

1 **NORTH MARIN WATER DISTRICT**
2 **MINUTES OF REGULAR MEETING**
3 **OF THE BOARD OF DIRECTORS**
4 November 3, 2009

5 **CALL TO ORDER**

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

11 District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore
12 (Construction/Maintenance Superintendent) and David Jackson (Associate Engineer) were in the
13 audience.

14 **MINUTES**

15 On motion of Director Baker, seconded by Director Schoonover, the minutes from the
16 previous meeting were approved by the following vote:

17 AYES: Directors Baker, Rodoni, Schoonover

18 NOES: None

19 ABSTAIN: Director Fraites

20 ABSENT: Director Petterle

21 **GENERAL MANAGER'S REPORT**

22 **Meeting with National Park Service**

23 Mr. DeGabriele reported that he and Director Rodoni attended a meeting with the National
24 Park Service on October 21st and discussed Lagunitas Creek salinity intrusion. He said that he
25 requested their help in obtaining funds for the Gallagher Wells and Pipeline project and the Park
26 Service is supportive of the project.

27 **Update to Novato Sanitary District**

28 The General Manager advised that he gave a brief update on the Sonoma County Water
29 Agency Water Project Redirection and New Water Supply Strategies to the Novato Sanitary District
30 Board of Directors at their meeting last Monday at the request of their General Manager.

1 Meeting with Assembly Member Jared Huffman

2 Mr. DeGabriele stated that he and Director Baker attended a meeting with Assembly
3 Member Jared Huffman's staff last Wednesday advocating for Mr. Huffman's support of the North
4 Bay Water Reuse Authority project and potential state funding. He said that Bill Long and Beverly
5 James from Novato Sanitary District along with representatives from Las Gallinas Valley Sanitary
6 District, SCWA and NBWRA consultants also attended.

7 Water for People Fundraiser

8 Mr. DeGabriele reported that on Friday, October 30, District employees held a potluck
9 during their lunch hour and raised over \$600 for Water for People.

10 **OPEN TIME**

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

13 **STAFF / DIRECTORS' REPORTS**

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

16 **CONSENT CALENDAR**

17 Item 5, Response to Letter Re Solar Project, was removed from the Consent Calendar at
18 the request of Director Baker for further discussion.

19 On the motion of Director Schoonover, seconded by Director Fraites and unanimously
20 carried by those Directors present, the following items were approved on the consent calendar:

21 **RESPONSE TO LETTER RE SOLAR PROJECT**

22 This item was removed from the consent calendar for further discussion.

23 Director Baker stated that he had no problem with the intent of the letter; however, he stated
24 that that he is not familiar with the technical jargon in the letter and requested that the letter be more
25 understandable.

26 Mr. Bentley responded that the letter's author, Thomas Ring, is a consulting chemical
27 engineer and the response letter is on the same technical level given his level of knowledge on the
28 subject. Mr. DeGabriele stated that this is a complex subject and staff will do its best to amend the
29 letter in more understandable terms.

1 On motion of Director Baker, seconded by Director Fraites and unanimously carried by
2 those Directors present, the Board authorized President Rodoni to sign the letter to Mr. Thomas
3 Ring as amended.

4 **NOVEMBER 2009 VEHICLE AUCTION**

5 The Board authorized the General Manager to enter into a sales contract with 1st Capitol
6 Auction to dispose of surplus vehicles, including a 1986 Chevrolet C-10 1/2-ton pickup, 1997 Ford
7 F150 1/2-ton pickup and 1993 Ford Ranger pickup.

8 **BOLD, POLISNER, MADDOW, NELSON AND JUDSON 50-YEAR SERVICE ANNIVERSARY**

9 The law firm of Bold, Polisner, Maddow, Nelson and Judson has been providing the District
10 legal counsel since 1959. The Board approved Resolution No. 09-34 entitled, "Resolution of
11 Appreciation to Bold, Polisner, Maddow, Nelson and Judson on Fifty Years of Service to the Board
12 of Directors of North Marin Water District."

13 **OUTSIDE AUDITOR'S 2009 REPORT AND MANAGEMENT LETTER**

14 The Board was presented the draft Outside Auditor's 2009 Report and Management Letter
15 on October 20, 2009 and no significant changes were requested by the Board. The Board
16 accepted the final Outside Auditor's FY 08/09 Financial Report and Management Letter.

