

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 1, 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 Fraitcs, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Acting District Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

District Legal Counsel Doug Coty, Novato resident Harry Brophy, Marin Independent Journal reporter Janis Mara, and 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

Out of the Office

Mr. DeGabriele reminded the Board that he will be out of the office and state starting on Thursday, April 3rd until Friday April 11th. He noted that Drew McIntyre will be the acting General Manager in his absence.

NBWA Conference

Mr. DeGabriele stated that the North Bay Watershed Association Conference will be on April 11th and he, Drew McIntyre and Directors Baker and Fraitcs will be attending.

RJ Kauwe

Mr. DeGabriele requested that the Board adjourn tonight's meeting in memory of RJ Kauwe, son of long time District employee Joe Kauwe, and asked that the Board keep his family in their prayers.

OPEN TIME

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

Novato resident, Harry Brophy from Kendon Lane, expressed his concern about suspension of work by Sonoma County Water Agency on the expanded transmission system project and the parallel Petaluma Aqueduct will make Novato's water supply more vulnerable in the even of earthquakes. He asked about the possibilities of breakage, loss of water and an additional pipeline.

President Rodoni stated that the parallel aqueduct has not been forgotten about and that is has been delayed by Sonoma County Water Agency and agreed that earthquakes are a big issue.

Mr. DeGabriele informed the Board and Mr. Brophy that there is always a chance for a new line and that the District and SCWA are working together to figure out the best way for the future.

Mr. DeGabriele advised the Board that the SMART crossing work will be done this weekend and next weekend. He informed the Board that Rush Creek work will be the weekend of April 4 – 6 and Golden Gate Place work will take place on April 11-13.

STAFF / DIRECTORS' REPORTS

President Rodoni asked if staff or Directors wished to bring up an item not on the agenda and there was no response.

PUBLIC HEARING/ADOPT EMERGENCY WATER CONSERVATION ORDINANCE – NOVATO SERVICE AREA

Mr. DeGabriele informed the Board that since early January the Board has been keeping kept apprised of the water supply conditions in Novato and on the Russian River. He stated that at the March 4th meeting, a public hearing was scheduled for the meeting tonight to declare a Water Shortage Emergency in Novato and consider enactment of the Water Shortage Contingency Plan. He noted that at that meeting the Board also endorsed the Water Advisory Committee Resolution supporting the Sonoma Marin Saving Water Partnership Efforts and Governor Brown's Emergency Drought Declaration, which includes seeking 20% voluntary conservation. Mr. DeGabriele stated that current rainfall is 11.84" in Novato, which is about the same as was received in 1976 and 1977 water years. He advised the Board that at the end of January 2014 Novato had received only 2.35", so in February and March this year the District has received nearly 9.5" of additional rainfall. Mr. DeGabriele passed out charts that included previous year's rainfall data compared to March 2014. He informed the Board that currently Stafford Lake is at 62% capacity, holding 2,600AF (acre feet), Lake Sonoma is at 75% of capacity, with 182,000AF and Lake Mendocino is just under 50% capacity with 43,000AF. He noted that Lake Pillsbury was at 11% capacity in early February and now is at 93% capacity with 70,000AF of water. Mr. DeGabriele reminded the Board that the District was in a similar drought situation back although in 2009, the storage levels in lakes Mendocino and Sonoma were higher and there were mandatory cutbacks. He noted that the District is fortunate

enough to be going into the Water Shortage Emergency situation without having to ask for mandatory cutbacks. He believes there is enough water in Lake Sonoma to get the District through this dry year. Mr. DeGabriele informed the Board that some of the other water contractors receiving Russian River water are not going to declare a Water Shortage Emergency. He stated that he believes if the District is going to ask for voluntary conservation that a plan should be enacted. He expressed his disappointment in the lack of attendance at the public meeting and advised the Board that the public hearing was noticed in the Marin Independent Journal, the Novato Advance and posted on the District website. He noted that the District website included the Draft Water Shortage Contingency Plan and the Draft Emergency Water Conservation Ordinance. Mr. DeGabriele informed the Board that staff did not receive any phone calls but consumption has gone down considerably since February. He stated that staff is working on more public outreach going forward to urge customers to reduce water usage and help them achieve that end.

Mr. DeGabriele advised the Board that he asked legal counsel to review the Water Shortage Contingency Plan and the Ordinance. He provided the Board and staff with the updated changes legal counsel suggested and advised the Board how the District can determine what stage it is in and how it goes from one stage to the next. He advised the Board that there are specific triggers that vary based on water supply conditions on the Russian River and Lake Sonoma. Mr. DeGabriele advised the Board of the changes in the Water Shortage Contingency Plan and stated that he doesn't believe the Novato Area will be required to implement Stage 2 mandatory requirements and believes customers can accomplish the 20% voluntary water use reduction.

