

1 **NORTH MARIN WATER DISTRICT**
2 **MINUTES OF REGULAR MEETING**
3 **OF THE BOARD OF DIRECTORS**
4 May 17, 2011

5 **CALL TO ORDER**

6 President Schoonover called the regular meeting of the Board of Directors of North Marin
7 Water District to order at 7:30 p.m. at the District headquarters and the agenda was accepted as
8 presented. Present were Directors Jack Baker, Rick Fraites, Steve Petterle and Dennis Rodoni.
9 Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-
10 Controller David Bentley and Chief Engineer Drew McIntyre.

11 District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore
12 (Construction/Maintenance Superintendent), Carmela Chandrasekera (Associate Engineer) and
13 Pablo Ramudo (Water Quality Supervisor) were in the audience.

14 **MINUTES**

15 On motion of Director Baker, seconded by Director Rodoni and unanimously carried the
16 Board approved the minutes from the previous meeting as presented.

17 **GENERAL MANAGER'S REPORT**

18 **SMART Real Estate Committee Meeting**

19 The General Manager reported that on Wednesday, May 11th, he attended the SMART Real
20 Estate Committee meeting. He reminded the Board that at the last meeting he reported that
21 SMART has adopted a policy to consolidate private railroad crossings and that Golden Gate Place
22 which borders the District yard, is a private railroad crossing. Mr. DeGabriele stated that when
23 asked if Golden Gate Place was on the SMART list for closure, he was advised that it was not and
24 he asked that that be reflected in the SMART meeting minutes. He said that the SMART Real
25 Estate Committee will look at their policy on private crossings again on June 1st and a public
26 hearing is scheduled for June 15th. He stated that he will continue to monitor this issue.

27 **Marin Democratic Club**

28 Mr. DeGabriele stated that he attended the Marin Democratic Club meeting wherein he
29 provided an overview of the District. He said that the District received a public records request
30 shortly thereafter from a resident for documents related to the North Marin Water District/Novato
31 Sanitary District consolidation proposal and exchange of employees from January 1, 2009 to the
32 present. He informed the Board that District legal counsel has been alerted and will review the
33 documents.

1 County Forum on Public Pensions

2 Mr. DeGabriele reported that he attended the County of Marin Forum on Public Pensions on
3 May 16th and that he and David Bentley will be attending the North Bay Leadership Council Forum
4 on Changing Government to Fit New Realities in two weeks.

5 **OPEN TIME**

6 President Schoonover asked if anyone in the audience wished to bring up an item not on
7 the agenda and there was no response.

8 **STAFF / DIRECTORS' REPORTS**

9 President Schoonover asked if staff or Directors wished to bring up an item not on the
10 agenda and the following items were discussed:

11 Algae Bloom in Stafford Lake

12 Robert Clark reported that there was an algae bloom causing taste and odor breakthrough
13 at the treatment plant and production was reduced to give the Granular Activated Carbon filters a
14 chance to capture the taste and odors. He said that the taste and odor is reducing but there is still
15 more to go.

16 Outstanding Invoice

17 Director Baker inquired about an invoice on the list of outstanding invoices that has been
18 outstanding for three years with only \$500 paid. Mr. Bentley said that the person invoiced has had
19 personal troubles and is now making payments.

20 ***MONTHLY PROGRESS REPORT w/Quarterly Customer Service***

21 Mr. DeGabriele reported that in April, water production in Novato was up slightly from a year
22 ago, but well below prior years' production; West Marin production is flat compared to one year ago
23 and down significantly from prior years. He said that Stafford Treatment Plant production is 14%
24 more than one year ago and up from prior years. Mr. DeGabriele reported that there was little
25 recycled water production in April. He said that at Oceana Marin there is good freeboard in both
26 ponds and we are discharging more in the irrigation fields. Mr. DeGabriele noted that the Quarterly
27 Water Quality report will be presented later in tonight's meeting.

28 David Bentley reported that the District's investment portfolio in April was \$5.6M, the Novato
29 water portion fell to \$4.9M, the lowest level Novato Water has had since 1982 (\$4.9M in 1982
30 equals to \$11.5M today).

