

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
September 15, 2009**

**CALL TO ORDER**

President Rodoni called the regular meeting of the Board of Directors of North Marin Water District to order at 7:31 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.

Novato resident Robert Hemphill, and District employees Robert Clark (Facilities Maintenance Superintendent) and Doug Moore (Construction Superintendent) were in the audience.

**MINUTES**

On motion of Director Baker, seconded by Director Schoonover and unanimously carried the Board approved the minutes from the previous regular meeting dated September 1, 2009 as presented.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried the Board approved the minutes from the special meeting dated September 10, 2009 as presented.

**GENERAL MANAGER'S REPORT**

Mr. DeGabriele informed the Board that he will be out of town on Thursday, September 17 and Friday, September 18, 2009 and that Drew McIntyre will be acting General Manager in his stead.

**OPEN TIME**

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

**STAFF/DIRECTORS REPORTS**

Mr. Bentley reported that he attended a PG&E workshop in San Francisco on the subject of Smart Meters. He stated that PG&E is installing Smart Meters, an automatic metering system, throughout their territory and that the California Public Utilities Commission requested that PG&E coordinate with water districts to explore ways that their Smart Meter infrastructure could also be used for reading water meters. He said that PG&E is scheduled to install their Smart Meters for gas and electric in Novato the second half of 2011 and there were many water utilities present at the workshop.

## **MONTHLY PROGRESS REPORT**

Mr. DeGabriele presented the Progress Report for the month of August and stated that Novato total water production is down 12% from one year ago; Sonoma County Water Agency production is down nearly 40% for the period of June through August compared to same period in 2004 and total water production for the same period compared to 2004 is down 29%. He reported that the District is meeting the State Water Resources Control Board (SWRCB) requirements to reduce diversions by 25% and also meeting the goal of water conservation stipulated by the SWRCB.

Mr. DeGabriele stated that water production in West Marin is down 11% compared to one year ago and down 13% fiscal year to date; Stafford Treatment Plant water production was up 17% fiscal year to date and 17% for the month of August. He further stated that recycled water production is down likely because Stone Tree Golf Course system is not irrigating as much as the previous year. He said that Oceana Marin is in good shape and both treatment and storage ponds continue to discharge. Mr. DeGabriele noted that the High Efficiency Toilets and Washing Machine rebates continue to be popular water conservation measures and Water Smart Home Surveys continue to be scheduled. He advised that in the Summary of Complaints and Service Orders, the number has significantly dropped (18%) from one year ago, despite the increase in the number of water quality complaints due to the failure of the Granular Activated Carbon filters at Stafford Treatment Plant.

Mr. Bentley reported that the District ended the month of August with \$7.2M in the bank; half was invested in the State Treasury, one-quarter invested in medium corporate notes and the balance in Certificates of Deposits in local banks. He stated that the District portfolio was earning at a rate of 1.64%; the State Treasurer's rate is 0.9%, and the cash balance increased \$67,000.

## **CONSENT CALENDAR**

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

### **REQUEST OUT-OF-STATE TRAVEL FOR CHIEF ENGINEER**

The Board approved out-of-state travel for Drew McIntyre to attend the American Water Works Association Fall Conference Pipeline Rehabilitation Committee meeting in Las Vegas, NV.

## **ACTION CALENDAR**

### **CONSIDER: REQUEST FOR BILL ADJUSTMENT – HEMPHILL**

Mr. Bentley informed the Board that Robert Hemphill is in attendance to address the Board regarding his final bill of over \$3,000 for water usage at his former residence. He said there is no

question that Mr. Hemphill used the water that is reflected in the bill, but that Mr. Hemphill is concerned with the amount of the bill. He said that it was explained to Mr. Hemphill that staff does not have the authority to waive the charges and that he could appeal to the Board; however, under the District Bill Adjustment Policy, he does not qualify for a bill adjustment.

Mr. Hemphill described his efforts to conserve water and stated that his usage has dropped 31% in the last four years but that his water bill increased 53% during that time. He stated that he felt the rate increase was unethical and it does not seem fair to penalize customers who have large landscaped areas.

Director Rodoni asked Mr. Bentley to explain when the new rates became effective. Mr. Bentley responded that the rate changes became effective June 1 and that Mr. Hemphill's bill is for the period June 13 through August 14.