Mr. DeGabriele stated that staff is preparing a *WaterLine* newsletter issue directing customers to the website to view their past usage and target water use reduction goals. Mr. DeGabriele informed the Board that staff has provided a chart on the District website to show customers bi-monthly history so they can determine their individual requested 20% reduction target. He noted that Sonoma Marin Saving Water Partnership's website has a water savings calculator and a list of measures to save water. Mr. DeGabriele advised the Board that should the District need to implement mandatory restrictions he recommends another public hearing be held.

President Rodoni asked why there would be a need for another public hearing. Mr. DeGabriele stated that the Board is able to adopt the whole plan but believes with no public attendance there will be criticism and an additional public hearing should be held should mandatory requirements be needed.

President Rodoni expressed his concern about holding another public hearing to declare mandatory restrictions with the time constraints. Mr. DeGabriele stated that he does not believe we

will need to have mandatory restrictions as the lakes have ample storage to get the District through the year.

Director Schoonover asked if the District will be in the same position next year. Mr. DeGabriele responded that it could happen and that Novato has now experienced three years in a row of below average rainfall.

President Rodoni opened the public hearing at 8:02 p.m., hearing no public comment; he closed the public hearing at 8:03 p.m.

On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the Board enacted the Novato Water Shortage Contingency Plan and adopted the Emergency Water Conservation Ordinance 28 stating: An Ordinance of North Marin Water District Declaring the Existence of a Water Shortage Emergency Condition within the Novato Service Area of the District, Prohibiting the Waste and Non-Essential Use of Water, and Providing for the Conservation of the Water Supply of the District.

PUBLIC HEARING/ADOPT EMERGENCY WATER CONSERVATION ORDINANCE – WEST MARIN SERVICE

Mr. DeGabriele informed the Board that Kent Lake rainfall was at 27.64", just shy of the 28" needed by April 1st for normal year Lagunitas Creek stream flow. He stated that the Board scheduled a public hearing for tonight to declare a Water Shortage Emergency and enact the Emergency Water Conservation Ordinance. Mr. DeGabriele advised the Board that this is the first dry year since Water Right Order 95-17 was adopted in 1995. He noted that Lagunitas Creek flows are scheduled to be 14cfs (cubic feet per second) as of today and will drop to 10cfs on May 1st and 6cfs on June 16th pursuant to Water Right Order 95-17. Mr. DeGabriele stated that the District may have to purchase water from Marin Municipal Water District specifically to address the salinity intrusion problems during the summer.

Mr. DeGabriele reminded the Board that the Water Shortage Contingency Plan for West Marin was included in the agenda packet. He stated that similar changes to the document to that made to the Novato plan had been recommended by District legal counsel.

Mr. DeGabriele informed the Board that staff issued a bill message in West Marin in February and a press release in the Point Reyes Light and West Marin Citizen was issued. He noted that the West Marin *WaterLine* newsletter will be sent out as well describing the Water Shortage Contingency Plan as well as the Ordinance. Mr. DeGabriele stated that staff is proposing a 15% reduction until June 30th, followed by a 25% mandatory reduction from July 1st to November 1st. He noted that the only difference in the West Marin Water Shortage Contingency Plan and Emergency

Water Conservation Ordinance is the drought surcharge. He stated that staff is required to hold a separate public hearing regarding the rate changes. Mr. DeGabriele reminded the Board that the public hearing on rate changes is scheduled for June 24th in Point Reyes and pursuant to Proposition 218, the District is required to provide customer notice 45 days in advance of the meeting.

President Rodoni asked how the District can convince customers to conserve 25%. Mr. DeGabriele stated that the District will have the same program for West Marin as it does in Novato. He stated that all customers will have the target and staff will rely on the Sonoma Marin Saving Water Partnership calculator. Mr. DeGabriele informed the Board that Ryan Grisso, Water Conservation Coordinator, has been exploring outreach methods for West Marin.

Director Baker asked if the water use is higher due to the demographics and President Rodoni stated that he believes its weather related.

President Rodoni opened the public hearing at 8:17 p.m., and hearing no public comment, he closed the public hearing at 8:18 p.m.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried the Board enacted the West Marin Water Shortage Contingency Plan and adopted the Emergency Water Conservation Ordinance 29 stating: An Ordinance of North Marin Water District Declaring the Existence of a Water Shortage Emergency Condition within the West Marin Service Area of the District, Prohibiting the Waste and Non-Essential Use of Water, and Providing for the Conservation of the Water Supply of the District.

CONSENT CALENDAR

On the motion of Director Petterle, seconded by Director Schoonover and unanimously carried, the following items were approved on the consent calendar:

DESTRUCTION OF RECORDS

The District's Policy for the Retention of Documents and Destruction of Specified Documents stated that once a year, on or about April 21st, the documents designated as eligible will be destroyed in an appropriate manner. This year, destruction of records is scheduled for April 25, 2014. Board and staff are invited to bring in personal records for shredding at a cost of \$7 per box.