31

1 **CONSENT CALENDAR**

2 Items 7 and 8 were removed at the request of Director Baker for further discussion.

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

5 **WARNER CREEK SENIOR HOUSING (AMENDMENT 1)**

6 The Warner Creek Senior Housing project agreement expired because the applicant failed
7 to complete the financial arrangements in accordance with the agreement. The applicant is now
8 ready to move forward and an amendment to the agreement that includes minor revisions to the
9 facilities design and cost estimate is necessary. The agreement will provide water service to 61
10 new apartments and irrigation of common area landscaping.

11 New Zone 1 water facilities required include 480 feet of pipe, four new commercial fire
12 hydrants, one 6-inch fire service, one 1.5-inch domestic meter and one 5/8-inch irrigation meter.
13 Water demand is 28 equivalent dwelling units; total new water demand is 27 EDUs since one EDU
14 will be credited to the project for the existing service.

15 The Board approved Resolution No. 11-10, entitled "Authorization of Execution of
16 Amendment No. 1 to Water Service Facilities Construction Agreement with Warner Senior Housing,
17 LP."

18 **CONTRACTING BACKFLOW DEVICE TESTING FOR THE NOVATO SERVICE AREA**

19 This item was removed from the consent calendar at the request of Director Baker.

20 Due to the recent retirement of the District Cross Connection Control specialist and after
21 reviewing the Cross connection program, staff is interested in developing the most cost-effective
22 backflow device testing process and is requesting the Board to authorize solicitation of proposals
23 for backflow device testing services in the Novato Service area.

24 Director Baker asked if a special certification is required to perform backflow testing. Mr.
25 Clark responded that a special certification is required to perform backflow testing, and that staff is
26 investigating whether using an outside contractor would be cost-effective.

27 On motion of Director Baker, seconded by Director Rodoni, the Board unanimously voted to
28 authorize staff to solicit proposals for backflow device testing services in the Novato Service area.

29 **MAY 2011 VEHICLE/EQUIPMENT AUCTION**

30 This item was removed from the consent calendar at the request of Director Baker.

1 Director Baker asked if the assets listed for auction will be replaced. Mr. Clark explained
2 that most items on the list had already been replaced and described the reason for each item set for
3 auction; the #10 Hoist Truck is very old and the crane inspector would not certify the crane so the
4 truck is no longer needed, the air compressor has been replaced and the generator no longer
5 meets air quality requirements.

6 On motion of Director Baker, seconded by Director Fraites, the Board voted unanimously to
7 authorize the General Manager to enter into a sales contract with 1st Capitol Auction to dispose of
8 the listed surplus equipment.

9 **ACTION CALENDAR**

10 **RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER**
11 **CUSTOMERS**

12 Mr. Bentley presented rate increase letters for West Marin Water and Oceana Marin Sewer
13 customers as edited by District legal counsel. He said the letters will be printed in-house and mailed
14 by Friday, May 20th, to comply with Proposition 218. Mr. Bentley clarified the sentence on page 2 of
15 the West Marin Water letter that reads, "Assuming continued annual enactment of the proposed 9%
16 average rate increases, the debt is projected to be repaid in 2013." He stated that he is referring to
17 the amount of money that West Marin Water owes to Novato Water; and if the Board approves the
18 proposed 9% rate increases, the debt will be repaid by 2013. He said that during the first review of
19 the capital improvement projects budget, he highlighted a new project, the Point Reyes Water
20 Treatment Plant Solids Handling Facility, for a total cost of \$720,000 and advised that if the money
21 is borrowed from Novato for that project, it will push back the payback date. He said that he is
22 considering revising the language to state that if funds are borrowed from a bank for that project,
23 West Marin Water will still be able to repay Novato Water by 2013. He said he wanted to show
24 confidence that Novato will be repaid by 2013.

25 Director Rodoni suggested that the language include "...unless other long range projects
26 need to be completed." Mr. Bentley stated that he would revise the language in the letter. He
27 advised that the West Marin budgets will be reviewed again in June and that he is hopeful that
28 financing for the project will be secured.

