

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
December 7, 2010**

**CALL TO ORDER**

President Baker 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, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Don Curry of CSW/Stuber-Stroeh, Bill Slenter of HydroScience Engineers, and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) and Ryan Grisso (Water Conservation Coordinator) were in the audience.

**REORGANIZATION OF BOARD**

**Election of President**

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

**Establishment of Meeting Times and Place**

On motion of Director Petterle 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. Director Baker opined that there is not enough attendees at the West Marin meetings to warrant holding meetings in Point Reyes Station.

**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 Baker and seconded by Director Petterle 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 2011

On motion of Director Petterle and seconded by Director Rodoni and unanimously carried, the Board accepted the proposed meeting schedule for the 2011 calendar year with the understanding that the calendar may be adjusted as needed.

### Committee Appointments

President Schoonover stated that unless there is an objection, he will retain the 2010 Board representatives for participation in the various committees. There was no objection.

### **MINUTES**

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

### **GENERAL MANAGER'S REPORT**

#### SBX7-6 Meeting

Mr. DeGabriele reported that last week he attended a meeting with the County of Marin and Marin Municipal Water District on the implementation of Senate Bill X7-6, groundwater monitoring requirements for groundwater basins in Marin, including the Novato basin. He stated that only the County of Marin is listed as an eligible entity to take on the responsibility of implementing the monitoring requirements, and he urged the county to do that. He advised that the county must notify the Division of Water Resources that they will assume responsibility by January 1 or risk not receiving grant or loan funding through any proposition for any water-related activity. He opined that the county will take on the responsibility although limited, and he stated that he offered the county District support with compliance. He said that Marin Municipal Water District is reluctant to participate, but he is urging them to offer the county the same level of assistance as the District if possible.

#### Change Petitions for Lagunitas Creek Water Rights

Mr. DeGabriele informed the Board that staff is ready to submit change petitions to the State Water Resources Control Board for Lagunitas Creek Water Rights that will enable the District to fulfill the Gallagher project. He said the Gallagher Well site needs to be added as an approved

point of diversion for both the license and for one of the permitted diversions. He reminded the Board that several years ago they had agreed to dedicate one of the junior water right permitted diversions to instream purposes. He stated that the District will ask the SWRCB that the other permitted diversion become a licensed water right which will make it a senior water right on Lagunitas Creek. He said that he will request a meeting with the State Board staff before the petitions are submitted, and that submission of the petitions will cost a \$4,000 fee to begin the process and that it will likely be a couple of years before changes are approved.

#### General Manager Vacation

Mr. DeGabriele advised that he will be on vacation and will not attend the December 21 Board meeting.

#### **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 the following items were discussed:

#### Treatment Plant Operator Resignation

Robert Clark informed the Board that Treatment Plant Operator John Young has accepted a position with Marin Municipal Water District and has resigned from the District as of December 15. He said that a job search to fill the vacancy will begin soon, and since MMWD had several qualified candidates, he expects to have a good pool of applicants from which to choose.

#### Stafford Treatment Plant Production Season

Mr. Clark also informed the Board that the production season at Stafford Treatment Plant has ended and that approximately 300 acre feet more water was produced this calendar year compared to last year and production volume for this fiscal year is about the same as last year-to-date.

#### Recycled Water Sub-Committee and NBWRA

Drew McIntyre stated that he and Mr. DeGabriele will schedule another Recycle Water Sub-committee meeting between the District, Novato Sanitary and Las Gallinas Valley Sanitary District in January. He further stated that the new governance structure for the North Bay Water Reuse Authority (NBWRA) will become effective in January, and the first meeting with the new governing

body is slated for February. He said that each of the agencies will have an elected official on the NBWRA Board. Director Schoonover said he would represent the District.

#### Dana Roxon

Director Baker commented that he had heard that Marin Municipal Water District engineer Dana Roxon had retired and asked if the District has any ongoing business with MMWD which might involve Mr. Roxon. Mr. DeGabriele said that Mr. Roxon will retire at the end of this year and will be kept on retainer with MMWD. He said that the Interconnection Agreement is still pending and cannot be concluded until the EIR for the Aqueduct Energy Efficiency Project is completed; he expects Mr. Roxon to continue to be involved.

