

1 **NORTH MARIN WATER DISTRICT**
2 **MINUTES OF REGULAR MEETING**
3 **OF THE BOARD OF DIRECTORS**
4 August 7, 2007

5 **CALL TO ORDER**

6 President Petterle called the regular meeting of the Board of Directors of North Marin Water
7 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, Dennis Rodoni and
9 John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee
10 Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

11 District employees Mike McMaster (Operations Superintendent), Robert Clark (Facilities
12 Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor), Ryan Grisso (Water
13 Conservation Coordinator), Novato residents, Tilden Hansen and Will Lieb, and Marin Independent
14 Journal reporter, Joe Wolfcale, were in the audience. Ron Gerber, City of Novato, was present for
15 the Closed Session.

16 **CLOSED SESSION**

17 President Petterle stated that the Closed Session for Public Employee Performance
18 Evaluation would be held at the end of the meeting, and he then adjourned the Board into Closed
19 Session for:

20 Conference with Real Property Negotiators (Chris DeGabriele and David Bentley),
21 regarding 999 Rush Creek Place, Novato, CA - Negotiating Party Ron Gerber, City of Novato. Price
22 and terms to be discussed. (Government Code Section 54956.8); and

23 Conference with Legal Counsel: Existing Litigation. One Case re Callwood. (Government
24 Code 54956.9 (a)).

25 **OPEN SESSION**

26 Upon returning to regular session at 8:25 p.m., President Petterle stated that during the
27 Closed Session regarding Conference with Real Property Negotiators, the Board had discussed the
28 issues and no reportable action had been taken.

29 President Petterle stated that during the Closed Session regarding Conference with Legal
30 Counsel: Existing Litigation, the Board discussed the issues and on the motion of Director Baker
31 and seconded by Director Schoonover, the Board unanimously authorized staff to pursue a
32 negotiated settlement of the Callwood claim.

33 **MINUTES**

1 On motion of Director Schoonover, seconded by Director Baker and unanimously carried the
2 Board approved the minutes from the previous meeting as mailed.

3 **GENERAL MANAGER'S REPORT**

4 **Las Gallinas Valley Sanitary District**

5 Mr. DeGabriele reported that he met with the Marin Municipal Water District General
6 Manager, Paul Helliker, and two Directors of their Board for the purpose of discussing MMWD
7 financially assisting Las Gallinas Valley Sanitary District (LGVSD) participation in the North Bay
8 Water Reuse Authority (NBWRA), much the same way as NMWD is assisting Novato Sanitary
9 District. He stated that MMWD board members seemed receptive to the idea, but that the manager
10 was not; and that it appears that MMWD will not provide financial assistance to LGVSD. Mr.
11 DeGabriele said that he will be meeting with the LGVSD and Novato Sanitary District managers
12 next week to explore some kind of arrangement between the District and LGVSD absent MMWD
13 and that he does not want the District's financial commitment to both sanitary districts to exceed the
14 current obligation. Director Baker asked what is the MMWD Manager's concern and Mr.
15 DeGabriele responded that Mr. Helliker believes that MMWD will go forward with Peacock Gap
16 recycled water extension and that MMWD can complete the Environmental Impact Report in less
17 time and with less money than North Bay Water Reuse Authority. Mr. DeGabriele advised that he
18 will keep the Board apprised.

19 Director Rodoni suggested that the District's Board write a letter to Marin Municipal's Board
20 thanking them for entertaining the idea of participating in the NBWRA, advising that the District will
21 proceed and that the door will remain open should they reconsider participating with Las Gallinas
22 Valley Sanitary District. Mr. DeGabriele said he would draft such a letter.

23 **Governor's "Water Week" Event**

24 Mr. DeGabriele reported that Governor Schwarzenegger is conducting a series of "Water
25 Week" events around the state and that a "Water Week" event is scheduled in the North Bay on
26 August 28. He said that he has been invited to attend to learn about the governor's plan for
27 California's water and to advocate for needs of the North Bay.

