

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 6, 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 Jack Baker, Rick Fraites, Steve Petterle and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

J. T. Wick (representing Port Sonoma Marina), Novato residents Ed Grundstrom, Susan Stompe, Hank Barner, Lisa Free and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) and Katie Young (Administrative Assistant) were in the audience.

REORGANIZATION OF BOARD

Election of President

On motion of Director Rodoni and seconded by Director Fraites and unanimously carried, Director Petterle was elected President of the Board for the ensuing year.

Election of Vice-President

On motion of Director Rodoni and seconded by Director Baker and unanimously carried, Director Fraites was elected Vice-President of the Board for the ensuing year.

Establishment of Meeting Times and Place

On motion of Director Schoonover and seconded by Director Fraites and unanimously carried, the Board set the time and place of regular meetings to be the first and third Tuesday of each month at 7:30 p.m. at the District office, and that the Board will hold one meeting annually in West Marin with additional West Marin meetings to be scheduled on an as-needed basis.

Establishes the Manner of Calling Special Meetings

On motion of Director Rodoni and seconded by Director Baker and unanimously carried, the Board approved special meetings of the Board to be held as provided in Section 54956 of the Government Code.

Appointment of District Officers

On motion of Director Rodoni and seconded by Director Schoonover and unanimously carried, the following District officers were appointed for the ensuing year: Chris DeGabriele, General Manager; Renee Roberts, Secretary; David L. Bentley, Auditor-Controller; and Drew McIntyre, Chief Engineer.

Confirm Board Meeting Schedule for 2012

On motion of Director Rodoni and seconded by Director Fraites and unanimously carried, the Board accepted the proposed meeting schedule for the 2012 calendar year with the understanding that the calendar may be adjusted as needed.

Committee Appointments

President Petterle stated that he will take committee appointments into consideration and will return to the Board with his recommendations.

MINUTES

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

GENERAL MANAGER'S REPORT

North Marin Water District Videos

Mr. DeGabriele informed the Board that Katie Young and Ryan Grisso are working with a Novato Public Access Television videographer preparing four short documentaries about the District for posting on the District's website and YouTube. He said the videos will cover an overview of the District, water supply, Stafford Treatment Plant operations and water quality. He said the District's out-of-pocket expense will be \$1,600 plus staff time and the process will begin on Thursday.

Director Rodoni stated that he assumed that the General Manager will review the final product and suggested that before posting the video, a peer review be conducted, possibly by someone from the water industry to insure that the video messages are clear.

Central California Coast Steelhead Recovery Plan

Mr. DeGabriele reported that in October 2010, the Board authorized the District to become a signatory to the Statement of Understanding regarding Central California Coast Steelhead Recovery. He said that by being signatory of the SOU the District has an opportunity to review and comment on the Draft Recovery Plan before it is released to the general public. He said that the

two-volume plan covers an overview of the species, overall recovery strategy, reports on the watersheds affected including a separate report on Novato Creek that lists potential actions to support recovery of steelhead. Mr. DeGabriele stated that there will be a meeting of Bay Area water agencies with the National Marine Fisheries Service (NMFS) to review the report. He said that he is setting up a meeting with NMFS representative to talk specifically about Novato Creek, and after the meeting he will report back to the Board.

OPEN TIME

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

Ed Grundstrom addressed the Board and urged the Board to require Marin Municipal Water District (MMWD) pay half the cost including interest and principle of the \$8M loan for the Aqueduct Energy Efficiency Project recently secured by the District from Bank of Marin because MMWD is the one that will benefit and they should pay their share. He opined that North Marin has adequate water if not for MMWD and Novato ratepayers are paying higher rates to support water delivery to MMWD through the Novato Aqueduct.

STAFF / DIRECTORS' REPORTS

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

Plum Street Tank Recoating Project

Drew McIntyre provided a brief update on the Plum Street Tank Recoating Project (part of the Recycled Water North Service Area project). He said that a greater than anticipated amount of corrosion was discovered inside the tank which will increase project costs. He stated that change orders to cover those costs for this work may come before the Board for approval soon.

Point Reyes Homeowner Association

Mr. Bentley reported that the Point Reyes Homeowner Association voted to reduce the monthly HOA dues by 28% which will save the District \$400 per month.

Sonoma County Water Agency PRPA

Mr. Bentley reported that the Sonoma County Water Agency advised that they do not have the authority to wheel the Power & Water Resources Pooling Authority (PWRPA) power to the District. He said the District can deal directly with the JPA but the fixed costs are approximately \$100,000 per meter to install necessary facilities. He said that he has reinitiated conversation with

Solar Power Partners and a written report on the project status will be presented at the next meeting.

