

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 16, 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, Steve Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David L. Bentley and Chief Engineer Drew McIntyre.

District employees Doug Moore (Construction Superintendent), Mike McMaster (Operations Superintendent), Pablo Ramudo (Water Quality Supervisor), Dave Jackson (Associate Engineer), Kathy Graves, City of Novato, and Robert Ruiz, County of Marin, were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Oceana Marin Homeowners Association

Mr. DeGabriele advised the Board that Robert Clark will be attending the bi-annual Oceana Marin Homeowners Association meeting on Saturday, January 20 at the Tomales Town Hall where he will provide an update on the District's activities in Oceana Marin for the first half of the fiscal year.

North Bay Water Reuse Authority

Mr. DeGabriele reported that on January 31, 2007 the North Bay Water Reuse Authority (NBWRA) is scheduling an organizational workshop at Novato Sanitary District and has requested elected officials to participate. He stated that he is asking the Board's Recycled Water Subcommittee members, Directors Baker and Schoonover, to attend. He reminded the Board that the District is not a member in the NBWRA but is participating with the Novato Sanitary District in funding the proposed NBWRA project Environmental Review.

OPEN TIME

Meeting in Point Reyes Station

Mr. McIntyre reported that he and Mike McMaster, by request of the Marin County Fire Department, provided an update on the West Marin Long Range Improvements Plan projects. He said that the discussion was broadcasted to other county firehouses in West Marin from the Point Reyes Station firehouse and topics included the Point Reyes Station area fireflows, new tank construction, operational issues and interface requirements with the Marin County Fire Department.

Embezzlement Legislation

Mr. Bentley reported that he spoke with Assemblyman Huffman regarding proposed legislation dealing with public employees who are convicted of embezzlement of public funds losing their pension. He said that Mr. Huffman is very enthusiastic about the legislation and that Association of California Water Agencies is now interested in supporting the proposed bill. He said that other cities, associations and labor unions may lend their support as well.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the Monthly Progress Report for December and noted that water production in Novato and West Marin is on par from prior years and that no water was produced at Stafford Treatment Plant. He noted that rainfall was down in December and that no rain is predicted for the near future. He also reported that the freezing temperatures resulted in seven reports of no water due to frozen pipes, six broken service lines in Novato and seven double check valves broken in West Marin. Mr. DeGabriele said that in the Safety and Liability category, staff worked forty-six days through the end of the year without accident or injury with one lost day through the fiscal year. The Summary of Complaints shows a 30% decrease in complaints and of the 129 Customer Service Questionnaires sent out, 61 were returned and 94% of those returned said the District is doing a good job.

QUARTERLY FINANCIAL STATEMENT

Mr. Bentley reviewed the Quarterly Financial Statement through December and stated that the District received its first reimbursement payment on the Recycled Water Treatment Plant State Revolving Fund loan. He noted two areas of concern in the budget: 1) the connection fee revenue was projected to be \$2.3 M, but that only \$140,000 has been collected so far this year, and he said that the Whole Foods Project delay is the primary reason the projection is not on target; and 2) the cost of purchased water from Sonoma County Water Agency has increased expenses by \$500,000 due to Stafford Treatment Plant not operating.

Mr. Bentley reported that in Novato water revenue was up 11% over the prior year same period due to a water sales volume increase of 7% and a 2% rate increase. He stated that expenditures were up 3% resulting in an overall net income of \$480,000 for the first six months, and that 47% of the improvement projects were completed this year compared to 22% completed a year ago. There was a 17% increase in revenue in West Marin due to a 6% rate increase and increase in consumption and expenditures were up 3% from a year ago. He stated that another customer in Oceana Marin was added, and revenue is up 3% and expenditures are down 6%. He said that in December Oceana Marin received \$20,000 tax allocation money and now shows a net income of \$42,000 with a cash balance of \$130,000.

CONSENT CALENDAR:

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

POLICY STATEMENT ON PUBLIC RECORDS

The Board adopted the revised District Policy Number 28 – Policy Statement on Public Records.

QUITCLAIM ANTONIOLI EASEMENT

In 1979 the District secured an easement from Mr. Antonioli prior to the Atherton Oaks project, but during construction, field conditions were found to render a portion of the original easement obsolete. Replacement easement documents were recorded in 1981, however, the original 1979 easement was not quitclaimed. The Board authorized the General Manager to execute a quitclaim of the original easement recorded in 1979 on the Antonioli property.

OUT-OF-STATE TRAVEL TO ATTEND LIMS TRAINING

The Board approved approximately \$1200 for out-of-state travel for Pablo Ramudo to attend LIMS training in Pinehurst, North Carolina on January 29, 30 and 31.

DISBURSEMENTS

The Board approved payroll and accounts payable vouchers totaling \$843,371.26.

