

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
December 18, 2007**

**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, Dennis Rodoni and John Schoonover. Director Petterle was absent. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Jim Harberson representing Port Sonoma Marina, Peter Hilliard of On-Air, LLC, District employees Robert Clark (Facilities Maintenance Superintendent) Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent) and Pablo Ramudo (Water Quality Supervisor) were in the audience.

**MINUTES**

On motion of Director Baker, seconded by Director Schoonover and carried by those Directors present, the Board approved the minutes from the previous meeting as mailed.

**GENERAL MANAGER'S REPORT**

**Closed Session Cancelled**

Mr. DeGabriele clarified that the Closed Session scheduled for tonight's meeting to discuss the McKenzie claim was cancelled at the last minute because the ruling on the request for Summary Judgment was delayed until January.

**North Bay Leadership Council**

Mr. DeGabriele reported that Mr. Bentley, Director Fraites and he attended the North Bay Leadership Council presentation on the Economic Impacts of a Water Shortage in the North Bay and stated that it was well attended. He stated that the presentation by Robert Eyler, Ph.D., Associate Professor and Chair of Economics at Sonoma State University, was disappointing because it was presented from an economist perspective and did not include water conservation and rationing in his formula to determine the economic impacts of a water shortage. He stated, however, the presentation elevated community interest in our water supply situation.

**North Bay Water Reuse Authority**

Mr. DeGabriele stated that he attended the North Bay Water Reuse Authority meeting and advised the Board that Congressman Thompson's bill HR 236, the North Bay Water Reuse

Program Act of 2007, passed the House of Representatives and authorizes funding for regional development of recycled water in the North Bay. He said it is expected that the Senate version of the bill will go to the subcommittee in February or March 2008 and will likely pass by mid-year. Mr. DeGabriele reported that Napa Sanitation District has decided to remain a member of the NBWRA and has convinced Napa County to share in the funding of their participation similar to the District's shared funding with Novato Sanitary District.

#### Holiday Schedule

Mr. DeGabriele reminded the Board that the District offices will be closed at noon on Christmas Eve and New Year's Eve and closed on Christmas Day and New Year's Day and that on-call and stand-by crews will be on duty throughout the holidays.

#### January Meetings

Mr. DeGabriele said that since the next Board meeting is not until January 15, he advised that the North Bay Watershed Association meeting is scheduled for January 4, 2008 and that the Oceana Marin Homeowner's Association meeting is scheduled for January 19. He advised that either he or Drew McIntyre will attend.

#### **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:

#### Break-In at Corporation Yard

Robert Clark reported that a break-in in the corporation yard was discovered this morning and that the Novato Police were called. He said that a hole was cut in the fence near where old meters are stored. Director Baker asked if there were security lights or alarms in the yard and Mr. Clark responded that a security camera is installed and another is being considered.

#### Special Use Permit

Drew McIntyre said that the Special Use Permit for the Olema tank site is renewed annually at this time by the National Park Service (NPS) but that the NPS informed the District that their new permit process has created a backlog. He stated that it is likely that an interim approval letter will be forthcoming.

#### Oceana Marin Sewer Repairs

Mr. McIntyre advised that Furlong Brothers finished repairs to the Oceana Marin sewer system pipeline in the three areas identified by the prior year TV inspection.

### Board of Directors Photos

Ms. Roberts advised the Board that pictures of the Directors will be taken before the meeting on January 15, 2008 for inclusion on the District website.

### Oceana Marin Building Permit

Director Baker inquired if the Oceana Marin permit matter has been resolved with the County. Mr. Clark said that drawings of the structure were provided and a permit from the County was issued.