28 **District Employer Assisted Housing Program**

29 Mr. DeGabriele advised the Board that at a future meeting, the Board will have an
30 opportunity to consider revising the District's Employer Assisted Housing program. He stated that
31 two employees are interested in participating; one is considering purchasing a condominium and
32 another, currently a homeowner at Meadow Park workforce housing, is considering a move into a

1 larger home. He said that when the loan program was originally developed, the Board had not
2 contemplated requests for loans by employees who already own homes in Novato homeowners
3 when developing the loan program and that the Board may want to consider amending the District's
4 Employer Assisted Housing program.

5 **OPEN TIME**

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

8 **New Improvement Projects**

9 Mr. McIntyre advised that two new improvement projects will be added in the first quarter of
10 the 2007/08 Fiscal Year related to water main repairs. He said that on Hillside Terrace, a 1"
11 galvanized steel line serving four homes is temporarily patched and needs replacement; and on
12 Valencia Court, a 4" ACP water main blew out. He said that Valencia Court was paved
13 approximately 1 year ago and that there was significant damage to the pavement in two or three
14 areas and that approximately 30% of the pavement will need to be removed and replaced.

15 **PRELIMINARY FINANCIAL STATEMENT FISCAL YEAR 2006/07**

16 Mr. Bentley explained that this is a preliminary financial report pending completion of the
17 outside audit which will provide the final numbers for the financial statement for the 2006/07 Fiscal
18 Year. He stated that a deficit of \$2.4 million was budgeted compared to the actual deficit of \$1.1
19 million, and that 73% of the improvement project budget was expended compared to 51%
20 expended the prior year. The District's total cash balance fell by \$2.6 million last fiscal year.

21 **Novato Water**

22 Mr. Bentley reported that consumption was up 9%, and with a 2% rate increase, revenue
23 increased 13%; and total operating expenditures were up 5%. He said that the fiscal year loss was
24 \$300,000 compared to a budgeted loss of \$1.4 million; the District purchased \$700,000 more
25 Russian River water than budgeted, and connection fee revenue came in at only 15% of budget.
26 He advised that there is a new section in the financial statement for recycled water that will be
27 tracked. He said that \$7,000 in revenue was generated with \$8,000 in expenses for the first month
28 which includes estimates on billed Novato Sanitary District treatment expenses. He stated that the
29 recycled water fund owed \$233,000 to Novato that was borrowed for construction, but \$581,000
30 was received in SRF loan funds in July.

1 West Marin Water and Sewer

2 Mr. Bentley advised that West Marin water's total operating revenue was up 19%; sales
3 volume up 14% and with the rate increase, revenue increased 19%. He reported that the District
4 enjoyed a net income of \$26,000 and that 54% of the improvement project budget was expended.

5 Mr. Bentley reported that the Oceana Marin Sewer system revenue was up 3% and 89% of
6 the improvement project budget was spent. Annexation fee money for Parcel L and 37 Ocean View
7 Avenue in the amount of \$18,000 was collected. He further reported a cash balance of \$182,000
8 compared to a budgeted projection of \$73,000.

9 **CONSENT CALENDAR**

10 On the motion of Director Schoonover, seconded by Director Baker and unanimously
11 carried the following items were approved on the Consent Calendar:

12 **COSTCO WAREHOUSE EXTENSION**

13 The Novato Costco store at Vintage Oaks Shopping Center is expanding and renovating its
14 facilities and realigning Vintage Way to increase the size of their parking lot that will require
15 replacing a section of the existing water main. This work will also include relocation of fire hydrants
16 and transferring the existing water and fire services to the replacement water main and water
17 facilities will include approximately 1,500 feet of 16-inch steel pipe and 600 feet of 14-inch steel
18 main. A review of the water history for this facility revealed that the current water demand of 5
19 EDUs has been exceeded by 7 EDUs, and the expansion is expected to increase water demand by
20 an additional 3 EDUs, for a total of 15 EDUs. The landscape installation will be delayed until after
21 October 28 in accordance with the Emergency Water Conservation Ordinance.

