

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 18, 2006**

CALL TO ORDER

President Schoonover 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, 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.

District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent) and Doug Moore (Construction Superintendent) were in the audience.

CLOSED SESSION

President Schoonover 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 Stafford Water Treatment Plant Rehabilitation Project).

OPEN SESSION

Upon returning to regular session at 8:05 p.m., President Schoonover stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

MINUTES

On motion of Director Baker, seconded by Director Fraites and unanimously carried the Board approved the minutes from the June 20, 2006 meeting as mailed.

On motion of Director Baker, seconded by Director Rodoni and carried by the following vote the Board approved the minutes from the June 27, 2006 meeting as amended.

AYES: Directors Baker, Petterle, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Fraites

ABSENT: None

GENERAL MANAGER'S REPORT

Downey Well

The General Manager informed the Board that last month the Downey Well that supplies raw water to the Giacomini Ranch failed. He said that staff had identified that the well was not producing sufficiently before the failure. He explained that the high water flows this past winter caused sand to get into the well casing and when the pump started up there was propellor damage which also caused damage to the motor. He said that the pump was replaced in the first week of July at a cost of less than \$10,000. Mr. DeGabriele said that the District may be eligible for FEMA reimbursement and that Mr. Bentley will meet with a FEMA representative tomorrow.

Technical Advisory Committee

Mr. DeGabriele reported that he has attended several meetings of the Technical Advisory Committee of the Water Advisory Committee over that last month and will provide the Board with an update on the status of the Urban Water Management Plan that the Sonoma County Water Agency is preparing. He stated that the purpose of the meetings was to collectively provide the numbers from all contractors that will be included in the UWMP rather than meeting individually with the agency. He said that the meetings have been worthwhile and that there has been trust built among the contractors.

Meeting with Don Neubacher

Mr. DeGabriele reported that the meeting with Point Reyes National Seashore Superintendent, Don Neubacher, and Tom Roth, representative of Congresswoman Woolsey, went well and that he learned that the District needs to get its West Marin and Recycled Water projects on the list for requests from Marin County and it is important to get the supervisors to write letters of support. He said that Mr. Neubacher will also write a support letter and that Mr. Roth will contact the US Coast Guard to discuss recycled water to Spanish housing in the Hamilton development.

Oceana Marin Homeowners Association Meeting

The General Manager reported that he attended the Oceana Marin Homeowners Association annual meeting last Sunday and that forty-five people were in attendance. He stated that he recapped the activities of the past fiscal year, informed the audience of the master plan update and District plans for next fiscal year including a connection fee increase.

District Picnic

Mr. DeGabriele reminded the Board that Saturday, July 29 is the District picnic.

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:

Stafford Treatment Plant

Mr. McMaster informed the Board that start-up trials at Stafford Treatment Plant began this week that includes testing for chlorine dioxide. He said that water is being produced in the trials and that once the trials are concluded, the clearwells will be cleaned and then water can be sent downtown.

Climate Protection Conference

Mr. Clark advised the Board that he attended the Sonoma County Climate Protection Conference and that he will provide the Board with a summary of the conference at the next meeting.

Recycled Water Project

Mr. McIntyre reported that the contractor will complete the final paving on Atherton Avenue tomorrow where recycled water pipeline has been installed and that the pipeline through the Sanitary District's pastureland has reached the Sanitary District's treatment plant resulting in the pipeline segment of the project being substantially complete.

Sustainability Faire in Pt. Reyes

Director Rodoni stated that he attended the Sustainability Faire in Pt. Reyes and joined Ryan Grisso for two hours at the North Marin Water District booth and noted that the people at the faire were happy to see the District there.

Wastewater Discharge News Article

Director Fraites inquired about the Manager's response to the article in the Marin Independent Journal regarding the City of Santa Rosa dumping wastewater into the Russian River. Mr. DeGabriele reiterated that there is concern about the effect the treated wastewater may have on the region's drinking water supply and that it should be at its highest level of treatment before entering the river.

Board Compensation

Director Baker addressed the question asked by Director Rodoni at the previous meeting regarding his request for compensation for attending a short meeting on behalf of the District. He

said that after reviewing the policy further, Director Rodoni was correct and an adjustment to offset the compensation has been made and he offered his apology.

