

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 7, 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), Doug Moore (Construction Superintendent) and District retiree Gayle Smalley were in the audience.

CLOSED SESSION

President Schoonover immediately adjourned the Board into closed session for Conference with legal counsel - 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 8:25 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 Petterle, seconded by Director Fraites and unanimously carried the Board approved the minutes from the previous meeting as amended.

GENERAL MANAGER'S REPORT

Carl Welte Management Services

Mr. DeGabriele advised the Board that Carl Welte, of Welte Associates, has been retained for additional management consulting services and is assisting with department head performance planning at a cost of \$4,000.

North Bay Water Reuse Authority

Mr. DeGabriele reported that he attended a North Bay Water Reuse Authority meeting and it was learned that the federal sponsorship share for the project construction costs of bringing Marin recycled water to Sonoma and Napa Counties is 25% and that local sources must provide 75% and

that, in his view, it is unlikely that a pipeline will go from Marin to Napa. He stated that it is still possible that the project will include local recycled water projects and that the District's recycled water master plan will be included. The District has been informally asked if there is interest in participating in the environmental review. Mr. DeGabriele stated that he has asked for meeting with the Sanitary District and Camp, Dresser and McKee and would like the District's Ad Hoc Recycled Water Committee to also attend and determine if the District should participate.

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:

Mr. McIntyre reported that five general contractors submitted bids for the Recycled Water Project and that Maggiora Ghilotti was the low bidder with a bid of \$3,858,000 that is approximately 14% higher than the original bid of \$3,151,000.

CONSENT CALENDAR

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

CONSENT - APPROVE RESOLUTION OF APPRECIATION TO RETIRING FIRE CHIEF JEFFREY A. MESTON 06-08

Novato Fire Protection Chief Jeffrey A. Meston is retiring after twenty years of service and to demonstrate its appreciation of Chief Meston's support and excellent working relationship with the District, the Board approved Resolution No. 06-08, entitled, "Resolution of Appreciation to Jeffrey A. Meston."

CONSENT - APPROVE CREDIT CARD SERVICES – REGULATION 53

Many customers have requested the option of paying their water bills using their credit or debit cards and staff would like to accommodate this request; however, customers using credit or debit cards will be assessed a convenience fee of \$2 per transaction which will off-set the out-of-pocket District costs for this service. The Board authorized the Auditor-Controller to enter into an agreement with Bank of America to provide credit card services, and also approved Resolution 06-09 entitled, "Revision of North Marin Water District Regulation 53 – Billing."

CONSENT – APPROVE LETTER DENYING REQUEST FOR 2ND HEARING BEFORE THE BOARD

The Board approved a letter to Selby Mann of 70 Verissimo Drive denying his request for a second hearing before the Board to petition for an additional bill adjustment as there was nothing new to consider.

CONSENT - APPROVE DISBURSEMENTS

The Board approved payroll and accounts payable vouchers totaling \$317,874.79 and estimated overheaded payroll for March of \$263,000.

ACTION CALENDAR

CONSIDER: RETIREE HEALTH BENEFIT REQUEST – SMALLEY

District retiree, Gayle Smalley, addressed the Board with her concerns that the District is misinterpreting its policy concerning retiree health insurance benefits. She stated that approximately six months before retiring she learned that her husband, who is over 65, would not be eligible for health coverage under the Section A of the policy as he is over 65. She stated that she was informed prior to retirement that she would need to forfeit her benefit under Section A if she wanted to continue coverage for her husband under Section B and that since retirement in 2003, she has been covered under Section B only. She opined that Section B was added to the policy when the District contracted with CalPERS for health insurance coverages and staff is interpreting the policy incorrectly as it is her belief the policy's Sections A and B are not mutually exclusive since coverage for spouses over 65 is authorized under Section B and required by the CalPERS health insurance contract. She is requesting that she be covered under Section A as she fully met that policy criteria when she retired and that her husband receive half the benefit of Section B. Ms. Smalley also requested retroactive reimbursement.

There was a lengthy discussion and an attempt to provide a clear explanation of the situation. The General Manager stated that the District's legal counsel advised that the District is within its legal right to administer the policy as staff has done and that the District has been consistent in its interpretation of the policy.