29 Mr. Bentley said that the letter to Oceana Marin is uncomplicated; all accounts are
30 residential and will increase \$3 per month per customer. He noted that this is the first rate increase
31 in Oceana Marin since 2004.

32 On motion of Director Petterle and seconded by Director Baker, the Board unanimously
33 approved mailing the rate increase letters to customers.

1 **INFORMATION ITEMS**

2 **LEVERONI CREEK BANK REPAIR - PROJECT UPDATE**

3 Drew McIntyre stated that Associate Engineer Carmela Chandrasekera is the project
4 engineer on this project and will provide the project update to the Board.

5 Ms. Chandrasekera gave a PowerPoint presentation and described the project area and
6 showed photographs of the creek bank erosion. She said that staff prepared a preliminary design
7 and in December 2010, the Board authorized hiring Prunuske and Chatham to complete the design
8 and permitting process. She reviewed the bank stabilization plan which will include installation of a
9 combination of willow-sprigged rock, erosion control blanket and native plantings. Ms.
10 Chandrasekera informed the Board that the repair will improve winter steelhead habitat by using a
11 thirty-foot log vane and rootwad structure. She further informed the Board that District crews will
12 work in conjunction with Prunuske and Chatham crews on the construction of the project, and staff
13 is confident that necessary permitting will be secured by the end of June.

14 **UPDATE - STAFFORD LAKE SEDIMENT SURVEY PROJECT**

15 Carmela Chandrasekera provided an update on the Stafford Lake Sediment Survey Project
16 performed by Cinquini & Passarino. She said that the purpose of the project was to conduct a
17 topographical survey of Stafford Lake including a sedimentation map for comparison with a
18 topographical map created in 1984 to determine the loss of storage. Ms. Chandrasekera informed
19 the Board that the survey was conducted in two steps: a lake depth survey and an aerial survey.
20 She stated that the comparison shows a loss of approximately 20 AF (0.6% of operational capacity)
21 in water production in 26 years which calculates to approximately 1,240 cubic yards of sediment
22 accumulation per year. Ms. Chandrasekera explained that the loss of storage is most likely due to
23 creek flows, watershed runoff and eroding creek banks. She stated that District crews collect and
24 remove approximately 500 cubic yards of sediment each year at the sediment dam located
25 approximately three-quarters of a mile upstream and that the survey concluded that sedimentation
26 is not significant enough to necessitate dredging the lake for more storage. Ms. Chandrasekera
27 concluded that the survey shows that the total capacity of the lake at spill elevation is 4,272 acre
28 feet compared to 4,287 acre feet in 1984 and the data collected through this project will be
29 beneficial for future projects.

30 Director Baker asked if staff was surprised at the results. Mr. McIntyre said that he thought
31 sediment accumulation would have been greater; however, the results reaffirms that the
32 maintenance performed by the crew at the sediment dam is very important. Director Baker asked if

1 there were any conclusions about sedimentation in the 1984 study. Mr. McIntyre and Ms.
2 Chandrasekera stated that they did not find any documentation of sedimentation in the 1984 study.

3 Mr. DeGabriele stated that because the sedimentation that's accumulated doesn't appear to
4 be that much, there is another opportunity to look at local supply alternatives evaluation. This study
5 has helped staff determine what might be possible.

6 **THIRD QUARTER FY 2010/11 WATER QUALITY REPORT**

7 Pablo Ramudo presented the Third Quarter Water Quality Report. He advised that the
8 rainy period has brought in nutrients and sediment into Stafford Lake, and the watershed monitoring
9 program measured hundreds of tons of contaminants into the lake throughout the year including
10 sediments and nutrients that feed algae blooms. He said the reason for the persistent algae
11 blooms in Stafford Lake is due to the abundance of food (nutrients) for the algae. He stated that the
12 three locations with the highest nutrient loads (two drainages from Grossi dairy and small creek
13 near the park residence) are areas which collect runoff where manure is applied during the year
14 and the excess runoff drains into the lake. Mr. Ramudo said that staff is looking at ways to control
15 excess runoff and will make recommendations on management to provide to the Grossi dairy.