Embezzlement

Mr. Bentley advised the Board that on Wednesday, the District's embezzlement case will be closed. He stated that the District received reimbursement from its insurance company and has negotiated with the Marin District Attorney, Charles Cacciatore, about restitution and that the District will recover 100% of its expenses.

MONTHLY PROGRESS REPORT

Mr. DeGabriele reviewed the Monthly Progress Report for June to the end of the fiscal year and stated that water production in Novato is up 7% from last year and is the same as the average over the last five years and while the number of connections have increased by 10% during the same period. He reported that production is down 4% in West Marin and is down 8.5% from the average over the last five years. He said that West Marin connections during the same period are up 6%.

Mr. DeGabriele informed the Board that at Oceana Marin, there was no irrigation field discharge in June, that there are safe levels in the ponds and that discharges will resume in July. He said that improvements have been made to the irrigation field discharge valve.

He also advised the Board that complaints were down 25% in the Complaints and Service Orders summary.

Mr. Bentley reported that the District earned 4% on its portfolio and the total cash balance is down \$1M due in part to the delay in SRF loan reimbursement.

CONSENT CALENDAR:

Director Fraites requested that Item 6, Agreement for Fall 2006 and Spring 2007 "Waterline", and Item 7, Synthetic Turf Rebate Program, be removed from the Consent Calendar for further discussion.

AGREEMENT FOR FALL 2006 AND SPRING 2007 "WATER LINE"

Director Fraites inquired why there is a difference in the cost of the two newsletters. Mr. DeGabriele informed him that the Spring 2007 newsletter cost more because it includes an imported graph with customers' individual water use.

On motion of Director Fraites and seconded by Director Baker, the Board unanimously approved the authorization of the General Manager to enter into an agreement with Strahm

Communications for programming, design, printing, freight and postage of the Fall 2006 and Spring 2007 issues of the "Waterline" for an amount not to exceed \$19,000.

SYNTHETIC TURF REBATE PILOT PROGRAM

Director Fraites inquired if there may be a chemical reaction in the plastic material caused by the sun. Mr. DeGabriele responded by saying he did not know but would find out. He stated that the purpose of the pilot program was twofold: to provide customers with an example of synthetic turf after it has been installed, and to bring installers into the Novato area.

Director Fraites suggested that a pilot program be considered using native or drought tolerant plants.

On motion of Director Baker and seconded by Director Petterle, the Board unanimously approved authorizing the General Manager to implement the Synthetic Turf Rebate Pilot program.

DISBURSEMENTS

On motion of Director Baker and seconded by Director Petterle, the Board unanimously authorized payroll and accounts payable vouchers totaling \$2,054,555.97.

ACTION CALENDAR

CONSERVATION INCENTIVE RATE LANGUAGE REVISION

Mr. Bentley stated that the new proposed language states that the Conservation Incentive Rate language revision be applied to all residential customers including multi-family, apartments, townhouses and condominiums. He stated that only three customers in Novato and one in West Marin exceed the threshold and that an individual letter will be mailed to these customers.

On motion of Director Petterle, seconded by Director Baker, the Board unanimously approved Resolution 06-32 entitled, "Resolution of the Board of Directors of North Marin Water District Amending Regulation 43 – Water Rates."

AGREEMENT WITH OGILVY PUBLIC RELATIONS FOR CUSTOMER OUTREACH PLANNING

Mr. DeGabriele stated that last spring staff solicited proposals to develop a customer outreach plan and that a panel consisting of Directors Baker and Rodoni, the General Manager, Auditor-Controller, District Secretary and the Water Conservation Coordinator interviewed five companies and selected Ogilvy Public Relations. He said that Ogilvy has been asked to develop a scope of work focusing on the tier rate issue and that their agreement is presented for Board approval. Mr. DeGabriele also advised the Board that a Charlton Research Company will be engaged to conduct a telephone poll in an amount not-to-exceed \$8,000.

Director Fraites requested that the Board review the questions asked in the poll.

On motion of Director Fraitres and seconded by Director Baker, the Board authorized the General Manager to enter into an agreement with Ogilvy Public Relations to develop a customer outreach plan for a not-to-exceed amount of \$17,625 and to engage a research company to perform a telephone poll in an amount not-to-exceed \$8,000.