Director Schoonover requested that staff provide calculations on the cost of retroactive payment.

Director Rodoni requested that staff provide the cost implications of providing coverage for other retirees in a similar situation as Ms. Smalley.

The Board deferred taking action on this item until the next Board meeting on March 21, 2006.

Ms. Smalley thanked the Board and left the meeting.

APPROVE: FORWARD REVISED EMPLOYEE HANDBOOK TO SEIU AND UNREPRESENTED EMPLOYEES FOR COMMENT

Mr. Bentley stated that the Employee Handbook revisions consist primarily of legal language "clean up" and that this is not an opportunity to open up new benefit discussions. He stated that staff would like to see if SEIU or the unrepresented employees have comments before an extensive review by the Board is conducted.

On motion of Director Baker and seconded by Director Rodoni, the Board unanimously approved forwarding the revised Employee Handbook to SEIU and unrepresented employees for comment.

APPROVE: WATER SHORTAGE CONTINGENCY PLAN FOR GREATER NOVATO AREA

Mr. DeGabriele stated that the District is preparing the Urban Water Management Plan 2005 (UWMP 2005) for the District so that the District will remain eligible for state financing. He stated that a component of the UWMP 2005 is a Water Shortage Contingency Plan and that a Customer Notification section has been added outlining methods to notify District customers if and when a mandatory reduction is triggered. He said that the actual percentage of reduction will be determined at the time the water shortage emergency is declared.

On motion of Director Rodoni and seconded by Director Baker, the Board unanimously approved the Water Shortage Contingency Plan and Draft Emergency Water Conservation Ordinance to be included in the Urban Water Management Plan 2005.

APPROVE: SET DATE FOR PUBLIC HEARING OF NMWD URBAN WATER MANAGEMENT PLAN

Mr. DeGabriele presented the draft of the District's 2005 Urban Water Management Plan stating that the plan is based on information available from SCWA and its consultants, Brown & Caldwell and Maddaus Water Management. He said that the District has prepared its own stand-alone version so that it can be submitted to the State Department of Water Resources and continue to be eligible for state loan and grant funding and that the Plan will be distributed to the County of Marin, City of Novato, Novato Sanitary District, Sonoma County Water Agency and copies will be available at the District offices and the Novato Branch of the Marin County Public Library for public review. Mr. DeGabriele said that he is requesting the Board set March 21 for the Public Hearing.

Director Schoonover inquired if there is enough time for public review before the public hearing.

Mr. DeGabriele acknowledged that it is a short review period but that it is important to submit the Plan to the Department of Water Resources before the end of the fiscal year. He further

stated that the District would revise the Plan once the Regional UWMP 2005 being prepared by SCWA is completed.

On motion of Director Baker and seconded by Director Fraites, the Board unanimously approved March 21, 2006 as the date for the Public Hearing and to consider approval of the North Marin Water District 2006 Urban Water Management Plan.

INFORMATION ITEMS:

PROJECT UPDATE – PALMER DRIVE WATER TANK

Mr. McIntyre provided an update on the Palmer Drive Water Tank project and advised the Board that the delay has been due to the Belle Terre Home Owners Association failing to have a quorum at their last board meeting in December that prevented them from approving the lot line adjustment. He stated that the District's application to the city for approval of the lot line adjustment is ready to be submitted; however, the letter confirming approval by the HOA is necessary and must wait until the next HOA meeting. Mr. McIntyre stated that he will contact the HOA to see if members can vote by proxy if a quorum is not met.

DRAFT LETTER TO SONOMA COUNTY – DUTRA HAYSTACK LANDING ASPHALT & RECYCLING FACILITY

Mr. McIntyre presented a draft letter to Sonoma County in response to their Notice of Preparation of a Draft Environmental Impact Report for the Dutra Haystack Landing Asphalt and Recycling Facility. He stated that the District currently provides water service to one of three parcels located on Petaluma Blvd. South and noted that the letter states that the District will not expand service due to SCWA transmission system constraints. Mr. McIntyre stated that through this response letter, the District is noticing the City of Petaluma that the District seeks to begin discussions with them on the transfer of service responsibility and facilities ownership in this area.