### Committee Appointments

President Fraites announced the Board of Directors Committee Appointments for 2008. He advised that Director Rodoni will represent the District at the Water Advisory Committee meetings and all other representatives and alternates will remain the same.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele presented the Monthly Progress Report for November. He stated that water production is down 12% from one year ago and noted that this is the lowest accumulated water production through November since FY 1992-93. Mr. DeGabriele said that in West Marin, water production is down 18% from one year ago and that approximately 5% of the decline is due to cessation of the Giacomini Dairy operation. He noted that there was approximately 2 inches of rainfall recorded in November which is less than half the norm. Stafford Water Treatment Plant has operated into the month of December and has now ceased production of water for the winter, and maintenance repairs, such as the replacement of the Granular Activated Carbon, will be accomplished during this period. Mr. DeGabriele briefly reviewed the developer and District projects. He said that the Increase Plum/Rosalia Pressure project and the addition of the Cherry Hill Pipeline have resulted in higher zone pressure water into the Rosalia and Hancock system. He said that crews will remove the old Hancock tank and abandon the Hancock pump station which will save maintenance costs and energy. He advised that through November 30, the District worked 317 days without a lost time injury. Mr. DeGabriele reported that high bill complaints totaled 118 compared to 69 in 2006.

Mr. Bentley stated that the Local Agency Investment Fund (LAIF) has been earning about 5¼ % for the past few months but that the actions by the Federal Reserve have caused rates have to drop and the LAIF is now earning under 5%.

### **CONSENT CALENDAR**

On the motion of Director Baker, seconded by Director Schoonover and carried by those Directors present, the following items were approved on the Consent Calendar:

**WHOLE FOODS/RESIDENTIAL MIXED USE**

This project consists of approximately 53,675 square feet of retail grocery space, 125 condominiums, parking facilities and landscaping on a multi-parcel site in the northeast intersection of DeLong and Reichert Avenues. Facilities include more than 1,300 feet of various sized PVC pipe, 165 feet of welded steel pipe, 230 feet of copper pipe, 5 steamer hydrants, one 6" fire service, one 2" domestic water service and one 1-1/2" irrigation service with a RPP backflow for Whole Foods and one 2" domestic water service and one 1-1/2" irrigation service with a RPP backflow prevention device for residential condominiums. Six water services that were established prior to 1949 within the project boundaries were killed per the Applicant's request in May 2007. Total historical water demand entitlement for the killed services is 6 EDUs; the total water demand for this project is 90 EDUs, therefore, new water demand is 84 EDUs. The Whole Foods Mixed Use Project Applicant will be required to install a larger main in certain areas of the project in anticipation of future development within the vicinity.

The Board authorized Resolution No. 07-47 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with 790 DeLong Avenue, LLC."

**SPONSORSHIP OF 2008 NBWA CONFERENCE**

The North Bay Watershed Association Conference will be held on April 4, 2008 and the NBWA has invited the District to become a sponsor of the event. The Board approved sponsorship of the NBWA 2008 Conference at the \$2,500 level, and the District will be provided a table at the event to distribute conservation or other public outreach material.

**BAY FRIENDLY 7 PRINCIPLES DECLARATION**

The Board approved the President to sign the Bay Friendly 7 Principles Declaration which promotes sustainable and environmentally friendly landscaping. This declaration is non-binding and does not entail any financial commitment. The 7 Principles are: Landscape Locally, Landscape for Less to the Landfill, Nurture the Soil, Conserve Water, Conserve Energy, Protect Water and Air Quality, and Create Wildlife Habitat.

**LETTERS OF SUPPORT FOR STATE WATER RESOURCES CONTROL BOARD MEMBERS**

The Board approved letters of support for State Water Resources Control Board members, Gary Wolff, Arthur Baggett and Frances Spivey-Weber.

## **DISBURSEMENTS**

The Board approved and authorized for payment payroll and accounts payable vouchers totaling \$951,727.59.

