

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 4, 2011**

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 Rick Fraites, Steve Petterle and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts and Chief Engineer Drew McIntyre. Director Jack Baker was absent.

Russell Rudden of URS Corporation and District employee Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

On motion of Director Rodoni, seconded by Director Fraites, the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Directors Fraites, Petterle, Rodoni, Schoonover

NOES: None

ABSTAIN: None

ABSENT: Director Baker

GENERAL MANAGER'S REPORT

Mr. DeGabriele reported that two temporary District employees have been hired as regular full-time employees effective October 1, bringing the staffing level to 52.5 FTE. He said that Adam Breit, who has been a temporary laborer for approximately 18 months, has been hired as a Laborer at the beginning salary step; and he has obtained a D-1 Water Distribution Certification on his own initiative and passed a Class A driver's license test. He informed the Board that Michael Connolly was hired as a temporary Water Distribution and Treatment Plant Operator in July and he holds a T-2 Treatment Operator Certification and a D-2 Water Distribution Certification; he will start as a regular employee at the beginning salary step of Water Distribution and Treatment Plant Operator. Mr. DeGabriele opined that both men are expected to be good solid employees and have demonstrated good performance. He advised that before making the decision to hire the two employees, he reviewed the District financial performance. He said that the facilities reserve charge collection has exceeded the annual projection by \$200,000 principally due to the Warner Creek Senior Housing Project. He further advised that water sales continue to lag from a year ago,

but 2700MG was budgeted this fiscal year and the District is on track to sell between 2600MG and 2700MG; however, this should not have a huge effect on the District goal to improve its reserve balance.

OPEN TIME

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

STAFF / DIRECTORS' REPORTS

President Schoonover asked if staff or Directors wished to bring up an item not on the agenda and there was no response.

ACTION CALENDAR

FY 2011 ANNUAL REPORT

Mr. DeGabriele presented the final Annual Report for FY 2010/2011 for Board approval. He advised that there was one comment received regarding the photo of the Oceana Marin dosing tank, and that Director Baker spoke with Drew McIntyre after the previous Board meeting and suggested that additional information be included in the Historical Highlights. He stated that Director Baker is currently out of town and has not responded to his phone calls and he does not know exactly what Director Baker wanted to include. Mr. DeGabriele advised the Board that they can approve the report as presented tonight, postpone the vote until Director Baker's wishes are known and changes made, or approve with changes pursuant to Director Baker's comments.

Director Petterle stated that Historical Highlights do not affect the content of the report and moved to approve the FY 2011 Annual Report as presented. Director Fraites provided the second and the motion was unanimously carried by those Directors present.

CHANGE ORDER #1 FOR CREST TANK NO. 1 INTERIOR RE-COAT- BLASTCO, INC.

Drew McIntyre stated that Blastco, Inc. was awarded the Plum Street Tank Recoat Project in July 2011. He advised that the construction of Crest Tank No. 2 was recently completed, and at that time the exterior of Crest Tank No. 1 was recoated. He further advised that the interior of Crest Tank No. 1 had not been inspected at that time because it was a single tank zone system and could not be taken out of service. He stated that with the completion of Crest Tank No. 2, an inspection of the interior of Crest Tank No. 1 was performed and revealed that the interior of the tank was in need of recoating.

Mr. McIntyre stated that staff requested a proposal from Blastco to recoat the interior of Crest Tank No. 1 as staff felt it was cost-effective and prudent to have this work performed by

Blastco at the same time as the Plum Street Tank Recoat project. He said staff compared the cost of the Plum Street Tank recoat with the proposal for the Crest Tank No. 1 recoat and stated that the cost per square foot is 24% higher. He advised that staff believes this is reasonable because the height of Crest Tank No. 1 is nearly twice the height of Plum Street Tank, and coating removal and application is expected to be more complicated and costly due to additional scaffolding requirements. Mr. McIntyre further advised that there would be additional savings of approximately 24% by not having to prepare contract documents, going through the bid phase and additional administrative costs. He said that staff is not recommending a budget augmentation; but because the recoating of Crest Tank No. 1 is a higher priority, staff is proposing to defer two projects (totaling \$190,000) until FY 2013 (Stafford Treatment Plant Transmission Line Assessment and the ongoing Repair and Service Line Anodes Installation project).