Director Rodoni suggested that Sonoma County LAFCo be sent a copy of the letter.

NOVATO WATER SYSTEM PRODUCTION VS. SALES VOLUME

Mr. Bentley informed the Board that he has prepared an analysis to address the variance between the increase in water production and decrease in consumption. He explained how the total water production is determined and stated that the variance is most likely due to past inaccuracy of meters at either the Kastania pump station, the Stafford Treatment Plant or the Ignacio pump station. He stated that SCWA and MMWD have tested the meters at their respective ends and they have reported that the meters now register within accuracy standards. Mr. Bentley stated that last fiscal year, MMWD complained that their meter at Ignacio was misreading, and that in 2004, the meter at Kastania failed to register water use for a month. He also noted that Stafford

Lake Water Treatment Plant has not produced water this fiscal year. He stated that staff will continue to monitor production and consumption and will report to the Board with any new information.

SCWA PROPOSED FY 06/07 BUDGET

Mr. Bentley stated that the proposed Sonoma County Water Agency budget for Fiscal Year 06/07 includes the smallest increase (1.9%) to North Marin since 1995 and that the purchase of 8,000 AF will cost North Marin an additional \$64,000 this fiscal year.

RISK MANAGEMENT PLAN FOR CHLORINE AT NEW STAFFORD WATER TREATMENT PLANT

Mr. McMaster provided an update to the Board on the Risk Management Plan (RMP) for chlorine gas for the new Stafford Lake Water Treatment Plant. He stated that during the design phase, chlorine dioxide was determined to be an effective raw water oxidant-disinfectant without producing significant disinfection by-products and that production of chlorine dioxide requires the use of chlorine gas and liquid sodium chlorite. He stated that chlorine gas is also used as the final disinfectant for water entering the distribution system and that because the Treatment Plant uses chlorine gas in excess of one ton containers, the District is required by the USEPA to develop a Risk Management Plan that is administered by the Marin County Hazardous Materials. He stated that Ryerson, Master and Associates conducted two required operational meetings with Operations staff and the final phase of the RMP process has been completed. Mr. McMaster explained the different components of the chlorine system and the emergency chlorine gas scrubber system.

LONG RANGE PLANNING WORKSHOP NOTES

Mr. DeGabriele requested that Board comments on the Long Range Planning Workshop notes be sent by Friday March 17, so that action items can be made available for review and approval at the April 4, 2006 Board of Directors meeting.

NORTH BAY WATERSHED ASSOCIATION – MARCH 3, 2006

Mr. DeGabriele was unable to attend the meeting and Director Fraites reported that there was an interesting presentation on the Petaluma River and that the budget for FY2006/2007 was distributed and will be adopted at the May meeting.

WATER ADVISORY COMMITTEE MEETING – MARCH 6, 2006

Mr. DeGabriele stated that Randy Poole, Sonoma County Water Agency General Manager/Chief Engineer, requested that all contractors bring before their boards or councils requests for approval of the Restructured Agreement, Restructured Agreement Section 2.4 revised language and the Impairment MOU. He stated that North Marin Water District Board has approved the

revised Section 2.4 and the Impairment MOU and that approval for the Restructured Agreement will be on the Board of Directors agenda soon.

Mr. DeGabriele reported that Mr. Poole asked the WAC to participate in the Sonoma County Salmon Coalition. He stated that the coalition is comprised of environmental interests, Russian River property owners and natural resource agencies involved in recovery and fishery protection in the Russian River Region and that Jake MacKenzie of Rohnert Park and Mike Bierman of Petaluma were selected to represent the WAC.

MISCELLANEOUS

The Board received the following miscellaneous information: Virginia Grove Affordable Housing, Letter to Tim Haddad Re East Shore Wastewater Improvement Project.

The Board also received the following news articles: School District Gets Rebate for Fake Turf (3/1), Setback in Coyote Dam Project (2/21), Ranch May Get 5 Residential Acres (2/16), Darker Water (2/16).

President Schoonover adjourned the meeting at 10:05 p.m.

Submitted by

Renee Roberts
District Secretary