WATER SUPPLY EDUCATIONAL ARTICLE

Mr. DeGabriele stated that subsequent to the Board meeting held on June 20, 2006, two letters to the editor were published opposing the water rate increase and the proposed tier rate and one letter in support was received by the District although it was not published in the Novato Advance. He said that at the request of the Board, he has written a reply as an opinion piece for publication and that this opinion piece was reviewed by Ogilvy Public Relations who suggested changes.

On motion of Director Petterle and seconded by Director Baker, the Board unanimously authorized submitting the District's letter to the Editor/Opinion piece to the Novato Advance.

INFORMATION ITEMS:

REPLACING A WATER SERVICE - VIDEO PRESENTATION

Doug Moore, Construction Superintendent, presented a video demonstration of the construction crew "pulling a service" and also showed the Board equipment used by the crew and samples of typical service line leaks.

POLICY NO. 14 – BOARD OF DIRECTORS POLICY MANUAL (2003)

Mr. DeGabriele stated that Policy No. 14, Board of Directors Policy Manual, and Policy Number 16, Condemnation Policy Statement are before the Board for review. He noted Policy 14 incorporates Policy 13, Board of Directors Compensation and Procedure, but that the latest version as amended January 2004 was not included in the manual. He said that it will be included in the manual and placed on the consent calendar for approval at the next meeting.

A discussion by the Board followed.

Director Rodoni requested that the compensation policy be placed on the Action Calendar at the next meeting. Director Rodoni summarized the history of the compensation policy and stated that the intention for additional compensation was to provide an incentive to Board members to become more involved. He said that it was his understanding that the compensation was to cover Directors' costs or expenses while serving the District and that the question is: should additional reimbursement be requested in addition to the additional compensation? He said that the

policy should include guidelines for compensation. He also suggested that the entire policy, including the procedure and voucher format, be included in the Directors Manual.

Director Schoonover stated that he agrees with using the wording "prior approval" as it gives the Directors knowledge of what other Board members are involved in.

Director Fraites queried if the number of days to submit vouchers for compensation refers to working or calendar days and if vouchers may be submitted via email. Mr. Bentley replied that it refers to calendar days and that vouchers submitted electronically are permissible.

Director Schoonover said that a mileage reimbursement policy should be considered if a meeting is a significant distance from the District.

Director Petterle stated that the policy is silent on the subject of reimbursement for travel expenses while attending out of the area workshops, etc. and that it would be appropriate to include language that states "prior Board approval" is required in these cases.

The Manager agreed with Director Petterle and said that staff will craft language to address reimbursed expenses for attending District-related seminars, conferences etc.

Director Rodoni stated that he felt it is not appropriate to receive both reimbursement for expenses and compensation.

Mr. DeGabriele asked if there were any other comments on the Directors Manual and there were none.

POLICY NO. 16 – CONDEMNATION POLICY STATEMENT (1979)

Mr. DeGabriele presented the Condemnation Policy Statement and the Board had no comment. He stated that this policy will be on the Consent Calendar for approval at the next meeting.

NORTH BAY WATERSHED ASSOCIATION MEETING – JULY 7, 2006

Director Fraites gave a brief summary of topics discussed at the North Bay Watershed Association Meeting.

MISCELLANEOUS

The Board received the following miscellaneous items: Results of Cast Iron Pipe Test – Anamet, Letter to NOAA, Las Gallinas Valley Sanitary District Solar Project Dedication Announcement, Valley of the Moon Water District Invitation, Historical Charts of Novato Residential Consumption, Historical Charts of West Marin Residential Consumption, Temporary Security Guard Service at Stafford Treatment Plant.

The Board received the following news articles: Lawns Too Much of a Drain? (7/13), EAH Finishes 26 Low-Income Units in Point Reyes (7/6), Great Expectations for Private Water Fail to Pan Out (6/26), New Homes Going 'Green' (6/18), A Waste of Water (6/18), SR Sets Tiered Water Billing System (6/18).

ADJOURNMENT

President Schoonover adjourned the meeting at 9:30 p.m.

Submitted by

Renee Roberts
District Secretary