

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 4, 2007**

CALL TO ORDER

President Petterle 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, Dennis Rodoni and John Schoonover (7:35 p.m.). Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Jay Winzler and Mark Soldati of Winzler & Kelly, Fairfax resident Frank Egger, District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent) and Doug Moore (Construction Superintendent) were in the audience.

District Secretary Renee Roberts announced that the Oath of Office had been administered to newly-elected Directors Baker, Petterle and Rodoni and will be filed with the Marin County Clerk in accordance with Section 30510 of the Water Code and Section 23556 of the Elections Code.

REORGANIZATION OF BOARD

1. Election of President

On motion of Director Baker seconded by Director Rodoni, Director Fraites was elected President of the Board for the ensuing year by the following vote:

Ayes: Directors Baker, Fraites, Petterle, Rodoni

Noes: None

Abstain: None

Absent: Director Schoonover

2. Election of Vice-President

On motion of Director Baker, seconded by Director Petterle, Director Rodoni was elected Vice-President of the Board for the ensuing year by the following vote:

Ayes: Directors Baker, Fraites, Petterle, Rodoni

Noes: None

Abstain: None

Absent: Director Schoonover

3. Appointment of District Officers

On motion of Director Rodoni, seconded by Director Baker, 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 by the following vote:

Ayes: Directors Baker, Fraites, Petterle, Rodoni

Noes: None

Abstain: None

Absent: Director Schoonover

Director Schoonover arrived at 7:35 p.m.

4. Establishment of Meeting Times and Place

On motion of Director Petterle, seconded by Director Rodoni 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.

5. Establishing the Manner of Calling Special Meetings

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

6. Confirm Board Meeting Schedule for 2008

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board accepted the proposed meeting dates for the upcoming calendar year with the understanding that the calendar may be adjusted as needed.

7. Committee Appointments

Director Rodoni suggested that the President shift his committee appointments to allow directors the opportunity to serve on new committees. President Fraites requested that each Director indicate to him which committee they wish to serve on, and he stated that in the interim, committee appointments will remain the same as the previous year.

MINUTES

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

GENERAL MANAGER'S REPORT

North Bay Watershed Association

Mr. DeGabriele reported that the North Bay Watershed Association meeting is on Friday, December 7 at 9:30 a.m. and that he was remiss in including that meeting notice on the agenda for tonight's meeting.

North Bay Leadership Council Workshop

Mr. DeGabriele advised that he and Mr. Bentley will attend the North Bay Leadership Council workshop on the Economic Impacts of a Water Shortage on December 13, 2007, where Robert Eyer, Ph.D. will discuss his report written on the subject. He stated that the District had an opportunity to comment on Dr. Eyer's report and he will be interested to hear if those comments are addressed.

Holiday Party

Mr. DeGabriele reminded the Board that the District's Holiday Party is on Saturday, December 15 at the Indian Valley Golf Course and that they are invited to attend.

OPEN TIME

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

Oceana Marin Wastewater System

Mr. Clark stated that at a previous meeting wherein the Contract Operations and Maintenance for Oceana Marin Wastewater System was discussed, the Board requested that Bolinas Public Utilities District and Stinson Beach Water District be given the request for proposal. He advised that both districts received a copy and that neither one expressed interest in submitting a proposal.

Board of Directors Meetings

Director Schoonover stated that he hopes that the newly-appointed President will conduct the Board meetings in the same short and concise manner as his predecessor.

CONSENT CALENDAR

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

CONSULTING SERVICE AGREEMENTS WITH RETIRING EMPLOYEES

The Board approved two consulting services agreements for Stan Truttman and Mike McMaster. Mr. Truttman will be asked to provide emergency call-out duty in West Marin as needed and will also be available to review as-built facility maps. Mr. McMaster's consultation may be needed on the Stafford Lake Water Treatment Plant and distribution system operations.