16 Director Fraites asked for more information about the runoff from the Grossi dairy and
17 mitigation implementation. Mr. Ramudo said that he is in constant communication with the Grossi
18 dairy to assist them in improving their waste management plan. He said that if the amounts of
19 manure is managed and spread properly there should not be a problem.

20 Mr. Ramudo advised that Stafford Treatment Plant began producing water on March 4 and
21 problems with sediment and color that have occurred with startup in the past were minimal this
22 year. He further advised that Total Organic Carbon (TOC) removal was 61%, the requirement is
23 35%, and final TOC removal was 2.25 mg/l close to the goal of 2 mg/l. He said that in the Novato
24 distribution system there were adequate chlorine residual concentrations, no coliform positives, and
25 there has been good success rate in keeping chlorine in the distribution tanks.

26 Mr. Ramudo reported on the Point Reyes Water System and stated that Point Reyes well
27 No. 3 was rehabilitated in November of 2010 and following the rehabilitation, coliform samples
28 tested positive. He said that the well was shut off for most of the quarter and disinfected several
29 times. Mr. Ramudo advised that after the samples tested negative, the well was turned back on. He
30 stated that salinity intrusion is lower than the year before but still ranged 41-50 mg/l and levels have
31 dropped off.

1 Mr. Ramudo informed the Board that in the Point Reyes distribution system, there were no
2 coliform positive samples and chlorine residual concentrations throughout the distribution system
3 were good and disinfection byproducts levels were below the Maximum Contaminant Limit for Total
4 Trihalomethanes (THMs).

5 At the request of Director Rodoni at the previous meeting, Mr. Ramudo provided information
6 on sodium levels in other Bay Area water providers.

7 **THIRD QUARTER FY 2010/11 UPDATE – OPERATIONS/MAINTENANCE**

8 Robert Clark reported that the Stafford Treatment Plant production started at a higher rate
9 to collect overflow water and produced 168 acre feet in March, 63 acre feet more than last year. He
10 said this was due to an agreement with Novato Sanitary on a temporary variance to the discharge
11 permit that allowed the District to produce up to 3.25 mg through the end of April. The final revision
12 to the 5-year risk update for the treatment plant was completed and sent to the EPA addressing the
13 chlorine gas system at STP. Mr. Clark said the West Marin production is the same as a year ago.
14 He reported that the flushing program was completed and the West Marin distribution system was
15 found to be as clean as last year; and staff will skip the flushing next year as a cost-saving measure
16 unless there are any unforeseen changes in the operations. He advised that in Oceana Marin,
17 Phillips and Associates continue to do a great job maintaining the system. He said the collection
18 system still fluctuates with the intake of heavy rain runoffs; engineering has a project in design to
19 reduce the amount of water from coming in from intrusions thereby reducing pumping costs.

20 Mr. Clark reported that the Electrical/Mechanical crew responded to storms and lightning
21 strikes in West Marin; the Building and Grounds crew have removed downed trees and limbs; and
22 Eric Kurfirst has received training to assume the cross-connection control duties since Jim Diggs
23 retired in April. He said that the program is being reviewed for cost-effectiveness.

24 **PRESENTATION RE PROPOSED NOVATO WATER RATE INCREASE**

25 The General Manager conducted a “dry run” of his presentation for the public hearing on
26 May 24, 2011 for the purpose of receiving the Board’s suggestions and comments on the
27 presentation. He advised that to date, 91 written protests, 7 phone calls were received and 1 walk-
28 in and the Board was further advised that customers have been sending in a form letter available on
29 a Novato.Patch.com blog, and an article appeared in the Novato Patch.

30 The Board offered the following comments:

31 Director Petterle suggested that the 20% reduction by 2020 mandate for which the District
32 does not have control be stressed.

1 Director Baker suggested that he mention the amount of storage added with the
2 construction of the Amaroli Tank and to describe the Kastania pump station's significance and its
3 location.

4 Director Fraites commented that it is important to emphasize that the District cannot defer
5 the cost of the Aqueduct Energy Efficiency Project because of Caltrans Highway 101 widening
6 project; that this is a long-term money-saving project.