Director Fraites stated that the reason for the high bill is due to Mr. Hemphill's high water use.

Mr. Hemphill argued that his water savings over the past four years should be taken into account and that he felt it very unfair that the same amount of water is used for a tier threshold upon a customer with acreage as a customer residing in an apartment.

Director Baker stated that he sympathized with Mr. Hemphill and credited him for his water saving efforts, but that the water being used is due to the size of his property and extensive landscaping. He said that the Conservation Incentive Rate was designed to target the high end users and to encourage conservation.

Director Petterle said that Mr. Hemphill's water use was "obscene" and that no action by the Board is warranted and suggested the Board move on with the agenda.

There was no further discussion, and Mr. Hemphill left the meeting.

### **INFORMATION ITEMS**

#### **UPDATE FOR STAFFORD TREATMENT PLANT BACKFLOW METER & CHECK VALVE PROJECT**

Mr. McIntyre provided an update to the Board on the grant money awarded to the District from the State of California for the Stafford Treatment Plant Backflow Meter and Check Valve Project. He said that all executed documents have been received from the state. He stated that third party inspection is required even though this is considered to be a small job. He explained that the American Recovery and Reinvestment Act (ARRA) grant documents are designed for multi-million dollar projects and there is not an option to waive this requirement. Mr. McIntyre advised

that the District has sent a request for proposal for third party inspection to five construction management firms and he will return to the Board with staff's recommendation for Board approval.

### **EMPLOYEE ASSOCIATION ELECTION RESULTS**

Mr. Bentley informed the Board that the eligible employees voted for all three representation units to be represented by the North Marin Water District Employees Association and negotiations will begin next week. He advised that staff from the office of Wiley, Price and Radulovich will help facilitate the agreement and by next meeting he hopes to inform the Board of the issues put on the table by both employees and management.

### **FUTURE CALPERS RETIREMENT COST**

Mr. Bentley stated that CalPERS reported that they lost 23% of their investment portfolio balance in the last year and that they will be raising employer contribution rates to recover the losses and decided to spread it over a thirty year period to mitigate the impact on public agencies. He said that, assuming District salaries stay the same, an additional \$250,000 per year five years from now will be needed to cover retiree benefits. He said that CalPERS is anticipating that they will earn an average return of 7.75% each year and future contribution rates will be adjusted to compensate if the rate of return is more or less 7.75%.

### **NORTH BAY WATERSHED ASSOCIATION MEETING – SEPTEMBER 11, 2009**

Director Fraites provided a summary of the North Bay Watershed Association meeting on September 11, 2009 wherein there was a presentation on a proposed recreational complex at Smith Ranch Road in San Rafael; and he informed the Board that the NBWA authorized funds toward a study on "Adapting to Climate Change."

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, Leadership Novato Class 2010, Notice of Public Hearing – Verizon Wireless Appeal of Use Permit and Design Review Approval. The Board also received the following news articles: California's Man-Made Drought, Santa Rosa ready to sue for more water and Salinity Notices.

### **CLOSED SESSION**

President Rodoni adjourned the Board at 7:58 p.m. into closed session for:

1) Conference with Legal Counsel – Existing Litigation - Pursuant to Government Code subdivision (b) of Section 54956.9 (one case Electronic Innovations);

2) Conference with Legal Counsel – Existing Litigation - Pursuant to Subdivision (a) of Section 54956.9. Name of Case: North Coast Rivers Alliance v. California Department of Transportation: (Named Real Party in Interest - North Marin Water District);

3) Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to Subdivision (b) of Section 54956.9: One Potential Case;

4) Conference with Legal Counsel - Anticipated Litigation – Initiation of Litigation Pursuant to Subdivision (c) of Government Code Section 54956.9 – One Potential Case.

**OPEN SESSION**

Upon returning to regular session at 9:15 p.m., President Rodoni stated that during the closed session, the Board had discussed the issues and the following action was taken on the first item (Electronic Innovations): On motion of Director Schoonover and seconded by Director Fraites the Board unanimously approved to not take further action. President Rodoni stated that no reportable action had been taken on the remaining three closed session items.

**ADJOURNMENT**

President Rodoni adjourned the meeting at 9:16 p.m.

Submitted by

Renee Roberts  
District Secretary