Oath of Office

Renee Roberts announced that she administered the Oath of Office to Director Baker, Director Petterle, and Director Rodoni before tonight's meeting and that she will file the Certificates of Election and Oaths of Office with the Marin County Clerk.

Projects Update

Doug Moore reported on the retaining wall repair project at PRE Tank #2 and paving of South Novato Boulevard in the area of the main break.

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

Drew McIntyre stated that every three years the Temporary Water Service Agreement for Port Sonoma Marina (Port Sonoma) is due for renewal and the request for renewal tonight is similar to what the Board has seen since 1978 when brackish water developed in the well on the property necessitating the request for water service from the District. He said that the current agreement expires December 31, 2011 and that staff has placed a hearing notice in the local paper advertising tonight's hearing and has mailed notices to various local parties and governmental agencies. He said that a graph charting the historical water use is included with the staff report and shows that water used by Port Sonoma as decreased to its lowest level ever within the last year. Mr. McIntyre stated that the agreement states that water service can be interrupted under emergency conditions and that water service has been interrupted by the District from time-to-time. He said that J.T. Wick from Port Sonoma is present to answer any questions.

Director Baker expressed his concern that this agreement has been renewed for the past thirty years and that it may be time for Port Sonoma to be more self-sufficient so that the District no longer provides water outside of its territory. He said that the drop in water use suggests that their wells may be sufficient and the project now able to be independent of water from North Marin and now may be the time to discontinue service. He suggested that a one or two year extension may be more reasonable.

Director Fraites asked Mr. Wick to talk about how dredge spoils are moved from the Port Sonoma to ranchland across Highway 37. Mr. Wick responded that Port Sonoma received approval from Sonoma County Planning Commission and materials are pumped from off-site hydraulic

dredging locations directly into an intake pipe, which runs under Highway 37 and then dredge materials are deposited into cells on the ranchland.

Director Fraites asked if the brackish water used to convey the materials comes from the Marina and if there is concern about the effect the salty water has on the ranchland.

Mr. Wick responded that their practices have enhanced agriculture. He stated that there is high brackish groundwater in the area and that is why hay is the only crop that can be grown at that elevation. He said that the dredge material is dried, farmed and then is elevated so that higher value crops can be grown above the brackish groundwater.

Director Fraites asked Mr. Wick to confirm that District water would not be used to move the dredge materials. Mr. Wick confirmed that it would not.

Director Rodoni stated that there is no limitation on the amount of water Port Sonoma Marina can use and asked if there should be a limit under this contract as is it would trigger review of the agreement.

Mr. McIntyre responded that if there were a water shortage, Port Sonoma would be cut off because the contract is for a temporary water service. He said it is possible to put a quantity limit on the amount of water to avoid an increase in water use.

Mr. DeGabriele stated that the District has other outside service agreements in Sonoma County and the temporary service for Port Sonoma Marina is more restrictive; and the District has the right to curtail, interrupt or suspend deliveries at any time. He further stated that should a water shortage emergency be declared, water service to Port Sonoma pursuant to this agreement would be suspended. Mr. DeGabriele said that the District can identify quantity limits in the agreement.

Mr. Wick said that District water is used for backup to their larger well system and that the Port Sonoma would agree to limited water usage.

Director Petterle asked if there are any plans to change the use or develop the area.

Mr. Wick said that Port Sonoma is in discussions about acquisition of the property by Sonoma Land Trust for more passive use than what the existing zoning now allows.

Director Petterle opened the public hearing and hearing no comment, closed the public hearing.

There was additional discussion among the Board regarding agreement language addressing water use limitation. Director Rodoni suggested 4.4 million gallons/year water delivery threshold as that was the highest amount used since 1995.

It was the consensus of the Board that the agreement be revised to reflect a limitation of water delivery and that the revised agreement be brought back to the Board at the next meeting for review and consideration.

ACTION CALENDAR

REQUEST FOR EXCEPTION TO BILL ADJUSTMENT POLICY – 165 SADDLE WOOD DRIVE

Mr. Bentley stated that District customers Chris and Lisa Free received a bill for \$769 which is 137% of their water usage for the same billing period in the prior year. He said that they are requesting an exception to District Bill Adjustment Policy which states that the excess of 150% of normal is the threshold to qualify for a bill adjustment. Mr. Bentley advised that the Frees had a leak in their irrigation system.

