

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 15, 2008**

CALL TO ORDER

President Fraites 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.

District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent), David Jackson (Associate Engineer) and Brad Stompe (Treatment Plant Supervisor) were in the audience.

CLOSED SESSION

President Fraites immediately adjourned the Board into Closed Session for:

Conference with Legal Counsel – Existing Litigation - Pursuant to Government Code subdivision (b) of Section 54956.9 (one case re Daniel McKenzie).

OPEN SESSION

Upon returning to regular session at 8:00 p.m., President Fraites stated that during the Closed Session the Board had unanimously approved a settlement offer in the McKenzie vs. NMWD lawsuit.

MINUTES

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

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Petterle

ABSENT: None

GENERAL MANAGER'S REPORT

Oceana Marin Homeowners Association

The General Manager advised that he will be attending the Oceana Marin Homeowners Association meeting on Saturday, January 18 and will provide a status report on District operations in that service area.

Dates of Note

Mr. DeGabriele advised that next Monday, January 21 is the Martin Luther King, Jr. holiday and that District offices will be closed. He further advised that the following Monday, January 28, is the Long Range Planning Workshop with Robert Rauch to be held at the Novato Fire District office.

Intertie Renegotiation

Mr. DeGabriele reported that staff met with Marin Municipal Water District for further Intertie Agreement negotiation and that he will have a report either at the next meeting or at the Long Range Planning Workshop.

OPEN TIME

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

Palmer Drive Tank Pre-Bid Meeting

Mr. McIntyre advised that the pre-bid meeting for the Palmer Drive Tank project was held this morning and that there is a lot of interest in the project. He noted that 57 plans and specifications have been mailed; 23 to general contractors.

MONTHLY PROGRESS REPORT

Mr. DeGabriele reported on the progress report for December and stated that water production in both Novato and West Marin is down compared to the prior year even though rainfall totals were less this year than last December. He surmised that water conservation efforts of District customers have carried over from the summer months. He noted that there was minimal water production at Stafford Treatment Plant due to a minor amount of testing being performed. Mr. DeGabriele advised that rainfall through December was 6.5" and that there are safe freeboard levels in the Oceana Marin treatment and storage ponds. He further advised that the Inverness Park pump station is 100% complete and went on-line in December. In Safety/Liability, Mr. DeGabriele reported that there were 2 lost days due to a minor injury. He said that 25 Water Smart Home surveys (water conservation) were conducted, and that customer complaints and services

orders were down 23% as compared to last December. He stated that 52 of the 143 Customer Service Questionnaires that were sent out were returned and of those returned, 95% said the District was doing a good job. He stated that all bacteriological and chemical water quality monitoring standards were met during the past quarter.

ACTION CALENDAR

STAFFORD DAM OUTLET TOWER REHABILITATION PROJECT – BID ADVERTISEMENT

Mr. McIntyre introduced Dave Jackson, the District's project engineer for the Stafford Dam Outlet Tower Rehabilitation Project. Mr. Jackson provided background information and distributed drawings of the revised project and said that staff is requesting Board authorization to advertise for bids for the project. He said that the project scope has changed considerably from the original job. He explained that the original project was to repair the three service gates and one 30" gate at the bottom of the tower and that during the design phase, the Department of Safety of Dams (DSOD) requested that the seismic stability of the tower be reviewed. He further explained that the seismic analysis determined that the tower was not structurally strong enough to withstand a credible earthquake on the San Andreas and/or Hayward Faults. Mr. Jackson proceeded to describe the details of the project. He said the cost estimate reflects the additional design features to seismically strengthen the tower and the escalation of materials and labor costs due to DSOD project delays. He said that there is a long construction time to allow the contractor do the work when it is most advantageous depending upon the elevation of the lake. He advised that there will likely be underwater work using divers and the higher the lake, the fewer hours divers can spend below water which will impact the cost. Mr. Jackson said he was confident the bids will come in within the current construction cost estimate of \$682,000 to \$736,000.

Mr. Jackson answered questions from the Board on the underwater portion of the tower construction and lake elevation. He advised the Board that the DSOD has accepted the design drawings for the overall project and will periodically inspect the work as part of the contract requirements.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried, the Board authorized bid advertisement of the Stafford Dam Outlet Tower Rehabilitation Project.