22 The Board approved Resolution No. 07-27 entitled, "Water Service Facilities Construction
23 Agreement with James Campbell Company, LLC for Costco Warehouse Expansion."

24 **DISBURSEMENTS**

25 The Board approved and authorized for payment payroll and accounts payable vouchers
26 totaling \$605,048.29.

27 **ACTION CALENDAR**

28 **APPROVE: PLAN FOR STAFFORD TREATMENT PLANT GRANULAR ACTIVATED CARBON**
29 **REPLACEMENT**

30 Mr. McMaster reported that the effectiveness of the Granular Activated Carbon (GAC)
31 adsorption unit has been steadily declining at Stafford Treatment Plant. He explained that the GAC
32 system is used to reduce Total Organic Carbon (TOC) that is used in treatment to meet disinfection

1 by-product requirements, and to remove taste and odor causing organic material. Mr. McMaster
2 presented graphs depicting the decline of TOC removal at the plant. He explained staff's plan to
3 replace half the carbon in two of the four cells in the GAC unit this year and then replace the next
4 half (the remaining two cells) next year. He stated he is requesting Board approval to solicit bids for
5 the removal, disposal and installation of 2,444 cubic feet of Granular Activated Carbon.

6 Director Petterle inquired where the money will come from if it has not been budgeted. Mr.
7 Bentley responded that the funds will come from the general reserves and that the proposal is to
8 augment the budget, not to tradeoff any already budgeted items.

9 On motion of Director Baker and seconded by Director Fraites, the Board unanimously
10 approved staff's recommendation to solicit bids for the removal, disposal and installation of 2,444
11 cubic feet of Granular Activated Carbon.

12 **INFORMATION ITEMS**

13 **EMERGENCY WATER CONSERVATION STATUS REPORT (INCLUDING LETTER AND**
14 **INFORMATION RE SWIMMING POOL COVERS)**

15 Mr. DeGabriele said this item will be presented in two parts and that Ryan Grisso will talk
16 first about the Emergency Water Conservation Ordinance and customer out-reach and that he will
17 discuss the Russian River water use comparison and pool cover safety.

18 Mr. Grisso stated that the ordinance went into effect on July 1 and that the Marin
19 Independent Journal provided front page coverage on the issue which was then picked up by all
20 major television news channels in the Bay Area. He said the first week was spent responding to
21 customers' calls and that 114 violations were reported of which 75% were reports of residential
22 irrigation after 6 a.m., and that 20% were reports of excessive runoff. He said he felt that the
23 numbers will diminish as customers adjust the run times of their irrigation systems. Mr. Grisso
24 reported that 80-100 calls per day were received the first week and that Saturday patrols have been
25 effective in advising customers of the restrictions. Director Petterle asked what the overall
26 customer reaction has been and Mr. Grisso responded that from the news coverage, initially, most
27 customers were very concerned and that he received many frantic calls from people wanting to
28 know how to program their irrigation controllers. He informed the Board that the "WaterLine"
29 newsletter and the summary of the ordinance have helped customers understand the restrictions
30 and that customers want to know how to reduce their water usage. Mr. Grisso also listed the other
31 outreach efforts: weekly advertorials in the Novato Advance; presence at the Novato Farmer's
32 Market, Novato Public Access Television spots and website information uploads.

1 Mr. DeGabriele stated that the District is doing a great job at reducing its Russian River
2 water use and applauded Operations staff for doing a good job producing 86% more water at
3 Stafford Treatment Plant than in July 2004. He further stated that reduction of Russian River use is
4 21% less than 2004 and that the District falls in third place behind Windsor and Cotati for
5 percentage reduction. He stated that when comparing the overall reduction in Russian River water
6 use from 2004, North Marin has contributed almost 33% of the total reduction due to Stafford
7 Treatment Plant increased production, recycled water delivery and water conservation, and that
8 water conservation calculations alone project just under 10% savings on a per account basis. He
9 reported that combined efforts of water contractors in the region resulted in 17% reduction from
10 2004 Russian River deliveries resulting in the necessary reduction being achieved. He said that the
11 water contractors are committed to continuing that reduction on a cumulative basis.