Ms. Free addressed the Board and said that according to her calculation, the excess is 147%, 3% less than the bill adjustment threshold.

Mr. Bentley explained that there was a difference in the number of days billed and that staff looks at the gallons per day used when considering a bill adjustment request. He added that either way it's calculated, it does not meet the threshold for a bill adjustment.

Director Rodoni commented that he would be comfortable granting an additional adjustment because if the leak was discovered a day later, the customer may have qualified for the adjustment.

Director Baker stated that the Board has been very consistent with other customers who have been close to the threshold and that he didn't see anything compelling to make an exception in this case.

On motion of Director Baker, seconded by Director Fraites, the Board voted to deny the Bill Adjustment by the following vote:

AYES: Directors Baker, Fraites, Schoonover

NOES: Director Rodoni, Petterle

ABSTAIN: None

ABSENT: None

Ms. Free left the meeting.

REQUEST FOR ADDITIONAL BILL ADJUSTMENT – 2404 LAGUNA VISTA DRIVE

Mr. Bentley stated that Jeanne Kraft received a water bill for \$500 and she requested and received a bill adjustment pursuant to District policy. He stated that Ms. Kraft is requesting an

additional bill adjustment in the amount of \$100 because the field service representative who read the meter as well as the field service representative who verified the read did not notify her. Mr. Bentley said that at the time her meter was read, the water had been used and the field service representatives found no evidence of a leak. He advised that Ms. Kraft's irrigation controller had malfunctioned due to a power outage and had defaulted to a longer run time.

Director Fraites asked Mr. Bentley to explain the field service protocol when discovering a high bill; Mr. Bentley explained the procedure.

On motion of Director Schoonover and seconded by Director Baker and unanimously carried, the Board denied the request for an additional bill adjustment.

CONTRACT AMENDMENT FOR MILLER PACIFIC ENGINEERING GROUP

Mr. McIntyre stated that the Board approved a General Services Agreement for miscellaneous geotechnical work with Miller Pacific Engineering Group (MPEG) for \$20,000 in June 2011. He advised that since that time, MPEG has performed geotechnical services related to the Aqueduct Energy Efficiency Program and Recycled Water Expansion North Service Area project, leaving a balance on the contract of \$4,334. He further advised that it is anticipated that MPEG will perform geotechnical services for the Point Reyes Treatment Plant Solids Handling Facility and miscellaneous services for the South Novato Boulevard Main Break Repairs. Mr. McIntyre stated that although MPEG contract amount has not been totally expended, upcoming tasks make a contract amendment necessary.

On motion of Director Schoonover and seconded by Director Fraites, the Board unanimously authorized the General Manager to execute an amendment to Miller Pacific Engineering Group's General Services Agreement in the amount of \$10,000.

RECYCLED WATER NORTH SERVICE AREA EXPANSION - SEGMENT 2 PROJECT: AWARD CONSTRUCTION CONTRACT

Mr. McIntyre stated that this item is for the award of the contract for the fourth and final segment for the Recycled Water North Service Area Expansion Project that includes installation of approximately 10,000 feet of 12-inch pipeline along Olive Avenue, Redwood Boulevard and Wood Hollow Drive (extending to Fireman's Fund). He advised that thirteen prime contractors attended the mandatory pre-bid meeting and eight bids were received ranging from \$1.6 Million to \$2.6 Million. He further advised that Ranger Pipelines had the low bid of \$1,559,000 to perform the horizontal directional drilling. Mr. McIntyre informed the Board that the Covello Group, Construction Manager for the project, performed the bid analysis of the three lowest bidders and determined that Ranger Pipelines' construction bid was responsive and responsible. He stated that a question was

raised about Ranger's subcontractor's experience with fusible PVC pipe, the material specified in the contract documents. He said that based upon further evaluations, staff and the Covello Group are confident that this contractor has the necessary experience with directional drilling; the supplier of the material will fuse the pipe. Mr. McIntyre said that staff consulted with District legal counsel and confirmed that the District's opinion was sound and he conveyed this information to the subcontractor that had raised the question.

Mr. McIntyre advised that although the contractor's bid for this segment is under the estimate, in aggregate the entire project still exceeds the engineers cost estimate. He referred to the project cost summary that shows a \$6M gap and that staff has increased the State Revolving Loan amount to bridge this gap.

Director Schoonover asked if Ranger Pipelines had done work with the District in the past and Mr. McIntyre responded no, but that the Covello Group determined that they had very good references; they are a large company headquartered in San Francisco.