## **ACTION CALENDAR**

### **HEARING/APPROVE: RENEWAL OF PORT SONOMA MARINA TEMPORARY EXISTING WATER SERVICE AGREEMENT**

Mr. McIntyre stated that Port Sonoma Marina is located outside the District service area and its existing Temporary Water Service Agreement will expire at the end of this year. He further reported that the agreement has been renewed every three years since 1978. Mr. McIntyre advised that a Public Hearing Notice was placed in the Novato Advance and notification of the hearing was sent via mail to interested parties. He said that included in the agenda item is a report by District Water Conservation Coordinator Ryan Grisso on Port Sonoma Water Use and Conservation Analysis. He advised that this report addresses concerns expressed by Director Rodoni at the previous meeting regarding Port Sonoma's water usage during the state mandated reduction in Russian River deliveries. Mr. McIntyre further advised that Port Sonoma had discovered and repaired a major leak, and that water usage has been reduced.

President Fraites opened the Public Hearing.

Jim Harberson, representing Port Sonoma, addressed the Board and said that the marina has made landscaping changes and is reducing its domestic water use. He requested that the Board approve the Temporary Water Service Agreement.

Hearing no further comment, President Fraites closed the Public Hearing.

On motion of Director Schoonover, seconded by Director Baker and carried by those Directors present, the Board approved Resolution 07-48 entitled, "Authorization of Execution of Agreement for Temporary Water Service with Port Sonoma Associates LLC."

### **APPROVE: NOTICE OF INVITATION FOR BIDS – PALMER DRIVE WATER TANK PROJECT**

Mr. McIntyre summarized the Board actions and steps taken to arrive at the point where the project is ready to move forward to the project bid phase. He said that the detailed design task is substantially complete and that Winzler and Kelly has prepared plans and specifications for the new 3 million gallon welded steel tank. He presented the project schedule identifying December 21, 2007 as the bid advertising date, January 29, 2008 as the bid opening date and construction completion date of February 2, 2009. He advised that the project cost is estimated to be \$4.6M and reflects a 2% increase in the original cost estimate.

On motion of Director Baker, seconded by Director Rodoni and unanimously carried by those Directors present, the Board authorized staff to advertise bids for the Palmer Drive Water Tank project.

**APPROVE: STAFFORD TREATMENT PLANT PRELIMINARY WIRELESS LICENSE AGREEMENT**

Mr. Clark stated that at the May 1, 2007 meeting, the Board approved the District's Wireless Communication Facilities License Policy and Draft Preliminary License Agreement. He said he is presenting the Preliminary Wireless License Agreement for GTE Mobilnet dba Verizon Wireless, for a proposed wireless communications antenna and facility at the Stafford Water Treatment Plant wash water tank site. He stated that the preliminary agreement needs to be approved by the Board before Verizon creates plans for submittal to the county for approval. He showed the Board photos of the existing site and photos with photo simulations of the proposed structure from different directions.

Director Rodoni commented that the title of the agreement, "Stafford Treatment Plant Wireless License Agreement," is misleading and that a more specific description of the site location needs to be addressed. He stated that he has heard of other lease fee offers by this company to private landowners and that the amount in this agreement seems low. He said the District may be giving up 800 square feet of area plus an access road and the District would be receiving approximately \$1.00 per square foot a month for rent. Mr. Clark advised that this fee is comparable with fees paid to Sonoma County Water Agency and Marin Municipal Water District for rental of their sites. Director Baker suggested Mr. Clark check with the county on their fees as they have various communications facilities. Mr. Clark said that the amount in the Verizon agreement is more than what the county receives for its facilities, but he has no information on fees paid to private landowners.

Director Rodoni stated that this site is public property and the District must do the best it can by its customers, to look into "comps" and to make sure the public knows the exact location of the towers and allow time for public comments before an agreement is made with Verizon Wireless. Mr. Clark said that the vendor is still going through the county planning and permit process and that the site and plan views are preliminary.

Director Baker said that the wireless facility uses a lot of space and staff should look closely at the layout of the wash water tank area and insure that the District will not need to use this area in the future. Mr. Clark said that currently there is nothing planned for the wash water tank site area.