Director Petterle stated that when the County of Marin issues change orders for projects, the public contract code limits an increase or decrease of 10% of the contract amount. Mr. McIntyre responded that it is the District's legal counsel's opinion that this change order is in compliance with the State Water Code under which the District operates.

Director Rodoni asked if the two deferred projects would be performed by outside contractors. Mr. McIntyre stated that the Stafford Treatment Plant Transmission Line Assessment project would be contracted out, and the Repair and Service Line Anodes Installation would be performed by District crews.

Director Rodoni stated that since District crews would be getting paid anyway, deferral of the Anode Installation Project noted above will not result in the projected savings. Mr. McIntyre replied that the total budgeted amount, including crew work, will not exceed the authorized budget. Director Rodoni stated that the dollar amount would shift to other projects and may not be a real savings.

On motion of Director Petterle, seconded by Director Rodoni and unanimously carried by those Directors present, the Board authorized the General Manager to execute Change Order No. 1 in the amount of \$166,299 for extra work associated with the interior recoating of Crest Tank No. 1 with a contingency of \$8,000.

LEVERONI CREEK BANK REPAIR PROJECT- AGREEMENT FOR CONSTRUCTION PHASE SERVICES WITH PRUNUSKE CHATHAM INC.

Mr. McIntyre stated that Leveroni Creek bank is eroding along the access road to the Stafford Treatment Plant sludge thickener and backwash recovery basins. He said that in fiscal year 2010/2011 Prunuske Chatham, Inc. (PCI) was hired by the District to develop the design and

procure permitting for the Leveroni Creek Bank Repair Project. He said that it was planned to have District crews begin the construction in the late summer season when Leveroni Creek would be dry; however, because of the wet spring it was apparent that compliance with the permit conditions would not be met. He said that the original permitting was only suitable if the construction area in Leveroni Creek was dry. Mr. McIntyre advised that staff also received permit conditions from State Department of Fish and Game, County of Marin and Army Corps of Engineers that limited construction of the project to the period between July and October. He said that it became apparent that the simplified permitting process was not realistic for this year, and it is staff's belief that it is not realistic for any future summertime work.

Mr. McIntyre informed the Board that an additional scope of work includes more involved permitting work that assumes that there will be standing water in Leveroni Creek when construction begins next July. He stated that the cost for the additional permitting requirement is \$5,000. He said the additional scope also includes construction observation and biological pre-construction monitoring that are required by local, state and federal agencies. Mr. McIntyre advised that after talking with the District Construction Superintendent, it became apparent that District crews do not have the expertise for creek restoration; and it is expected to put the project out for bid in the spring. He said that PCI would be available during the construction phase and their cost is included in the contract.

Mr. McIntyre advised that with the additional winter season permitting requirements coupled with construction phase services, the contract amount to PCI would be \$14,303 with a contingency of \$6,860. He further advised that the contingency amount would only be expended if the Army Corps of Engineers requires a "take permit" for CEQA compliance. He explained that the "take permit" would be required to relocate steelhead trout should any be found in standing water within the creek bed. Mr. McIntyre said that \$130,000 was budgeted this fiscal year; and with the additional permitting work, the total project cost is now \$145,000 with a 15% contingency. He advised that the costs will be pushed out into the next fiscal year because construction will not be started due to the additional permitting requirements.

On motion of Director Fraites and seconded by Director Rodoni and carried by those Directors present, the Board authorized the General Manager to execute an agreement with Prunuske Chatham Inc. for the Leveroni Creek Bank Repair project for services during permitting and construction work for a not-to-exceed fee of \$14,030 plus a contingency of \$6,860.

RECYCLED WATER EXPANSION PROJECT SOUTH SERVICE AREA- CONSTRUCTION MANAGEMENT SERVICES CONTRACT AWARD

Mr. McIntyre stated that staff is recommending that the District hire URS Corporation to perform construction management services for the Recycled Water Expansion Project South Service Area, and he introduced Russell Rudden from URS who was in the audience. He said the Novato South Service Area Project includes six miles of pipe and rehabilitation of the 500,000 gallon Reservoir Hill Tank in Hamilton. Mr. McIntyre informed the Board that a Request for Proposal was mailed to 25 firms, seven firms returned proposals, and after preliminary review, three firms were chosen for interviews. He advised that the interview team used similar criteria for consultant evaluation as that used for Novato North Service Area construction management selection, and each firm's qualifications were ranked separately by each panel member. He stated that the interview team ranked URS as the highest because they best identified specific characteristics of the project; and their project team, particularly their inspector and construction manager, have many years' experience. Mr. McIntyre said that the combination of inspector and construction manager brings an economy of scale to the District reflected in the cost of the construction management services.

