Superintendent stated that the Admin building HVAC system needs to be replaced soon and the carpets and paint could use updates as well.

CONSENT CALENDAR

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

ULTRA HIGH EFFICIENCY TOILET DISTRIBUTION PROGRAM

The Board approved an Ultra-High Efficiency Toilet Distribution Program enhancement, adding up to 400 additional toilets to the pilot program which was approved on January 7th. The UHET program will make available, at no charge to participating customers, Niagra Stealth toilets which use 0.8 gallons per flush. The District is purchasing the toilets through the manufacture for \$150 each. To date over 500 customers have signed up for the program which was advertised in the winter *WaterLine* newsletter

President Rodoni thanked staff for adjusting the program and providing more toilets to customers.

ACTION CALENDAR

SET PUBLIC HEARING TO CONSIDER DECLARATION OF A WATER SHORTAGE EMERGENCY ADOPT WATER SHORTAGE CONTINGENCY MEASURES IN NOVATO AND WEST MARIN SERVICE AREA AND CONSIDER ENDORSING THE WAC RESOLUTION SUPPORTING SONOMA MARIN SAVING WATER PARTNERSHIP EFFORTS AND GOVERNOR JERRY BROWN'S EMERGENCY DROUGHT DECLARATION

Mr. DeGabriele reviewed the water supply status with the Board from the previous months. He informed the Board that he attended an Assemblyman Levine's meeting to discuss the use of Recycled Water for livestock water. He noted that the dairy ranchers were adamantly opposed to the use Recycled Water due to the risk of negative market perception for their organic products. Mr. DeGabriele stated that Marin Municipal plans to authorize use of back fed into Stafford Lake water in order to help ranchers for stock water this summer.

Mr. DeGabriele stated that on Lagunitas Creek, rainfall at the Kent Lake gauge stands currently at 22.8". He noted that the threshold for dry year conditions is 28" of rainfall by April 1st. Mr. DeGabriele stated that even though the memo recommended a public hearing be held on March 18th, he is requesting to postpone the hearing until April 1st since there is still time for rainfall to impact the conditions.

Mr. DeGabriele stated that in Novato, Stafford Lake is 58% of its capacity and has had 360AF back fed. He informed the Board that Lake Sonoma is at 71% capacity, Lake Mendocino is at 48% capacity and Lake Pillsbury is at 37% capacity after the recent storms.

Mr. DeGabriele informed the Board that the Technical Advisory ad hoc committee met yesterday to discuss 20% voluntary conservation request. He stated that the group's consensus was to focus on the message and rely on compliance with the 20 by 2020 target.

Mr. DeGabriele requested to plan for a public hearing but is hopeful to avoid it if there is ample rainfall to fill Stafford Lake and to make a difference at Lake Mendocino.

Mr. DeGabriele distributed a chart comparing this year and last year rain with the 1976-77 rainfall.

President Rodoni asked what the next step may be for a mandatory reduction.

Mr. DeGabriele stated that he doesn't believe mandatory reductions will happen for over a year. He noted that there is water supply available in Lake Sonoma, much uncertainty and long range project of El Nino return in the ocean conditions.

Mr. DeGabriele requested that the Board read over the Water Shortage Contingency Plan and set April 1st for the public hearing for both Novato and West Marin service areas, as well as endorse the WAC Resolution supporting the Sonoma Marin Saving Water Partnership efforts and the Governors emergency drought declaration which includes calling for 20% reduction in water use.

President Rodoni asked if the public hearing was going to be on April 1st at the regularly scheduled Board meeting. Mr. DeGabriele answered yes.

President Rodoni wanted to clarify that the Water Shortage Contingency Plan would only occur if the triggers were in place. Mr. DeGabriele responded yes.

On motion of Director Fraites, seconded by Director Petterle and unanimously carried, the Board set Tuesday, April 1st at 7:30 p.m. as the date and time to hold a public hearings to consider declaration of water shortage in the Novato and West Marin service areas and endorsed the WAC Resolution supporting the Sonoma Marin Saving Water Partnership efforts and Governor Jerry Brown's Emergency Drought Declaration.