Director Baker stated that the site plan needs to be clearer as to its location and its relation to landmarks.

Director Rodoni inquired if costs incurred by the District for this project will be paid for by the applicant, and Mr. Clark responded that the applicant will be responsible for all costs associated with the project.

Director Fraites asked if any mature trees will be removed for this facility and Mr. Clark responded no.

Peter Hilliard, stated that he is representing On-Air, LLC, who is contracted to GTE Mobilnet, dba Verizon Wireless, and addressed the Board's concerns. He stated that rental fees for the site are negotiable and that the company will compensate the District for Mr. Clark's time up to a cap amount. He said that the 20' x 40' space is as small as possible to accommodate the pole, 25' long structure and diesel-powered generator. He advised that the facility will be constructed in a "slim-line" fashion, and painted to blend into the hillside and that the proposed pole will be easy to build and easy to remove. He further advised that upgrading of the existing utilities will be included in the project. Mr. Hilliard said that the coverage provided by the proposed facility is Novato Boulevard and Petaluma-Pt. Reyes Road. He said that the ideal location would have been Little Mountain, but that area was inaccessible. He stated that the site at the Treatment Plant location satisfied many of the requirements necessary for the wireless facility.

The Board had several questions about the approval process with the county and noted that the dimensions of the facility as stated in the contract do not reflect what is on the drawings.

Mr. Clark said that since this is a preliminary agreement, the design may be changed after it goes to the county for review and approval. He said that once all approvals are granted, the dimensions will reflect what the final design dimensions will be.

There was further discussion on the definition of a "preliminary agreement." Director Baker inquired if the approval of the preliminary agreement by the Board provided authorization for the vendor to pursue the county permitting and approval process subject to final approval. Mr. Clark responded yes and that continuous updates on the permitting process status will be provided to the Board. Mr. Clark said that when the preliminary agreement was drafted, Verizon wanted certain terms set in the agreement such as space limit, capability for antennae construction and duration of the agreement. Director Baker said that the preliminary agreement is, in effect, an agreement and when it comes back for final approval, it will be a formality, and that this preliminary agreement

before the Board tonight is the license contract. Director Baker asked the General Manager for his comments.

Mr. DeGabriele stated that this is the first time the District considered this type of preliminary agreement. He noted that the District had previously considered wireless installations on its facilities which preceded planning and land use approval and which was unacceptable to the District. He said that the Wireless Communication Facilities License Policy approved by the Board in May 2007 was intended to create a process whereby the District avoided land use approval but would give some indication to the vendor to go ahead and pursue the necessary approvals. Mr. DeGabriele advised that the Board will still have an opportunity to say no, but the preliminary agreement gives the vendor some indication that these are the general precepts that will be in the final contract. He further advised that once the vendor finalizes the permitting process with the county, the agreement will come back to the Board for final approval. Mr. DeGabriele said the Board has offered good suggestions for staff to address: compare fees with other agencies, make sure the agreement has cost recovery for staff and to look closely at the layout of the wash water tank in case of future need or if it needs to be removed for some purpose, and that the name on the agreement be changed to "Little Mountain." He stated that the District will reap benefits from the project by acquiring good cell phone coverage at the treatment plant and West Marin.

Mr. Hilliard commented that Verizon has already incurred significant costs and that it's difficult to go into a permit process and spend more money not knowing if there is a firm agreement with the District. He said that he believes this agreement needs to address the Board's concerns before Verizon goes forward with the land approval process.

Director Rodoni stated that he is not ready to commit tonight but that specific terms need to be nailed down before the Board can give the go ahead.

On motion of Director Schoonover, seconded by Director Baker, and unanimously carried by those Directors present, the Board tabled the decision to enter into a preliminary license agreement with GTE Mobilnet dba Verizon Wireless until January 15, 2008.