Mr. McIntyre stated that staff has worked with URS to negotiate their scope of work and fee; and he said that when compared with the Novato North Service Area project, the fees were found to be very competitive. He said that the contract is structured on a time and expense basis contract with a not-to-exceed limit without prior authorization, and the project is expected to last approximately sixteen months and encompass two fiscal years. Mr. McIntyre informed the Board that the cost for the South Service Area project is now estimated to be \$7.5M, \$1.5M more than the conceptual cost estimate. He said additional grant money is being sought to offset higher costs, and he opined that there may be savings in the project construction because of the current competitive market. He said that he will update the Board once construction costs are known.

Director Rodoni asked Mr. Rudden to tell the Board about his firm.

Mr. Rudden said that URS Corporation is a large corporation with approximately 100 employees headquartered in San Francisco and is a leading provider of geotechnical services, civil engineering and construction management. He said their firm is fortunate to have Martin Falarski join their firm from EBMUD and that he is an outstanding fit for the District's project.

On motion of Director Rodoni, seconded by Director Fraites and unanimously carried by those Directors present, the Board authorized the General Manager to execute an agreement

between URS Corporation and the District for construction management services on a time and expense basis with a not-to-exceed limit of \$572,000 plus a \$57,200 contingency.

Mr. Rudden thanked staff and the Board and he left the meeting.

INFORMATION ITEMS

AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS FOR AUGUST 2011

Mr. DeGabriele presented the Auditor-Controller's Monthly Report of Investments for August in Mr. Bentley's stead. He said the cash balance increased by \$1.2M; the LAIF interest rate increased slightly and the District portfolio's market value has held steady at approximately \$5M.

CONSULTING SERVICES AGREEMENT WITH RETIRED EMPLOYEE RICK RUDOLPH

Mr. DeGabriele informed the Board that he executed an agreement to provide consulting services with Rick Rudolph for the purpose of providing mark and locate services for the recycled water project. He said that the need for Mr. Rudolph's services came quickly as the construction department was short-staffed. Mr. DeGabriele stated that Mr. Rudolph retired from the District in April of 2010 after 45 years of service and knows the District system very well. He said that Mr. Rudolph will be available if his services are needed in the future.

TAC MEETING – OCTOBER 3, 2011

Mr. DeGabriele provided highlights of the Technical Advisory Committee meeting on October 3, 2011. He reported that the Russian River Watershed Protection Committee advised that they will file a lawsuit against SCWA over the adequacy of the EIR on the Estuary Project, the project required by the Biological Opinion to keep a closed estuary at the lagoon at Jenner. He stated that SCWA provided an update to their Water Supply Strategies Action Plan and a brief update on the Draft SCWA Long Range Financial Plan. Mr. DeGabriele stated that contractors who have not received their allocation for Local Supply, Recycled Water and Tier 2 Water Conservation Funding (LRT2) were reminded to submit their proposals for LRT2 projects; the Agency's lead mechanic made a presentation on the Sonoma Booster Station No. 1 meter and 20" mainline valve installation; and Brown and Caldwell have been selected to update the annual allocation model and prepare a summer allocation model. He said that the Agency is planning a rate study and there was an update on the Biological Opinion presented by Pam Jeane.

NBWA MEETING- OCTOBER 7, 2011

Mr. DeGabriele stated that Director Fraites will attend the NBWA meeting on Friday, October 7, 2011 as Director Baker is out of town.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Las Gallinas Valley Sanitary District- Overpopulation of Canada Goose, Marin Conservation League- Business Environment Breakfast.

The Board also received the following news articles: State orders Millview to scale back Russian River diversion, Family Tradition Runs Deep at Grossi's Dairy, Power to the People: Council Votes to Join Marin Energy, Salmon spawning runs under way on the Russian River, Fish habitat project begins in Dry Creek watershed.

President Schoonover adjourned the meeting at 8:21 p.m.

Submitted by

Renee Roberts
District Secretary