NOVATO WATER SYSTEM MASTER PLAN – ACCEPTANCE OF FINAL REPORT

Mr. McIntyre said he was pleased to report that the Board has been given the Novato Water System Master Plan Final Report which had been presented at two previous Board meetings. He stated that staff has incorporated comments from the Directors and District Department Heads. He encouraged the Board to keep the document handy as it will continue to serve as a guideline and

blueprint for the Novato water system planning and to make notes on ways to improve the document when the plan is updated in five years. He emphasized that by accepting the plan, the Board is not approving projects described in the plan and that all capital improvement projects identified in the plan must be approved and budgeted separately through the annual District budgeting process.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously accepted the Novato Water System Master Plan Final Report.

Director Baker complimented Mr. McIntyre and Mr. DeGabriele on a job well done. Mr. McIntyre said that all departments did a good job in putting this report together.

EXTENSION OF SECOND UNIT AMNESTY PROGRAM

Mr. Bentley advised that one year ago, the Board agreed to follow suit with the County of Marin's Second Unit Amnesty Program by reducing the connection fee by 50% during 2007 for unpermitted second units. He said that the county has had much success with the program and has approved extending the program another year and has requested the District to extend its program. Mr. Bentley reported that for the District, one second unit has come in under the amnesty program and a second one is in the works. He further reported that total connection fee revenue foregone to date is \$1,550 and recommended the Board extend the District program through December 31, 2008.

On motion of Director Petterle and seconded by Director Baker, the Board unanimously approved Resolution 08-01 entitled, "Resolution of the Board of Directors of North Marin Water District Revision of North Marin Water District Regulation 1 – New Service Connections."

OCEANA MARIN CONTRACT OPERATIONS AND MAINTENANCE SERVICE

Mr. Clark stated that in June the Board authorized staff to solicit proposals for contract operations and maintenance service for Oceana Marin and that the only proposal received, from Phillips and Associates, met all criteria. He noted that, at the Board's request, proposals were solicited from the Bolinas Community Public Utility District and the Stinson Beach County Water District but neither responded. Mr. Clark advised that the California Regional Water Quality Control Board requires a Chief Plant Operator be assigned for the Oceana Marin plant and he expects that the Regional Board will authorize Phillips and Associates to assume the Chief Plant Operator responsibility. He said that he is waiting for verification from the Regional Board on this issue. Mr. Clark discussed the historical operating costs for the Oceana Marin Operations and Maintenance activities and advised that the proposed contract is cost-competitive and includes a one-time start up fee of \$5,470 and an annual total management fee of \$59,283 with other costs to be negotiated.

He said the savings to be gained by the District will be in labor hours because District crews will no longer need to respond to Oceana Marin.

On motion of Director Baker, seconded by Director Petterle, and unanimously carried, the board authorized the General Manager to enter into negotiation with Phillips and Associates for Oceana Marin O & M services.

Director Rodoni requested that staff advise how the projected 26 work days of District staff savings will be reallocated.

NOMINATION FOR SPECIAL DISTRICT REPRESENTATIVE TO THE MARIN LAFCO

Mr. DeGabriele stated that he received a notice from Marin Local Agency Formation Commission that a mail ballot election will be held for Special District Representative Alternate and that they are soliciting nominations. He reminded the Board that currently, Director Rodoni serves as Special District regular member on Marin LAFCo. He suggested that, absent any interest by a Board member, the Board allow other special districts make a nomination.

There was consensus among the Board to not take any action.

INFORMATION ITEMS

TAC MEETING – JANUARY 7, 2008

Mr. DeGabriele reported on the Technical Advisory Committee meeting held on January 7, 2008. He advised that there will be a workshop held before the State Water Resources Control Board in early March on the SCWA's performance during this summer's emergency water conservation period.

Mr. DeGabriele stated that he advocated to conclude the Sonoma Marin Saving Water Partnership MOU and is expecting the TAC approve the MOU in February and the WAC approve the MOU in March. He said this would be a good demonstration to the State Board that the water contractors are pursuing water conservation efforts above and beyond what is expected.

Mr. DeGabriele reported that Mr. Bentley has participated in budget subcommittee meetings and that the subcommittee is close to making budget recommendations to the TAC in February and that the WAC will vote on the FY 08/09 budget in March.

Mr. DeGabriele further reported that the Water Project Draft EIR is on schedule for release in June and the Biological Opinion is expected to go public in March. He stated that SCWA is encouraging water contractors' elected officials to attend the ACWA Washington, DC conference and to meet with federal legislators to advocate for the Biological Opinion and modifications to the Russian River Project.