CHANGE ORDER FOR PALMER DRIVE TANK – WINZLER & KELLY

The Board authorized the General Manager to execute Change Order No. 1, in the amount of \$27,113, to Winzler & Kelly for extra costs that were not identified in their original design phase services proposal for the Palmer Drive Water Tank design. The additional costs were incurred for efforts in developing the lot line adjustment for the reposition of the tank on the site and for the design of a soil nail retaining wall at the cut-slope on the south side of the tank.

DISBURSEMENTS

The Board authorized payroll and accounts payable vouchers totaling \$820,896.54.

ACTION CALENDAR

APPROVE: RESOLUTION OF APPRECIATION – STAN TRUTTMAN

Mr. DeGabriele advised the Board that Stan Truttman, Pipeline Foreman, will retire December 26, 2007 and that he will be recognized for his 29 years of dedicated service at the holiday party.

On motion of Director Rodoni, seconded by Director Petterle and unanimously carried, the Board approved Resolution No. 07-46 entitled, "Resolution of Appreciation to Stanley A. Truttman."

APPROVE: RESOLUTION OF APPRECIATION – MIKE MCMASTER

Mr. DeGabriele stated that Operations Superintendent Mike McMaster will be retiring on January 15, 2008 and that he will be recognized for his service to the District at the holiday party.

The Board acknowledged Mr. McMaster's good work especially during the Stafford Lake Water Treatment Plant Rehabilitation Project.

On motion of Director Rodoni, seconded by Director Petterle and unanimously carried, the Board authorized Resolution No. 07-46 entitled, "Resolution of Appreciation to Michael C. McMaster."

APPROVE: GENERAL SERVICES AGREEMENT – WINZLER & KELLY

Mr. McIntyre stated that the District has general engineering services contracts with various consulting firms and that the general services agreement before the Board tonight for Winzler & Kelly is for various tasks to be assigned. He stated that the first task under this agreement would be for funding a hydraulic evaluation of the North Marin Aqueduct as it relates to the Intertie Agreement with Marin Municipal Water District. He noted that the services provided by Winzler & Kelly will be under the direct supervision of Mark Soldati and is for a not-to-exceed limit of \$20,000.

On motion of Director Baker, seconded by Director Rodoni and unanimously carried, the Board authorized the General Manager to execute a General Consulting Services Agreement between North Marin Water District and Winzler & Kelly with a not-to-exceed limit of \$20,000.

APPROVE: CONTRACT AWARD FOR NMWD TRENCH RESTORATION PAVING

Mr. Moore reported that eight local contractors were solicited to submit a bid for trench restoration paving and that one contractor, W. K. McLellan Company, submitted a bid. He said that W. K. McLellan Company has been doing this work for the District since 1997 and advised that there is a small difference in the current pricing to this new bid for 2007.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously authorized the General Manager to execute a trench restoration paving contract with W.K. McLellan Company for the 2008 calendar year based on unit prices provided.

APPROVE: COMMENTS TO CALTRANS MARIN-SONOMA NARROWS PROJECT DRAFT EIR

Mr. McIntyre stated that the Draft EIR for the CalTrans Marin-Sonoma Narrows Project has been released and that he and Mr. DeGabriele met with representatives of CalTrans on November 21, 2007. He summarized the key issues at that meeting and stated that CalTrans confirmed that the relocation work that is necessitated by their project will be paid for by CalTrans; however, if the District decides to install a larger pipeline, those costs would be borne by the District. He stated that there is a depreciation cost associated with the pipe and that the last calculation done in the early 1970's showed that the pipe had a useful life of 150 years and that the depreciation number is higher now since the pipeline is older. Mr. McIntyre stated that the Draft EIR released by CalTrans adequately addresses any relocation work associated with their project, but if the District relocated the pipeline outside the limits of the CalTrans project, an additional CEQA document or initial review would be required at the expense of the District. He said that CalTrans has developed a timeline for the project and the Phase I portion covers interchanges and frontage road improvements in order to re-route traffic from the project site. He stated that most of the District's comments address that the Draft EIR is silent on the project's impact on 80% of the District's water supply; that

CalTrans must realize this is a significant pipeline for North Marin and that the District needs to be a key stakeholder in the development of detailed design and planning schedule; and that these concerns need to be incorporated into the Draft EIR.