#### Customer Shut-Off Complaint and Resolution

Director Rodoni shared an experience he had with a customer who called him to complain that his water had been shut off for non-payment and that he could not reach anyone in the office when he called after 5 p.m. He stated that when he (Director Rodoni) called the District phone number, he was referred to the Novato Police Dispatcher who asked him questions to discern who she should contact to provide assistance. Director Rodoni stated that the dispatcher called the “turn-on” person and within five minutes the “turn-on” person returned his call for more customer information. He said that staff should be congratulated because the system works the way it should and the Novato Police dispatcher knew exactly what to do.

#### Director Fraites Vacation

Director Fraites advised that he will miss the December 21, 2010 and January 4, 2011 meetings.

#### **CONSENT CALENDAR**

Director Rodoni requested that agenda item No. 7, LAFCO Special District Alternate Representative, be removed from the Consent Calendar for further discussion.

On the motion of Director Petterle, seconded by Director Rodoni and unanimously carried the following items were approved on the consent calendar:

#### **NOMINATION OF SPECIAL DISTRICT REPRESENTATIVE ON THE MARIN LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

Director Rodoni's term as LAFCO Special District Representative will end in May 2011 and LAFCO is soliciting nominations for this position for the four-year term ending in May 2015. The Board nominated Director Rodoni for Special District Representative.

### **LAFCO SPECIAL DISTRICT ALTERNATE REPRESENTATIVE**

This item was removed from the consent calendar at the request of Director Rodoni.

Director Rodoni stated that it is preferable that the District rank the candidates in order of preference to enable an instant run-off in the event one candidate does not receive a majority of the votes.

On motion of Director Rodoni, seconded by Director Petterle and unanimously carried, the Board nominated in order of preference: (1) Craig Murray (Las Gallinas Valley Sanitary District; (2) Kevin Reilly (Almonte Sanitary District); and (3) Pamela Meigs (Ross Valley Sanitary District).

### **RESOLUTION OF APPRECIATION – PAUL KELLEY**

The Board adopted Resolution No. 10-20 entitled, Resolution of Appreciation – The Board of Directors of North Marin Water District to Retiring Sonoma County Supervisor Paul Kelley who is retiring after fifteen years of dedicated and loyal service.

### **ACTION CALENDAR**

#### **RECYCLED WATER PROJECT OUTREACH**

Mr. McIntyre summarized the recycled water project and stated that there are two separate projects: the Novato North Service Area teamed with Novato Sanitary District (NSD) as the producer and North Marin as the distributor; and the Novato South Service Area with Las Gallinas Valley Sanitary District as producer and North Marin as distributor. He said that significant federal stimulus money has been awarded for the projects that will provide approximately 25% of the project funds. He advised that both projects need to proceed simultaneously so that the funds are expended by the required federal deadline. Mr. McIntyre further advised that RMC is the NSD engineer for the Novato North Service Area project design of the treatment plant and pump station; District Associate Engineer Carmela Chandrasekera is designing the pipeline extensions for the North Service Area; and Nute Engineering is designing the pipeline for the South Service Area. He said that, in addition, staff is working on obtaining a low interest rate loan for the 75% balance of the cost for the two projects.

Mr. McIntyre informed the Board that there are approximately eight to ten end users of recycled water in the North Service Area project and more than twenty end users in the South Service Area. He said that it is necessary to outreach to both project areas' end users and that Ryan Grisso, Water Conservation Coordinator, has worked closely with these large landscape end users in performing water budget analyses, and during recent water shortage emergencies. He said that because of his experience with these customers, Mr. Grisso will help with the outreach to customers to obtain their support for the recycled water projects.

Mr. McIntyre advised that to be eligible for Clean Water State Revolving Fund low interest loans, the State Water Resources Control Board requires Market Assurances from recycled water end users. He stated that there are two options to meet the funding qualifications and to keep the projects on schedule: Option 1 is to acquire letters of intent and use agreements from end users; Option 2 is to enact a Recycled Water Ordinance. He said that either option will require the assistance of a public relations consultant to assist staff to gain end user cooperation.