Mr. DeGabriele advised that the winter rains have had little impact on water storage in Lake Mendocino and that only substantial rainfall in the spring will have a favorable impact on water supply. He further advised that the State Water Resources Control Board issued a Draft Policy on Instream Flows that will affect Novato Creek and Lagunitas Creek water rights and that the Gallagher Pipeline project will have to address this policy. He said that staff has met with Leonard Charles on what elements to include in the Gallagher Pipeline Project EIR.

MID-YEAR PROGRESS REPORT – OPERATIONS DEPARTMENT

Mr. McMaster provided the mid-year progress report for the Operations Department that includes the end of the emergency water conservation period for the Sonoma County Water Agency as mandated by the State Board. He reported that during this quarter the Stafford Water Treatment Plant produced a total of 424.96 million gallons of water compared to water production in 2004 of 236 million gallons. He advised that SCWA flows to the District averaged 8.87 mgd this year compared to 12.81 mgd for 2004. Mr. McMaster said that the recent storm has resulted in raising the lake elevation significantly. Mr. McMaster also provided: a chart of peak flow days that illustrates the impact of Stafford production on the aqueduct deliveries; information on West Marin production and consumption; a chart illustrating historical Point Reyes production during the years 2000 through 2007; and Point Reyes production totals for the 2007 calendar year. He said there was little to report on Oceana Marin and noted that the discharge field operation has been shut down for the winter.

Mr. McMaster advised the Board that this was his last report as he is retiring as of today and stated that Robert Clark will oversee the Operations Department until a replacement is hired. He acknowledged the excellent team at the Stafford Treatment Plant, and Mr. DeGabriele and the Board expressed their thanks to Mr. McMaster for his dedication to the District.

OPERATIONS DURING THE WINTER SHUTDOWN OF THE STAFFORD WATER TREATMENT PLANT

Mr. McMaster said that the Stafford Treatment Plant staff has crafted a comprehensive plan centered on preventative maintenance and he proceeded to summarize the key tasks that need to be completed before next year's production season: replace half of the Granular Activated Carbon; complete the automatic reporting systems for monthly reports to the California Department of Public Health; and complete the automatic alarms and plant shutdown controls for remote control.

BOARD OF DIRECTORS PLANNING WORKSHOP

Mr. DeGabriele provided the Board with information on the discussion items to be considered in the planning workshop scheduled for Monday, January 28, 2008. He advised the

Board that Robert Rauch, of Rauch Communications and workshop facilitator, will be contacting each Director by telephone next week for a pre-workshop interview.

JANUARY 4, 2008 STORM EVENT RECAP

Mr. McIntyre presented the Board with a summary of District activities related to the January 4, 2008 wind and rainstorm event. He said that the District was informed on Friday, January 4, 2008, that the City of Novato had activated the Emergency Operations Center at the Novato Fire District office and that Doug Moore was dispatched to provide assistance. He stated that most of the problems incurred by the District were related to power and communications. Mr. McIntyre advised that the District lost power in 20 locations and that power was out in some locations from Friday to Monday afternoon. He said it is evident that the District needs more generators and that the District borrowed generators from Marin Municipal and Novato Sanitary District. Mr. McIntyre further advised that approximately 60 customers in the Crest system were served advisory notices due to low pressure and that customers served by the Garner hydropneumatic system were out of water. He said that the lessons learned from this event will be incorporated into the District Emergency Operations Plan. He said the electrical/mechanical crew went directly into emergency on-call state from their work day, and he gave kudos to the crews for doing a good job during this event.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements (1/2/08 and 1/16/08), ACWA State Budget Legislative Alert, Distribution of Excess ERAF Funds, Crossroads: Envisioning a Future for the Delta, Renewal of Oceana Marin Liability Insurance, Letters (3) from Governor's Office Re: SWRCB Appointments, ACWA 2008 Conference – Washington, DC, NWRA Election Results, Water for People Certificate, Water Education Foundation Letter.

The Board also received the following news articles: Hydrant Spouts for Hours (1/2), Thieves' SUV Stuck in Mulch (1/2), Goodbye Lawn – Part 1 (12/31), Longtime Water Director for State Dies at 71 (12/27), Water, Energy, Environment and Economy Critically Linked (12/17).

ADJOURNMENT

President Fraites adjourned the meeting at 9:31 p.m.

Submitted by

Renee Roberts
District Secretary