Director Baker stated that CalTrans has presented a very aggressive timeline. Mr. McIntyre stated that it is important for the District to keep up with the CalTrans schedule. Director Baker stated that he would forward additional comments to Mr. McIntyre.

Director Rodoni expressed concern that if the District decides it is necessary to change the pipe size or location within the scope of the CalTrans project, would there be enough time for the District to submit a supplemental CEQA document. He suggested that CalTrans address the possible upsize of the existing pipeline in their CEQA document to avoid the District having to prepare a supplemental document within the CalTrans timeframe. Mr. McIntyre stated that he did not see a problem with that as long as the request includes only the portion of the pipeline within the CalTrans project. Director Rodoni concurred. Mr. DeGabriele stated that the District could advocate that the increase in the size of the pipe would reduce or eliminate pumping from Petaluma to Novato thereby reducing greenhouse gases.

There was a lengthy discussion by the Board. Mr. McIntyre stated that the cut-off period for comments is December 16, 2007 and suggested that the Board authorize staff to make revisions to the letter incorporating Director Baker's and Director Rodoni's comments.

Frank Egger, Town of Fairfax resident, asked if CalTrans relocates the pipe in their project area, is CalTrans responsible for District expenses; and if there is no decision about the upgrade or expansion of pipeline, would CalTrans put the same size pipeline within the project right-of-way?

Mr. DeGabriele replied no, that CalTrans is obligated to relocate or pay for relocation of District facilities in-kind less any depreciated value. He stated that the District is interested in making sure capacity is not diminished in the existing pipeline and that CalTrans recognize that the District can achieve economic benefit and diminish greenhouse gases by avoiding pumping that is required to deliver water from Kastania to Novato.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board authorized staff to make necessary revisions and include Directors Baker and Rodoni's comments in the Marin-Sonoma Narrows Project Draft EIR comment letter to CalTrans.

DIRECT STAFF: NOVATO SANITARY DISTRICT SOLID WASTE RATES

Mr. DeGabriele informed the Board that the Novato Sanitary District is considering revising their solid waste disposal charges. He stated that for the past ten years, the District has been

receiving free service from Novato Disposal Service for collection of solid waste at the District's corporation yard three times per week and that NSD is now considering eliminating the free service and increase rates by 3%. Mr. DeGabriele presented three options for the Board to consider: 1) object to the elimination of the free service; 2) request a lesser subsidy; or 3) reduce District waste and collection frequency and thus reduce potential for cost impact to the District. Mr. DeGabriele stated that the free service is contrary to the District's philosophy of District customers pay for services rendered and suggested that the District attempt to reduce its solid waste and therefore reduce collection services to once weekly. Director Rodoni agreed that the district should pay its way and believes the District can do better at recycling. He suggested that staff inquire if more recycle bins can be offered by the disposal company and if more frequent service for recycling can be provided.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board approved Option 3) reduce District waste and collection frequency to reduce potential NMWD cost impact resulting from NSD 2008 solid waste rate.

SET DATE: LONG RANGE PLANNING WORKSHOP

Mr. DeGabriele advised that at the last meeting the Board approved January 21st as the date for the Long-Range Planning Workshop with Robert Rauch, but that date is the Martin Luther King, Jr. holiday. He asked the Board to consider moving the date of the workshop to January 28th.

On motion of Director Petterle, seconded by Director Schoonover and unanimously carried, the Board voted to set January 28, 2008 as the date for the Long-Range Planning Workshop.