Mr. Grisso presented details of the two options for the Board's consideration and explained the need for a public relations consultant. He said that to be eligible for the SRF loan, Market Assurances from end users, either with letters of intent or by ordinance, need to be obtained by spring 2011. He advised that District Regulation 18, Recycled Water Service, requires connection of recycled water if available; however, Regulation 18 does not meet the state's ordinance requirement. He said that although the City of Novato and Novato Unified School District have not been formally approached yet by District staff, he has been fairly successful in acquiring letters of intent from other end users in the North Service Area (Valley Memorial Park Cemetery, Fireman's Fund, et al). Mr. Grisso advised that much more time will be needed to outreach to customers, attend meetings and address customers' concerns about receiving recycled water. He said that use agreements will still be needed after letters of intent are received, and that a significant amount of staff time will be needed to achieve the Market Assurances through the letters of intent and use agreements option.

Mr. Grisso explained that the most efficient way to meet the spring 2011 goal is to enact an ordinance mandating use of recycled water when available. He said that this option would satisfy the SRF funding requirements as well as the District's Urban Water Management Plan recycled water goals. He said that staff is exploring the feasibility of changing Regulation 18 to comply with the state's requirements. Mr. Grisso opined that with either option, District staff would require the guidance of a public outreach consultant who has experience in ordinance or user agreements, and who can provide advice and direction on how to approach and work with the end users and community stakeholders to obtain their support of recycled water. He said it is important that staff is prepared to respond to customer concerns with materials, and messaging, because the project could be jeopardized by false information about recycled water.

Director Rodoni asked for clarification that user agreements would still be necessary if there was an ordinance in place. Mr. McIntyre said that with an ordinance, the end user agreement would address how the customer uses the water, insure the customer knows the rules and

regulations, and what is required for the District's general permit. He clarified that the end user agreement for market assurances is a more onerous agreement and a legal contract.

Director Rodoni stated that the ordinance is the right thing to do with the public outreach to reinforce the need to use recycled water.

Director Fraites asked if there are consultants in this area of expertise and does staff have any consultants in mind. Mr. Grisso said that there are many qualified consultants who are working with other water districts or city governments that he will contact. He emphasized the importance that the public understands that recycled water is a safe and reliable source of water. Mr. Grisso added that the District will be asking for a Statement of Qualifications from consultants and will try to keep the cost as low as possible.

Director Fraites expressed concern over the requested amount for the consultant.

Mr. DeGabriele stated that if the project were to be delayed, it would risk the grant funding not only for the District but for all North Bay Water Reuse Authority members. He said that whatever option the Board chooses, there will still be a need for outreach to the end users and users of the large turf areas, i.e. Novato Youth Soccer, baseball leagues, Little League and other folks who may be concerned about the use of a new and different source of water. He stated that it is important to address their perception that recycled water may not be as good or safe as the potable supply. Mr. DeGabriele said the District is trying to protect its financial investment and as well as ensure it is doing right for District customers. He advised that he has requested to be placed on the agenda for the Novato City Council meeting and the School District Board of Trustees meeting in January to make a presentation about the recycled water project.

On motion of Director Petterle and seconded by Director Fraites and unanimously carried, the Board authorized staff to move forward with a Recycled Water Ordinance (Option 2) and authorized staff to procure the services of a public relations consultant for an amount not to exceed \$30,000.

**ENGINEERING CONSULTING SERVICES CONTRACT TO HYDROSCIENCE ENGINEERS, INC.  
– POINT REYES WATER 1 MGD TREATMENT PLANT (GREEN SAND FILTER) SOLIDS  
HANDLING ADDITION**

Mr. McIntyre stated that the Point Reyes Treatment Plant solids handling facilities is part of the 2010- 2011 budget that includes the purchase of additional property for siting and for design of those facilities. He said that thirteen firms were sent the Request for Proposal, five firms responded with proposals and those proposals were evaluated by staff using six different criteria. He advised that, based upon that review, HydroScience Engineers was selected to be the best value to the

District. He said the firm rated highly on three primary factors: their proposed project manager had the best demonstrated experience with treatment plants similar to Point Reyes Treatment Plant; they have a good project approach and understand the property constraints; and the overall labor hours were very competitive. He advised that HydroScience Engineers performed recycled water retrofit work for the District at Novato Fire Protection District Station 2. Mr. McIntyre said that Bill Slenter of HydroScience Engineers is in the audience should the Board have any questions.