17 **ACTION CALENDAR**

18 **APPROVE: AUTHORIZATION TO SUBMIT AN APPLICATION FOR A LOW INTEREST RATE**
19 **CONSTRUCTION LOAN AND AUTHORIZATION OF GENERAL MANAGER TO ACT AS**
20 **AUTHORIZED REPRESENTATIVE - PROPOSED STAFFORD TREATMENT PLANT SOLAR**
21 **ENERGY PROJECT**

22 Mr. McIntyre stated that staff has been investigating ways to obtain low-interest rate loans
23 for the Stafford Treatment Plant Solar Energy Project and advised that the California Energy
24 Commission (CEC) has received \$12M in federal stimulus monies for energy efficiency or
25 generation projects; and that \$9M of those funds has already been allocated. He further stated that
26 the CEC loans are low interest (1%) and the District is submitting an application requesting the
27 amount of \$1.4M. He stated that the loan is a supplemental loan and is not intended to fully fund
28 the project. Mr. McIntyre said that the Board is being asked to approve the resolution that is
29 required as part of the application process. He said that staff is considering downsizing the project
30 to reduce construction costs and produce and sell power generated by the project at a higher rate
31 to offset the power bill. He said that staff continues to explore other funding opportunities.

32 Mr. McIntyre said that this proposed solar energy project dovetails with the District's interest
33 in reducing green house gas emissions and asked Mr. Clark to elaborate. Mr. Clark stated that the
34 District has been tracking the energy efficiency of District facilities and the District has implemented

1 energy efficiency goals throughout the District to comply with AB 32 which requires reduction of
2 greenhouse gas emissions to 1990 levels by 2020. He further stated that the District is about 20%
3 shy of that goal and that without the solar project it will be more difficult to meet the AB32 goal. He
4 opined that by meeting the AB 32 goal it may allow the District to meet potential eligibility
5 requirements for any future funding.

6 Mr. McIntyre added that the available CEC money will be snapped up quickly and it's
7 important to have all the environmental work done. He said that the fact that the CEQA is already
8 completed allows the District to submit this application.

9 On motion of Director Schoonover and seconded by Director Fraites, and unanimously
10 carried by those Directors present, the Board approved Resolution No. 09-35 entitled, "Resolution
11 of the Board of Directors of the North Marin Water District Authorizing the North Marin Water District
12 to Apply for an Energy Efficiency Loan from the California Energy Commission."

13 **APPROVE: STAFFORD DAM OUTLET TOWER REHABILITATION PROJECT (SYBLON-REID)**
14 **CHANGE ORDERS NO. 04-10, 05-10, 06-10**

15 Mr. McIntyre introduced David Jackson, District project engineer for the Stafford Dam Outlet
16 Tower Rehabilitation Project. Mr. Jackson stated that the Board was informed of these potential
17 change orders to Syblon-Reid for the Stafford Dam Outlet Tower Rehabilitation Project at the
18 January 20, 2009 meeting during the project update.

19 Mr. Jackson said that Change Order No. 04-10 is a result of the load on the stems created
20 by the new hydraulic operators for the gates and the location of the original stem guides. He said
21 the new hydraulic operators exert a great deal more force on the stems and to prevent buckling of
22 the stems, the new stem guides must be spaced no greater than 7 ½ feet apart. He said that the
23 original plan was to use the existing stem guides but they were not located where needed and they
24 were extremely corroded; therefore, new stem guides had to be installed.

25 Mr. Jackson explained that Change Order No. 05-10 is a result of differences between the
26 original contract drawings and actual conditions at the base of the tower which were not discovered
27 until the diver removed the gate to reveal the hidden conflicts. He said that the 30" gate needed to
28 be specially designed to accommodate the unexpected field conditions and also required additional
29 diver labor and materials.

30 Mr. Jackson reported that the final Change Order No. 06-10 was the result of delays during
31 the submittal review process and the contractor failing to complete the project on time.

1 Mr. Jackson said that overall, the project went well except for contractor delays. He
2 discussed the project summary and said that based on staff's estimate in June, the project will
3 come in approximately \$14,000 below the estimated construction costs due to reductions in
4 negotiated change order costs. He also pointed out the outstanding tasks to be performed by the
5 contractor before the project is closed out, including demonstrating the operation of the gates and
6 testing for tower integrity and gate leakage.