EMERGENCY INVERNESS INTERTIE AND COOPERATIVE SERVICES AGREEMENT

Mr. DeGabriele advised the Board that he received a letter from Inverness Public Utility District (IPUD) requesting to purchase water from the District during their upgrade of their water treatment facilities. He noted that the District is unaware of when the needed water purchase will occur. Mr. DeGabriele informed IPUD that the District's West Marin Water Shortage Contingency Plan would restrict deliveries to IPUD, should the plan be put into place. He advised the Board that the Cooperative Services Agreement is expiring at the end of June this year and with the request to purchase water the agreement has been updated and the term has been extended. Mr. DeGabriele

is requesting the Board approve the agreement and stated that IPUD will be bringing the agreement to their Board for approval in late March.

On motion of Director Baker, seconded by Director Fraites and unanimously carried, the Board approved the Emergency Inverness Intertie and Cooperative Services Agreement with Inverness Public Utility District.

INFORMATION ITEMS

MSN B1 (AEEP REACH E) PROJECT – FINAL REPORT (HARRIS AND ASSOCIATES)

Mr. McIntyre advised the Board that construction inspector, Craig Pyle from Harris and Associates was unable to attend the meeting tonight and will need to postpone the final report for the MSN B1 project.

CONSIDER DROUGHT SURCHARGE OPTIONS

Mr. Bentley stated that it is likely mandatory water use restrictions are not going to happen this year but staff would like to have a drought surcharge in place for future use. He noted that he would like to incorporate the surcharge into the Water Shortage Contingency Plan and use it as another tool to help people reduce water use in the future years. Mr. Bentley informed the Board that staff has spoken with District legal counsel regarding the drought surcharge and they advised that the District could include the drought surcharge information in the rate hearing letters to customers and the Board could adopt the surcharge and put it into the Water Shortage Contingency Plan.

Director Fraites asked if it was \$1.00 per every 1,000 gallons. Mr. Bentley responded yes.

Director Petteerle asked that the surcharge not be automatically enacted with the Water Shortage Contingency Plan but revisited and reapproved when needed. Mr. Bentley agreed that would be reasonable and said that the Board can review it annually with other rate changes.

Mr. Bentley stated that the Board would need to decide on a 200 or 300 gallon per day threshold and that 200 gallons per day with mandatory restrictions would affect more customers.

President Rodoni asked to consider the threshold at the average number people per dwelling unit times the 20 by 2020 per capita target.

Mr. Bentley advised the Board that he would come back to the Board with a final recommendation at the next meeting for the drought surcharge to be implemented in the Water Shortage Contingency Plan.

DRAFT BOARD WORKSHOP SUMMARY

Mr. DeGabriele requested that the Board review the Draft Board Workshop Summary and provide any comments or changes to him within 10 days. He noted that he would bring the summary back at the next meeting for approval.

TAC MEETING – MARCH 3, 2014

Mr. DeGabriele informed the Board that at the March 3rd Technical Advisory Committee meeting TAC was asked to accept the Water Shortage Allocation Model Methodology Update. Mr. DeGabriele advised the Board that he had received an email from the City of Petaluma advising that Petaluma cannot accept the model and that they are seeking further clarification on the model specifically pertaining to the demands for water centric business such as breweries and creameries. He noted that City of Petaluma is concerned about their water conservation efforts and the per capita consumption calculation. Mr. DeGabriele stated that there was further discussion on this issue and that the TAC agreed to approve the model for seven months with an automatic extension to June 30, 2016 in order to look at City of Petaluma's concerns.

Mr. DeGabriele stated that the water supply conditions and the biological opinion status update were reviewed at the TAC meeting as well and were included with the Board packet and memo.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Direct Deposit of Disbursements, Baywork Signatory, and Press Release – Dry Year Conditions on Lagunitas Creek for NMWD.

Mr. DeGabriele advised the Board that the Bayworks Signatory participation is really beneficial to the District and stated that Dianne Landeros has been working with Bayworks and it is a good way to exchange information.

The Board received the following news articles: Bakersfield Public works chief named to head Marin County Department, Nicasio Community Water Meeting, Environmentalists warning irks grape growers, Reflecting upon an epic year, North Marin Water District awarded \$1.486M for West Marin Pipeline, Nicasio seeking crisis water, Committees approve \$687 million in drought relief, and Marin coalition will hold luncheon in San Rafael.

The Board also received the following miscellaneous items at the meeting: TAC Meeting Summary – March 3, 2014, Studies Begin of Historic Russian River Jetty, Well to mitigate salinity intrusion, and Drought conditions effecting Lagunitas Creek.

ADJOURNMENT

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

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is written in a cursive style with a large, stylized initial "K".

Katie Young
District Secretary