On motion of Director Baker, seconded by Director Rodoni and unanimously carried, the Board voted to authorize the General Manager to execute an Engineering Consulting Services contract with HydroScience Engineers, Inc. for design phase services in the amount of \$38,470 and a contingency not-to-exceed \$4,000.

**ENGINEERING CONSULTING SERVICES CONTRACT – CSW/STUBER-STROEH – RESERVOIR HILL 0.5 MILLION GALLON CONCRETE WATER TANK REHABILITATION**

Mr. McIntyre stated that the Reservoir Hill 0.5 Million gallon concrete water tank is owned by the City of Novato and District staff is working to obtain a lease agreement to convert the unused tank into a storage tank for the South Service Area recycled water expansion project. He said that a Request for Proposal for the design and preparation of specifications for retrofit work (new roof structure and piping appurtenances upgrade) was mailed to thirteen firms. He said that six firms responded and staff evaluated the proposals based on six different criteria as was used for the selection of HydroScience. Mr. McIntyre said that CSW/Stuber-Stroeh was selected because of job understanding, project approach and labor hours. He informed the Board that CSW/Stuber-Stroeh had previous experience with the Reservoir Hill project and provided a structural evaluation of the tank in 2007. He said that Don Curry of CSW/Stuber-Stroeh is in the audience should the Board have any questions.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board authorized the General Manager to execute an Engineering Consulting Services contract with CSW/Stuber-Stroeh Engineering Group in the amount of \$52,000 and a contingency not-to-exceed \$5,200.

**CHANGE ORDER TO ENVIRONMENTAL SUPPORT SERVICES CONTRACT – (FOR RECYCLED WATER NORTH/SOUTH SERVICE AREA STATE LOW INTEREST RATE LOAN APPLICATIONS) ESA**

Mr. McIntyre said that staff is working to secure low interest rate loans from the State Water Resources Control Board for the recycled water projects. He said the Board previously authorized staff to enter into a contract with ESA to prepare an addendum to the District's SRF application for recycled water in the North Service area. He advised that \$17,500 of the authorized \$20,000 has

been expended and the completed addendum has been submitted to the state; staff is now waiting for their comments. He said that there are additional on-going requests from SWRCB staff related to this project which requires additional ESA support resulting in an increase in costs from \$20,000 to \$25,000.

Mr. McIntyre informed the Board that a separate SRF application for the South Service Area will require another addendum to the application, and that ESA has estimated \$15,000 for its preparation. He reviewed the map included with the agenda item that shows the route of the transmission line that includes cross-country alignments from Las Gallinas through St. Vincent's to Hamilton. He said ESA will assist the District in obtaining various permits related to the cross-country alignment, and an estimated additional \$15,000 is needed for the permitting aspects totaling \$30,000 for ESA support. He said that staff is requesting an increase of \$35,000 to ESA's contract to \$55,000 (\$5,000 to cover the increase costs in the North Service Area and \$30,000 for the addendum and permitting in the South Service Area). He said the costs are included in the FY 10/11 Recycled Water budget.

On motion of Director Fraites, seconded by Director Petterle and unanimously carried, the Board authorized the General Manager to execute a Change Order to ESA to perform additional CEQA and permit-related tasks for the Novato North Service Area and Novato South Service Area Recycled Water projects in the amount of \$35,000.

### **INFORMATION ITEMS**

#### **2010 UWMP DEMAND ANALYSIS AND WATER CONSERVATION MEASURES UPDATE**

Mr. DeGabriele provided an update on the 2010 Urban Water Management Plan (UWMP) Water Demand Analysis and Water Conservation Measures. He stated that the District, along with six other Water Contractors, had been working to develop the new water demands and water conservation estimates for the UWMP with Maddaus Water Management and the report is complete. He said that the report projects water demand to year 2035 and he referred to a table included in the agenda item that compares the 2010 UWMP with the 2005 UWMP. He explained that the gross demand is based on population and jobs figures from ABAG for the District's service area and that gross water demand has fallen approximately 1500 acre feet from the 2005 projections based upon the ABAG figures.