The Board approved Resolution 14-05 stating: "Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records."

WEST MARIN SPRING WATERLINE

Board received text for the West Marin Spring *WaterLine*. This issue has an expanded message to include information regarding dry year conditions on Lagunitas Creek and the Emergency Water Conservation Ordinance requirements. The Board authorized the General Manager to approve text and design of West Marin's Spring 2014 *WaterLine*, Volume 11.

ACTION CALENDAR

RATE INCREASE LETTER TO NOVATO CUSTOMERS

Mr. Bentley advised the Board that staff has drafted a letter to notify customers of the public hearing scheduled for Tuesday, May 20, 2014 at 7:30 p.m. at the District office regarding the proposed Novato water rate increase. He noted that the proposed commodity rate increase for Novato customers is 6.5%. Mr. Bentley informed the Board that in addition to the rate increase the letter includes information on the drought surcharge that will be considered at the meeting. He advised the Board that District legal counsel has reviewed the letter and is at the meeting to answer any additional questions the Board may have. Mr. Bentley informed the Board that the surcharge would add \$1.00 per 1,000 gallons per day on top of the current rates. He noted that for residential customers, the proposed surcharge would apply only to use over 300 gallons per day. Mr. Bentley stated that once the letter is finalized it will go to the printer and be sent out no later than 45 days prior to the meeting in order to be in compliance with Proposition 218.

President Rodoni asked about the repercussions from SCWA and the drought surcharge. Mr. DeGabriele stated that the drought surcharge would be enacted only if the District requires mandatory restrictions.

President Rodoni was concerned about tying the surcharge to liquidated damaged costs associated with Russian River water purchases.

Doug Coty, District legal counsel, stated that there is always some element of projection with regards to drought surcharges and fees from SCWA for liquidated damages. He noted that the surcharge can always be reduced.

President Rodoni stated that he would feel more comfortable if the letter stated a "possible surcharge." Mr. DeGabriele agreed that would be a good change.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried, the Board approved mailing the rate increase letter to customers with the requested changes.

INFORMATION ITEMS

OCEANA MARIN CONTRACT SERVICES WITH PHILLIPS & ASSOCIATES

Robert Clark, provided the Board with a recap of the District contract with Phillips & Associates over the last five years for operation and maintenance of the Oceana Marin sewer system. He stated that staff does not believe that Phillips & Associates is doing a good job of maintaining the Oceana Marin Sewer facilities or responding to emergencies in a timely manner. Mr. Clark advised the Board that staff and Phillips & Associates had a meeting to discuss a scope of work and decided that District staff was more than capable of handling the maintenance of the facilities. He informed the Board that Phillips & Associates had been working on a month-to-month basis since the contract expired in June 2013 and a letter to acknowledge the termination would be sufficient notice.

Director Baker expressed his disappointment in Phillips & Associates and asked if there were any other companies that are capable of doing the maintenance and responding to emergencies.

Mr. Clark stated that the District is capable of handling the maintenance and will have a faster response time when emergencies occur than Phillips & Associates.

Director Schoonover asked how there was no financial impact although it would be increasing employees time expended.

Mr. Clark stated that there would be no additional financial impact. He stated that the District is going to increase cost in the next fiscal year budget and that staff is going to defer some minor maintenance until the next fiscal year.

President Rodoni suggested noticing Oceana Marin's Homeowners' Association. Mr. DeGabriele agreed and stated that the District was going to do so and send letters to customers.

WAC/TAC – APRIL 7, 2014

Mr. DeGabriele advised the Board that he will not be attending the WAC/TAC meeting on April 7th, but Drew McIntyre and President Rodoni will be in attendance.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, New Phone Numbers, Lock Box Service Operational 3/20/14, Press Release – Vandalism at Air Base Tank, and Retirement Celebration honoring Ed Hulme.

The Board received the following news articles: Tomales services district to bid jobs, Mike McGuire, his election assured, remains little known in Marin, Parks superintendent faces ALS in

retirement, Experts call for long view on drought, Dick Spotswood – III, and Corporate donors boost \$1 million bike park at Novato Stafford Lake.

The Board also received the following miscellaneous items at the meeting: SMART Construction News Advisory Railroad Crossing Closures.

ADJOURNMENT

On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the Board added an item to the agenda to adjourn the meeting in memory of RJ Kauwe.

On motion of Director Petterle, seconded by Director Baker and unanimously carried, President Rodoni adjourned the meeting at 8:40 p.m. in memory of RJ Kauwe.

Submitted by

A handwritten signature in black ink, appearing to read 'Katie Young', with a stylized flourish at the end.

Katie Young
District Secretary