12 Mr. DeGabriele presented the information on pool cover safety from the Consumer Product
13 Safety Council provided by Tilden Hansen and said that a demonstration will be conducted when a
14 suitable location is found. Mr. Hansen addressed the Board and reiterated his concern that solar
15 pool covers are not safe due to the static friction between the water surface and the cover creating
16 an unbreakable seal. Director Fraites stated that he would like to see statistics on incidents of
17 drowning or near drowning caused by pool covers. Mr. Hansen thanked the Board and left the
18 meeting, as did Mr. Lieb.

19 **CITR SUMMARY REPORT**

20 Mr. Bentley provided a summary of the Conservation Incentive Tier Rate (CITR) as
21 requested by Director Rodoni at the July 17th meeting. He reported that 4,100 bills have been
22 rendered to 3,300 customers that included a CITR charge, and it is projected that 33% of the
23 residential customer accounts will be impacted by the end of the year. He said that 82 million
24 gallons of water in the new tier rate has generated \$109,000 in revenue thus far, and that \$300,000
25 in annual net revenue is projected. Mr. Bentley stated that consumption has increased 15% during
26 the same period in 2006 and total water demand during the first six months of 2007 was up 11%
27 from 2006, and the increase is likely due to the dry year conditions. Mr. Bentley noted that during
28 the same period, water use in the Conservation Incentive Rate (CIR) tier has declined even as
29 overall water use has increased. Mr. Bentley said that he believes this is because customers who
30 have been in this tier for some time have been able to adjust their irrigation use resulting in
31 decreased water use. He stated that it is gratifying to see high use customers in the CIR tier reduce
32 demand by 16% in the face of an overall 11% demand increase. The Auditor stated that more time

1 is needed to draw sound conclusions about the CTR and that he will report back to the Board after
2 one year's time has elapsed.

3 **QUARTERLY PROGRESS REPORT W/ BACTERIOLOGICAL QUALITY MONITORING –**
4 **WATER QUALITY**

5 Mr. Ramudo advised the Board that in the Chemical Quality Monitoring table, there is no
6 data available on magnesium levels due to an instrument malfunction and assured the Board that
7 there is nothing to be concerned about. He stated that both Novato water and Point Reyes water
8 met all federal and state primary and secondary water quality standards and that excellent water is
9 being delivered to all District customers. He reported on algae growth in Stafford Lake and on the
10 effectiveness of the Solar Bees units in bringing oxygenated water to deeper layers of the lake.

11 **QUARTERLY PROGRESS REPORT – OPERATIONS**

12 Mr. McMaster reported that total rainfall for this past fiscal year was the fourth lowest since
13 1916, the beginning of Novato rainfall records. He said that water production at Stafford Treatment
14 Plant has steadily increased, and that as of June 30th, the plant is running 24 hours a day which will
15 result in increased production totals in July. He advised that he is including a new chart in the
16 Operations quarterly reports that indicates the efficiency of Stafford Treatment Plant operations. He
17 explained that the efficiency number, averaging approximately 85%, is the difference between water
18 taken into the plant and the water sent into the distribution system. He further explained that once
19 the appropriate combination of polymer to primary coagulant is found, filter runs will improve and so
20 will the efficiency percentages.

21 Mr. McMaster reported that the Point Reyes system continues to run trouble-free and that in
22 Oceana Marin, the discharge field was shut down for most of the last quarter and ponds remain at
23 good levels.