Mr. DeGabriele stated that additionally, the plumbing code requirements for water conservation have increased substantially from 2005, and the plumbing code has become more stringent by requiring water saving fixtures. He said that amounts of recycled water and local supply to be included in the 2010 UWMP have not yet been concluded and the estimates in the

table are taken from the 2005 UWMP and the District will be negotiating with the SCWA over time to determine those numbers.

Mr. DeGabriele stated that the projected ultimate water demand for the District from the Agency has dropped significantly from what is identified in the Restructured Agreement as an annual entitlement and from what was projected five years ago in the 2005 UWMP. He further stated that even with the reduction in demand pursuant to the Maddaus analysis, it will be difficult for the District to meet the SBX7-7 (the California 20% reduction in per capita water use by 2020 legislation) requirements. He said that the District's baseline, pursuant to the guidance from DWR on SBX7-7, is estimated at 179 gallons per capita per day (gpcd); the target, depending on what method is selected, is 143 gpcd. He said that water restrictions and cooler temperatures this past summer resulted in lower demand at 124 gpcd this last fiscal year and the demand will likely be below the target again this year. Mr. DeGabriele said that he is hopeful that demand will rebound for financial reasons; however, the rebound will make it difficult for the District to meet target of 143 gpcd with the current population projections.

Mr. DeGabriele stated that staff will continue to work with SCWA on firming up the Russian River supply numbers and on how to meet target. He said that the Agency understands that the District will have a tough time meeting the SBX7-7 target, and if there is a regional approach, there may be a better opportunity to for the District to make that goal. He advised that legislation enables a regional approach. He said there will be time to reset the SBX7-7 target in 2015 if circumstances change when another UWMP will be prepared.

Director Rodoni opined that other than landscape use, the 143 gpcd is a reasonable goal. He said that if the current demand is 124 gpcd now, that's a 19 gpcd increase and for personal use, that would be ample and the target would be attainable.

Mr. DeGabriele responded that landscape use is not discounted in the gpcd calculation. He provided a detailed explanation of the calculation of the threshold and there was a lengthy discussion.

#### **LOCAL GOVERNMENT COMPENSATION REPORTING PROGRAM**

David Bentley advised that the State Controller has required the cities and counties to submit the salary information for their employees to be posted on the web and which to-date has not included special districts. The District is now ready to submit employee salary information to the state. This also includes payments to Directors and is based on 2009 information that is on the IRS 1099 form.

**NBWA MEETING – DECEMBER 3, 2010**

Mr. DeGabriele said that he was unable to attend the meeting. Director Baker gave a brief report.

**TAC MEETING – DECEMBER 6, 2010**

Mr. McIntyre provided highlights of the TAC meeting held on December 6, 2010. He said that Grant Davis announced that Paul Kelley remains as President of ACWA and that will benefit the region. He stated that the Urban Water Management Plan, Biological Opinion Status, and Fish Flow Project were discussed and Spencer Bader hopes to have the initial review of SCWA budget for next year available in draft form in January.

**PUBLIC POLICY FACILITATING COMMITTEE MEETING DECEMBER 13, 2010**

Mr. DeGabriele advised that the Public Policy Facilitating Committee meeting will be held on December 13, 2010 and that Director Petterle is the District's designated representative. Director Petterle stated that he could not attend and Director Rodoni, who is the District alternate representative, said that he will attend in his stead.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, Wiley Price & Radulovich Fee Increase, Meter Reading Accuracy, Customer Note of Appreciation

The Board also received the following news articles: Press Release – Freeze Alert, Egger to Join Ross Valley Sanitary District Board, NMWD Employees Donate \$400 to Water For People, NMWD Chief Engineer Recognized for Outstanding Service, Stafford Lake Bike Park Moves Ahead in Novato, Marin Builder Mario Ghilotti Dies at 87, Big Chinook Run On The Eel River This Year; and More Fish Will Likely Be Seen At Van Arsdale Station Than In Decades.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 8:56 p.m.

Submitted by

Renee Roberts  
District Secretary