7 Director Baker stated that he would like to thank Mr. Jackson and Mr. McIntyre for the
8 success of the project, acknowledging that it was a tricky project involving underwater construction.
9 He said he appreciates their good work.

10 On motion of Director Baker, seconded by Director Schoonover and unanimously carried by
11 those Directors present, the Board authorized the General Manager to execute Change Orders 04-
12 10, 05-10 and 06-10 to Syblon Reid in the amount of \$53,876 and a 35-day time extension.

13 **INFORMATION ITEMS**

14 **UNDERGROUND SERVICE ALERT (USA) – “CALL BEFORE YOU DIG”**

15 Mr. Moore provided information to the Board on the Underground Service Alert (USA) “Call
16 Before You Dig” and procedures that are followed when requests for pipeline location are received
17 by the District from USA. He also informed the Board of the procedures when staff requires
18 information from USA. He explained that he goes out to the site and marks the area in question,
19 and then USA will notify utilities to come out to locate and mark facilities in the vicinity.

20 **INCIDENT INVOLVING PG&E GAS LINE**

21 Mr. Moore explained the circumstances leading up to District crews nicking a 1” plastic gas
22 line on Alameda del Prado. He said that during the Marin County bike path project, a light pole was
23 relocated which necessitated that the District 12” main be moved. He said that the area where a
24 gas line was located was marked by USA and the crew began potholing with hand tools. He
25 explained that when the line was still not found, the crew widened the pothole area, using a
26 chipping jackhammer, and then a 1” plastic gas line was nicked. Mr. Moore said that as a result,
27 the gas had to be turned off at the nearby shopping center while PG&E repaired the line, and the
28 District was billed \$3,372 by PG&E.

29 **FACILITIES RESERVE CHARGE FEE INCREASE**

30 Mr. Bentley advised that a year ago the Board was asked to approve an increase in the
31 Facilities Reserve Charge to \$28,600; and at that time, the Board asked that the fee be phased-in
32 over two years. He further advised that the second phase is set to go into effect January 1, 2010.
33 He said that Director Rodoni requested that staff review the cost pertaining to the South

1 Transmission System project and come back to the Board. He said that the Sonoma County Water
2 Agency has proposed abandoning the Water Project and any alternative project is unknown at this
3 time.

4 Mr. Bentley said the updated connection fee calculation shows further commercial
5 development in Novato of up to 6 million square feet resulting in no reduction in the connection fee
6 increase. He stated that there are additional costs including cost of renovating the District offices.
7 He said that it was originally hoped that the City of Novato would fund relocation of District offices,
8 but it has become apparent that that is a remote possibility. He said that the additional FRC charge
9 as calculated one year ago will offset the cost of the major renovation of the District office building
10 to comply with the Americans with Disabilities Act.

11 **OCEANA MARIN SEWER DISCHARGE**

12 Mr. Clark provided information to the Board on the events leading up to a sewer discharge
13 in Oceana Marin after the October 13 rainstorm. He said that on October 17th, staff was alerted of a
14 manhole overflowing. He reported that Phillips and Associates was contacted and they confirmed
15 the spill; they then contacted Rotor Rooter who TV'd the pipe and discovered a root ball in the line.
16 Mr. Clark stated that once the root ball was cut, the line was opened up and cleared and the system
17 was back to normal operations. He advised that he notified the North Coast Regional Quality
18 Control Board and a report was also filed in the State Water Resources Control Board
19 computerized tracking system.

20 **QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

21 Mr. McIntyre presented the Quarterly Water Conservation Progress Report and stated that
22 toilet rebates and Cash for Grass rebates are close to double since last year. He said that the
23 increased interest in Cash for Grass is due to outreach on behalf of District staff and customers
24 realizing that turf uses a lot of water. He said it is projected that by mid-year, the budget for Cash
25 for Grass will be totally expended. He said washer rebates have been constant and the *Waterline*
26 was mailed in October and that the mailing generates a lot of participation in District Water
27 Conservation programs.