INFORMATION ITEMS

ADMINISTRATIVE DRAFT 2007 NOVATO WATER SYSTEM MASTER PLAN UPDATE

Mr. McIntyre stated that he distributed the Administrative Draft 2007 Novato Water System Master Plan Update to the Board and that Mark Soldati of Winzler & Kelly is present at tonight's meeting to provide a general overview. He further stated that he is asking for the Board to give staff their comments by December 10, and that the Master Plan will be brought back to the Board on December 18 for adoption.

Mr. Soldati presented a PowerPoint presentation highlighting sections of the Master Plan. He summarized the purpose of the study as an update to the water demand forecast to year 2030, similar to the scope of the 2002 Master Plan. He stated that new additions to the Master Plan include sections on Performance and Evaluation Criteria, Infrastructure Repair and Replacement, Climate Protection Management Plan and that the Master Plan is coordinated with the 2005 Urban Water Management Plan. He said that the development of the plan was a collaborative effort with

himself, Laura Jones, Pablo Ramudo, Robert Clark, Mike McMaster, Brad Stompe, Doug Moore, Drew McIntyre, David Bentley and Chris DeGabriele.

Mr. Soldati summarized the scope and said this plan is only for the Novato Water System and includes updates of city development forecasts, updating pressure zones, water quality goals, pipeline renewal replacements and development of a 5-year CIP and is coordinated with the District budget process. Mr. Soldati stated that the hydraulic evaluation and updated model will provide better fireflow analyses and reflects input from the Novato Fire Protection District.

Mr. McIntyre addressed the new section, Infrastructure Repair and Replacement, and stated that the District has a lot of infrastructure to maintain and presented a graph illustrating a significant increase in overall asset value; and that the bulk of the assets are the transmission and distribution mains. He stated that, as identified in the Master Plan, the District is slowly approaching build-out. He advised that the District is transitioning from a growing District installing new facilities to a District that is repairing and replacing aging infrastructure.

Mr. Soldati continued with his presentation and answered questions from the Board.

Director Schoonover inquired what happens after the Master Plan is finalized and Mr. McIntyre replied that this document is for the Novato Water System and it, combined with other master plans (i.e. recycled water, cathodic protection), will be used to assist budget forecasting for the next 5-year period.

Director Fraites asked if the District will be able to project costs into the future and determine if it will be necessary to increase rates. Mr. Bentley replied that the Master Plan is a component of the 5-year financial plan and will be used for determining rates and connection fees increases.

Director Rodoni asked Mr. Soldati for his opinion on how the District has fared since the 2002 Master Plan was developed. Mr. Soldati said that the District performance is very impressive. Mr. McIntyre added that many projects included in the 2002 Master Plan have been accomplished. Mr. Soldati acknowledged Assistant Engineer Laura Jones for her work on the Master Plan and in compiling all graphs and appendices.

TRANSITION PLAN FOR PIPELINE FOREMAN AND OPERATIONS SUPERINTENDENT POSITIONS

Mr. DeGabriele presented the plan forward for filling the Pipeline Foreman and the Operations Superintendent positions. He stated that the Pipeline Foreman will likely be filled internally and that staff will consider organizational changes before filling the Operations Superintendent position. He advised that Robert Clark will assume the Operations Superintendent

duties in the interim. He addressed the question of coverage in West Marin and said that Treatment Plant Operator Jonathan Van Bourg lives in West Marin and that an employee will be residing in the District's Pt. Reyes home and will be responsible for various duties in West Marin to offset the rent.

MISCELLANEOUS

The Board received the following miscellaneous information: Review of Scheduled Agenda Items, Next Generation Green School Program Update. The Board also received the following News Articles: Farm News (11/29), NMWD Announces Results of 'Water for People' Fund-raiser (11/28), Ensuring Marin's Water Needs (11/27), Advisor May Join Herbicide Talk (11/27), Salmon: Smallest Run on Russian River in 8 Years (11/21), 'Scariest by the Day' (11/21), More H2O on Tap for Novato (11/21).

ADJOURNMENT

President Fraites adjourned the meeting at 8:58 p.m.

Submitted by

Renee Roberts
District Secretary