24 **QUARTERLY PROGRESS REPORT – MAINTENANCE**

25 Mr. Clark updated the Board on personnel changes in the Maintenance Department and
26 stated that the new Mechanic, Kent LeBrun, has been doing an excellent job maintaining the fleet;
27 Jeff Corda was promoted to the Assistant Treatment/Distribution Operator and that Eric Kurfirst was
28 hired as a new laborer. He reported that major projects during this quarter included construction of
29 Bel Marin Keys cathodic protection replacement; completion of the yard/office lobby security
30 improvements; and projects continuing into the Fiscal Year 2007-08 includes the Stafford Treatment
31 Plant Security project; climate protection program, solar project at Stafford Lake and Oceana Marin
32 operations and maintenance. Mr. Clark provided a summary report on the five groups of the
33 Maintenance Department. He noted that the new surveillance camera installed at tank sites has

1 resulted in reduced graffiti and the vehicle conversion to bio-diesel has been successful. Mr. Clark
2 advised that a new mandated cross connection control test has resulted in more failures and that
3 repairs are not passing. He stated that he is investigating why this is occurring.

4 **AUGUST 6, 2007 WAC/TAC MEETING**

5 Mr. DeGabriele reported that the Technical Advisory Committee recommended that all
6 water contractors strive to meet a targeted cumulative goal in reducing Russian River diversion by
7 15% compared to 2004 and identified that the target was met through July and monitoring will
8 continue. He stated that the TAC agreed to recommend that should the reduction percentage fall
9 less than 12% over a period time, the Water Advisory Committee will ask the Sonoma County
10 Water Agency to take additional action. He reported that at the subsequent WAC meeting, the
11 WAC approved sending a letter to the SCWA Board of Directors advocating that approach.

12 Mr. DeGabriele informed the Board that the Sonoma Marin Saving Water Partnership was
13 discussed and that City of Santa Rosa has said that the water conservation provision should be
14 included in the Restructured Agreement. He stated that he disagreed with that saying that he felt
15 that an idea of a standalone partnership and document carried much more weight with the public
16 and State Board and that he will continue working with Santa Rosa on that subject. He said that
17 Santa Rosa will not agree to fund Marin Municipal's water conservation programs.

18 Mr. DeGabriele advised that Jake MacKenzie was elected Chair and Stanley Cohen as
19 Vice-Chair of the Water Advisory Committee.

20 **RESPONSE TO CUSTOMER COMMENTS ON CUSTOMER SERVICE QUESTIONNAIRE**

21 Mr. DeGabriele stated that a customer's comments on the customer service questionnaire
22 targeted the Board and presented it as an opportunity for Board comments. There were none.

23 **RESPONSE TO NOVATO ADVANCE EDITORIAL "EASY ON THE EEL"**

24 Mr. DeGabriele provided his letter to the editor in response to the Novato Advance's
25 editorial entitled, "Easy on the Eel." He said that he wanted to clarify the issues on this very
26 complex subject.

27 **MISCELLANEOUS**

28 The Board received the following miscellaneous items: Scrap Metal Receipts, Swing Shift &
29 Graveyard Shift Premium Pay, Marin Check Cashing Pay Station, Bill Adjustments Granted Chart,
30 California Climate Action Registry, Polly Smith Obituary Notice, NWRA Election, Emergency Water
31 Conservation, North Marin Water District Recycled Water Facility, WaMTEC Dedication Celebration
32 Program, Grand Jury Report Summary, Review of Scheduled Agenda Items.

1 The Board also received the following news articles: Recycled Water Facility Dedicated
2 (8/1), Photo of Archery at Stafford Lake Park (7/26), Voluntary Water Conservation Urged (7/24).

3 **CLOSED SESSION**

4 President Petterle adjourned the meeting into Closed Session at 9:38 for the purpose of
5 Public Employee Performance Evaluation (One), Title: General Manager (Government Code
6 Section 54957).

7 Upon returning to regular session at 10:25 p.m. President Petterle reported that the Board
8 discussed the issues and no action had been taken.

9 **ADJOURNMENT**

10 President Petterle adjourned the meeting at 10:25 p.m.

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Submitted by

Renee Roberts
District Secretary