**APPROVE: FY07-08 WEST MARIN IMPROVEMENT PROJECT ADDITION (4-INCH STEEL WATER MAIN REPLACEMENT IN PRE)**

Mr. McIntyre stated that he is asking for Board augmentation of the FY 07/08 West Marin Improvement Project budget for an additional \$100,000 to replace a four-inch steel water main in Paradise Ranch Estates. He advised that this steel line has had three leaks that have been patched prior to 2007 and that it recently developed two additional leaks. He further advised that the pipeline is in a heavily wooded area and cross-country alignment terminates on Sunnyside

Drive. He warned that if there were a major leak, the road may be compromised necessitating significant expenditures for road repair in addition to the main replacement. Mr. McIntyre said that staff has looked at ways to pay for this project, but that there are no projects to defer and stressed that this project needs immediate attention.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried by those Directors present, the Board approved augmentation of the West Marin budget for an additional \$100,000 for replacement of a four-inch steel water main in PRE.

**APPROVE: ADDITIONAL LABORATORY STAFF**

Mr. DeGabriele stated that Mr. Ramudo has proposed reinstating the Laboratory Assistant position that has remained vacant since 2006 and that he concurs with Mr. Ramudo's proposal. Mr. Ramudo said that there are two factors for this request: the present lab intern, Jessica Bena, is graduating from Sonoma State University and she is doing an excellent job and would be a valuable part of the laboratory team. He said that the other reason is that laboratory Chemist Sarah Lucchesi will be on maternity leave in March for three to four months and that Ms. Bena will provide good coverage in Ms. Lucchesi's absence.

On motion of Director Baker, seconded by Director Rodoni and unanimously carried by those Directors present, the Board authorized the Laboratory Assistant position for the remainder of FY 2008.

**APPROVE: GALLAGHER WELL & PIPELINE: GRANT APPLICATION/CEQA REVIEW**

Mr. McIntyre stated that the Tomales Bay Integrated Coastal Watershed Management Plan includes potential grant funding for the Gallagher Well and Pipeline project. He advised that staff continues to move forward with the grant application for the amount of \$800,000 and as part of that application CEQA review needs to be completed. Mr. McIntyre said the project cost is estimated at \$1.6M and that the need for having the pipeline constructed is becoming more critical as salinity intrusion continues to be a problem. He said this item is for Board authorization to enter into an agreement with Leonard Charles and Associates to perform the CEQA work. He advised that if the grant application is not successful, the CEQA review is not wasted money because it needs to be done for this project and it is prudent to proceed. He said that the total cost for the CEQA review is estimated at \$20,000.

Director Rodoni inquired how the project balance of \$800,000 would be funded and requested Mr. Bentley to provide the Board with a plan for funding.

Mr. DeGabriele stated that he had spoken with the National Park Service and if the grant is awarded, the District will partner with the NPS to ask congressional representatives for additional monies. He said that without the grant, it will be necessary for the West Marin service area to borrow the money from the Novato district.

There was further discussion on the impacts on West Marin customers for funding this project.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried by those directors present, the Board authorized the General Manager to execute an agreement with Leonard Charles and Associates for \$16,600 for CEQA review of Gallagher Well and Pipeline project.

**APPROVE: DISBURSEMENT FREQUENCY**

Mr. Bentley said staff is requesting that the disbursement schedule be moved to a weekly schedule rather than every 2 weeks. He said that the weekly disbursements would increase staff efficiency and flexibility on the timing of payments and that the Board would still review the disbursement listings prepared since the previous meeting. Mr. Bentley reported that a short survey of other agencies revealed that Marin Municipal Water District and East Bay MUD issue disbursements weekly and that Novato Fire District requires advance board approval for payments over \$100,000 only. He further reported that District legal counsel's opinion was that when the Board has approved a project or budget, it, in essence, has given the General Manager authorization to approve disbursements.

Director Baker stated that he had mixed feelings and is not comfortable with paying in arrears and that there is no criteria for how large an amount for purchases or services will be paid.