28 **QUARTERLY PROGRESS REPORT – ENGINEERING**

29 Mr. McIntyre reported on the first quarter for the Engineering department. In looking at the
30 expenditures for the first three month, projects are on track in Novato and West Marin. He said 51
31 projects were originally budgeted in FY 09-10; and nine carry-over projects which have not been
32 included in this year's budget and the costs associated with those projects adds \$400,000 to this
33 years costs. He said staff will not come back for budget augmentation and that staff is closely

1 tracking expenditures and does not anticipate any expenditures over budget. He said that labor
2 hours for developer work is 21% and for District project is 22% both versus 25% of the budget. He
3 said that he will provide a more detailed report at the mid-year.

4 **PUBLIC POLICY FACILITATING COMMITTEE MEETING – OCTOBER 29, 2009**

5 Mr. DeGabriele provided information on the Public Policy Facilitating Committee meeting
6 recapping last year's work on the Biological Opinion. He said that the National Marine Fisheries
7 Service reported that the Water Agency is doing a good job and progress has been satisfactory in
8 complying with the Biological Opinion.

9 Director Rodoni added that the presentations can be found on the Water Agency website
10 under RRIFR.

11 **WAC/TAC MEETING NOVEMBER 2, 2009**

12 Mr. DeGabriele stated that specific items of interest were comments on New Water Supply
13 Strategies and TAC Recommendations and that the WAC accepted the TAC recommendations with
14 minor modifications. He said those recommendations were 1) protect water quality and restore
15 reliability of the current water supply and current transmission system capacity; 2) address impacts
16 on listed salmonids species through compliance with the Biological Opinion; c) fulfill contractual
17 requirements to achieve reliable future water supply and develop future transmission system
18 capacity pursuant to a water supply master plan approved by the water contractors; d) prioritize
19 SCWA and water ratepayers' resources to achieve current and future water supply reliability; and e)
20 provide transparency and collaboration with the water contractors in water supply planning
21 decisions. He noted that specific strategies that the Water Agency requested comments on were
22 not addressed; it was believed by the TAC that there was not enough detail provided on the
23 strategies to determine impact on water demand and supply. He said the TAC looks forward to
24 working with the Water Agency in developing those strategies and that the recommendation
25 adopted by the WAC is more about priorities that the WAC believes is needed for the region's
26 current and future water supply.

27 Mr. DeGabriele reported that status report of New Water Supply Projects Plans and
28 Strategies was discussed. He said that a Water Supply Coordination Committee has been formed
29 comprised of the Agency's Assistant General Manager, Deputy Chief Engineer, the WAC Liaison
30 and the WAC and TAC Chairs and Vice-Chairs. He stated that the committee will meet next
31 Monday to work on development of 12 Strategies and how they can support projects, plans and
32 programs for water supply and how that will be reflected in the Urban Water Management Plan
33 (UWMP) which is due in 2010. He reported that the Budget Sub-committee of the TAC met last

1 Friday and another meeting is scheduled at the end of November. He further reported that the
2 attorneys, who have participated in the legal challenge, met last Friday with Judge Rene Chateau;
3 and they will reconvene on November 20. Mr. DeGabriele stated that there are two meetings set up
4 with the TAC prior to that date, and SCWA also intends to set up meetings with agency and
5 contractor board members. He said there is a big effort to try to communicate in a broader fashion
6 and is hopeful that it will result in developing a plan that will be reflected in the UWMP.

7 **NBWA MEETING NOVEMBER 6, 2009**

8 Mr. DeGabriele announced that the North Bay Watershed Association meeting is November
9 6, 2009 and that Director Fraites will attend.

10 **MISCELLANEOUS**

11 The Board received the following miscellaneous information: Disbursements, Letter to
12 customer re Senior Rate, Letter from SCWA Re Funding for Operation and Maintenance of
13 Kastania and Ely Booster Stations, Stafford Production End of Year and Press Release – Revised
14 Customer Summer Water Use Reduction.

15 The Board also received the following news articles: Torliatt joins Sonoma County
16 Supervisor’s Race, Water Worries: Drought Declaration Still in Place, Feds’ \$6 million would help
17 Petaluma reuse wastewater, Proposed Water Plant Raises Growth Issues in Marin County and
18 Salinity Notices.

19 **ADJOURNMENT**

20 President Rodoni adjourned the meeting at 8:31 p.m.

21 Submitted by

22
23
24
25
26

Renee Roberts
District Secretary