7 Director Schoonover said that the General Manager should address developing new
8 sources of water so not to be dependent on the Russian River. Mr. DeGabriele stated that he
9 should focus on the recycled water expansion as the District's new source of supply.

10 Director Petterle suggested that the discussion on the reserves include the District's
11 outside auditor's recommendation that the reserve level be increased.

12 Director Fraites stated that it should be pointed out that other water districts will most likely
13 increase their rates and that the District would most likely maintain its place on the Urban Water
14 Comparison Chart. He further stated that it's important that the public know that their
15 neighborhoods are safer than 10 to 15 years ago due to increased storage and reliability. He stated
16 that it's important to emphasize the economic recession and its impact on everything including
17 development.

18 **SECOND REVIEW – PROPOSED FY 2011/12 EQUIPMENT BUDGET**

19 David Bentley presented the second review of the proposed FY 2011/12 Equipment Budget
20 and noted that since the first review, the purchase of one dump truck was eliminated and replaced
21 with a three-quarter ton pick-up. He stated that as a result, the Equipment Budget is now \$188,000,
22 and is identical to the previous fiscal year budget – no increase this year. Mr. Bentley advised that
23 Doug Moore has located a truck rental program, U. S. Communities through Hertz, that will give
24 governmental agencies a rental discount. Mr. DeGabriele said that District has a five-year vehicle
25 and equipment replacement plan and the purchase of the second dump truck has been pushed out
26 to next year.

27 Mr. Bentley advised that the District five-year plan shows \$250,000 per year for new
28 equipment; this year \$180,000 is proposed. He further advised that the next time the Board sees
29 the budget will be at the public hearing scheduled for June 21.

30 **SECOND REVIEW – PROPOSED FY 2011/12 & FY 2012/13 NOVATO WATER IMPROVEMENT** 31 **PROJECTS BUDGET**

1 Mr. Bentley presented the Novato Water Improvement Projects Budget for its second review
2 and stated that the Master Plan Update and Greenhouse Gas Emission Action Plan studies were
3 moved to the Operations Budget (\$95,000) resulting in the Improvement Projects Budget now 100%
4 capital improvements. He noted that the other change in Fiscal Year 2013 \$100,000 was added to
5 the Stafford Treatment Plant Concrete Clearwell project. Mr. Bentley informed the Board that
6 \$1.6M is budgeted for Fiscal Year 2012, \$1.7M for Fiscal Year 2013 and that both are below the
7 five-year financial plan.

8 **SECOND REVIEW – FY 2011/2012 PROPOSED NOVATO WATER OPERATIONS BUDGET**

9 The Auditor presented the second review of the FY 2011/2012 Novato Water Operations
10 budget and advised that it has been increased \$73,000 since the last review due to reallocation of
11 labor. He said that developer and District projects money was put into the operations budget so
12 that ongoing maintenance work can be done. He said the total increase in the proposed budget is
13 \$18,000 and the projected deficit for next fiscal year is \$287,000.

14 **SECOND REVIEW – FY 2011/12 NOVATO RECYCLED WATER OPERATIONS BUDGET**

15 Mr. Bentley stated that the Recycled Water demand is budgeted for 54mg that is equal to
16 the amount budgeted for the current fiscal year. He said the proposed recycled water operations
17 budget projects a small surplus and that connection fee money is transferred into recycled water
18 fund in order to pay for North Bay Water Reuse Authority administrative costs.

19 **MISCELLANEOUS**

20 The Board received the following miscellaneous information: Disbursements, Water
21 Agency Stream Maintenance Program Endorsed by San Francisco Bay Regional Water Quality
22 Control Board and Uncollectable Invoices- Damaged Facilities.

23 The Board also received the following news articles: Huffman's sewer finance bill clears
24 Assembly and Salt in drinking water baffles.

25 **ADJOURNMENT**

26 President Schoonover adjourned the meeting at 9:34 p.m.

27 Submitted by

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29
30
31 Renee Roberts
32 District Secretary