Mr. DeGabriele stated that all disbursements and their back-up are reviewed by him and Mr. Bentley and that in the last several years he does not remember any disbursement being pulled from the Consent Calendar. He said that it is the Board's prerogative to keep disbursements the same as current or to put a threshold on the amount for Board review.

Director Schoonover said that if the new system doesn't work, it can always be changed back.

Director Rodoni stated he was comfortable with staff's proposal and suggested that staff email the disbursement list each week to the Directors for their review.

On motion of Director Schoonover, seconded by Director Rodoni, the Board authorized staff to commence issuing disbursements weekly by the following vote:

Ayes: Directors Fraitas, Rodoni, Schoonover

Noes: Director Baker

Abstain: None

Absent: Director Petterle

### **INFORMATION ITEMS**

#### **NOVATO WATER SYSTEM LONG RANGE MASTER PLAN UPDATE**

Mr. McIntyre reported that staff needed more time to incorporate all the comments received and appropriately back-check the Novato Water System Long Range Master Plan before bringing back to the Board for adoption. He said that the final document will be brought to the Board on January 15, 2008 for adoption.

#### **COST OVERRUN – NEW BEGINNINGS EMPLOYMENT AND TRAINING FACILITY**

Mr. McIntyre stated that he wished to alert the Board of the series of events that has delayed the New Beginnings Employment and Training Facility project resulting in a cost overrun of approximately \$31,000. He said that the project was delayed for site remediation due to soil contamination and was assured by the city that the area was safe for installation of pipelines. He stated that District crews began the pipe installation work and during the trenching, District crews smelled gasoline in the trench zone and work was stopped. Mr. McIntyre reported that soil samples were tested and revealed heavy hydrocarbons were present in the trench area and that to continue installing the pipeline, the decision was made to use control density fill (CDF) concrete encasement backfill material for all new water facilities installed under this project. He further reported that this situation completely changed the design concept and additional costs were associated with this. He said that he has met with Mr. Puett, the representative of New Beginnings, to discuss the cost overrun; and Mr. Puett made a plea to the District and the Board for relief from the project cost overruns. Mr. McIntyre stated that he explained to Mr. Puett, the District's policy that all costs of the project be borne by the applicant and not be subsidized by District customers. Mr. McIntyre reiterated that this is for the Board's information only.

Director Fraitas recognized the good work that New Beginnings is doing and stated that this is an unfortunate situation and asked that staff consider adjusting the payment schedule. Director Rodoni suggested that New Beginnings make a claim against the city of Novato. Mr. McIntyre said that the contaminants concentration is below the threshold that the federal government considers being a risk which would preclude making a claim.

### **OUTSIDE AUDITOR'S LETTER TO BOARD**

Mr. Bentley presented Bartlett, Pringle & Wolf's letter to the Board and said that the letter included a comment that the District imposed unreasonable time constraints to complete the audit. He said that the auditor's report was one month late. Mr. Bentley further stated that in talking with the auditor, they advised that they could not keep to the proposed amount of \$22,500 to perform next year's audit, but that rather the amount would be approximately \$40,000. He advised that staff will prepare options for the Board consideration regarding performance of future audits early next year.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Comments to CalTrans Marin-Sonoma Narrows Project DEIR, The Power of Water 2008 NBWA Conference, Changes to AWWA C900 PVC Pressure Pipe Standard, Novato Police Department Swearing-in and Promotional Ceremony Program, Marin County Farm News, Cost of Annual Sick Leave Buy-back Benefit, SCWA Announces Carbon Free Water Delivery Goal. The Board also received the following news articles: Schools to Pay for Trash Pick Up? (12/12), Combat Climate Change (12/12), County Sends 3 to UN Parley in Bali Dealing with Climate Change (12/7), Environmental Law: Water Rights Policy (12/5), Remembering a Time before Chinook (12/1).

### **ADJOURNMENT**

President Fraites adjourned the meeting at 9:19 p.m.

Submitted by

Renee Roberts  
District Secretary