Director Baker expressed concern that Ranger Pipelines' bid is much lower than the next four bids.

Mr. McIntyre stated that there is a 10% variance between the first and second low bid. He said that Ranger Pipelines has been in business for many years, qualified to do the work and their references have checked out.

On motion of Director Schoonover, and seconded by Director Rodoni and unanimously carried, the Board approved the award of the Segment 2 pipeline construction contract to Ranger Pipelines and authorized the General Manager to execute an agreement with Ranger Pipelines.

APPROVE: PT. REYES WELL #3 REHABILITATION – ENVIRONMENTAL CLEARANCE

Mr. McIntyre stated that the Board was apprised in September that Well No. 3 in Point Reyes Station has experienced further deterioration of the well casing resulting in significantly reduced production. He said that staff is moving forward with the rehabilitation of the well at a cost of \$80,000. He said it was apparent that more extensive environmental permitting work would be required; and since the well is located on the US Coast Guard property, the District has to go through the federal National Environmental Protection Act (NEPA) in addition to submitting application to the County of Marin for a drilling permit. He said that the County has confirmed that the District needs to work directly with the California Coastal Commission (CCC) since the project is on federal property that lies within the Local Coastal Plan. Mr. McIntyre advised that the environmental review period by US Coast Guard may take two to three months and the CCC's

review period may take up to six or seven months. He said that in order to get the process accelerated it is important to perform the required environmental compliance tasks as quickly as possible to facilitate installation of the replacement well. He said it is staff's recommendation to enter into a contract with Leonard Charles & Associates (LCA) to perform the necessary environmental studies work. He said that LCA has a proven track record with the District, and the firm is contracted to perform site assessment for the CEQA study for the Point Reyes Treatment Plant Solids Handling Facility; therefore, LCA can visit both project sites at the same time, thus saving the District money. He said that once the environmental work is completed, District staff will submit the application to the California Coastal Commission and try to meet with its Executive Director to demonstrate the importance of the project and speed up the process. Mr. McIntyre advised that the amount of the proposed agreement is above and beyond the \$80,000 estimated construction costs.

Director Rodoni asked why the Coastal Commission has oversight on federal property and Mr. McIntyre stated that the federal government has agreed to follow the Coastal Permit Act of 1972.

On motion of Director Rodoni, seconded by Director Fraites and unanimously carried, the Board authorized the General Manager to execute an agreement with Leonard Charles and Associates in the amount of \$19,250 for Pt. Reyes Well #3 Rehabilitation NEPA and CEQA documentation.

INFORMATION ITEMS

NMWD SELF-ASSESSMENT

Mr. DeGabriele stated that at the November 1 Board meeting, the Board authorized staff to conduct a self-assessment consistent with the Effective Utility Management Tool and that the Board agreed to also participate. He said that there are ten Attributes on which to rate the current conditions at the District on a scale of 1 to 5, number 1 meaning "Effective, systematic approach and implementation; consistently achieve goals"; and number 5 meaning "no system for addressing this." He said that the second step of the Assessment is to rank each Attribute from 1 through 10, with number 1 being the most important and number 10, the least important. The Board completed the self-assessment.

TAC MEETING – DECEMBER 5, 2011

Mr. DeGabriele provided a summary of the Technical Advisory Committee meeting held yesterday, December 5, 2011. He reported that Sonoma County Water Agency is beginning its annual meter rehabilitation and replacement program wherein all meters used for delivery are pulled

and replaced and the old meter is recalibrated. He further reported that Brown & Caldwell has been selected to update the annual allocation model and will propose a summer period allocation model. Mr. DeGabriele stated that the monthly report for the Biological Opinion update is included with his summary and the TAC will request SCWA to provide an update on the first mile demonstration project at the January TAC meeting. He said that there will be a Water Conservation Subcommittee meeting on January 9 immediately following the TAC meeting and is expecting to see the final Sonoma-Marin Saving Water Partnership Annual Report.

NORTH BAY WATERSHED ASSOCIATION MEETING – DECEMBER 2, 2011

Director Baker provided a brief report on the North Bay Watershed Association meeting.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, NMWD Contract with McLellan for Paving Jobs, Coho Salmon Numbers on the Rise in Sonoma.

The Board also received the following news articles: Pages from the Past, Longest-Serving Marin Public Official Honored and Salinity Notices.

President Petterle adjourned the meeting at 9:06 p.m.

Submitted by

Renee Roberts
District Secretary