ACTION CALENDAR

FIREWORKS DISPLAYS PROHIBITION AT STAFFORD LAKE

President Petterle stated that since he is associated with Marin County Parks and Open Space Department, he will excuse himself from the discussion and vote. Vice-President Fraites assumed the chair.

Mr. DeGabriele stated that Water Quality Supervisor, Pablo Ramudo, will present this item to the Board and that Kathy Graves from the City of Novato and Rob Ruiz from the County of Marin are in attendance to provide their input and answer any questions the Board may have.

Mr. Ramudo stated that after each Labor Day at the Lake fireworks event, the lake water has been tested for perchlorate, a chemical used in explosives and combustible fuels as a source of oxygen. He said that before this year, perchlorate was never detected in the water, but that this year the chemical was found in a sample of raw water. He noted that the chemical was not detected in subsequent samples of the raw water nor in the treated water which made him conclude that the source of the perchlorate was likely an unexploded fireworks shell or shell casing that caused local contamination. Mr. Ramudo apprised the Board of the potential health effects of perchlorate. He said that District staff is proposing that fireworks be banned from Stafford Lake Park to protect water quality. He stated that there are alternative fireworks which may not have health effects but that staff would only consider these alternatives provided there is acceptable certification and controls documenting the fireworks' manufacture, purchase, delivery and use. He presented staff's recommendations as follows: 1) generally prohibit displays at Stafford Lake Park and request the Operation Standards Criteria for Stafford Lake Park Water Quality Protection reflect such prohibition; 2) authorize fireworks displays at Stafford Lake Park on a case-by-case basis only when constituents of the fireworks products have no known health effects and there is acceptable certification and adequate controls to confirm the product safety; and 3) direct staff to develop a policy, in cooperation with the County of Marin, regarding recreational use of Water District lands.

Director Rodoni asked who would have the authority to decide if fireworks would meet health requirements in recommendation #2, and inquired if the policy on recreational use on District land is being revised or if a new policy is to be developed in recommendation #3.

Mr. DeGabriele stated that fireworks will be banned anywhere in the watershed and that staff would come to the Board for approval on future fireworks displays on a case-by-case basis and that staff would do due diligence with expertise in-house or elicit technical expertise from the outside to support such an approval. He said that past District policies on recreational use of watershed lands have essentially been abandoned since the County Parks and Open Space Department took over responsibility of the park land management. He stated that it is important to work with the county to develop that policy.

Kathy Graves, City of Novato, stated that she has been involved in all eleven Labor Day at the Lake events and supports the Board's decision to protect water quality. She stated that she will

continue to work with the county and District to work on the 2007 event either with or without fireworks.

Director Rodoni stated that he would like to vote on each recommendation separately as he wanted to add language to recommendation No. 3 and moved to approve recommendation No. 1.

Director Schoonover stated that he was in favor of adding the language to recommendation No. 3 and then vote for all three recommendations.

Director Rodoni removed his motion. He proposed that the following language be inserted into recommendation No. 3 as follows: "Direct staff to develop a policy, in cooperation with the County of Marin and other land owners, regarding use of Stafford Lake and its watershed."

On motion of Director Schoonover and seconded by Director Rodoni the Board approved staff's recommendation with the revised language of recommendation No. 3 by the following vote:

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSTAIN: Director Petterle

ABSENT: None

Ms. Graves and Mr. Ruiz left the meeting at 8:06 p.m.

President Petterle resumed the chair.

ON-CALL & STAND-BY DUTY POLICY REVISION

Mr. DeGabriele stated that approximately three months ago the Board approved sending the On-Call and Stand-by Duty Policy revisions to SEIU for review and that comments were received from the employee stewards. He said that staff worked with the employee stewards to come up with fair escalation of current on-call compensation of approximately \$8,000 advising that the on-call rates had last been adjusted circa 2000. He noted that \$10,000 is for additional stand-by compensation on holiday weekends and that this will afford the District greater reliability when there is no staff here on long weekends to respond to calls.

Director Rodoni asked if the compensation would be adjusted at the same time and rate as future salary adjustments and Mr. Bentley replied that it would.

On motion of Director Fraites and seconded by Director Rodoni, the Board unanimously approved the revised District Policy for On-Call and Stand-By Duty effective February 1, 2007.

NOMINATION FOR MARIN LAFCO SPECIAL DISTRICT REPRESENTATIVE

Mr. DeGabriele stated that Dennis Rodoni's seat on the Marin LAFCo as Special District Representative – Regular Member is up for reelection and recommends that the Board submit Director Rodoni's name for nomination.

On motion of Director Schoonover and seconded by Director Fraites, the Board unanimously nominated Director Rodoni for Special District Representative – Regular Member to the Marin Local Agency Formation Commission.

CREEGAN & DEANGELO CHANGE ORDER – STAFFORD DAM OUTLET TOWER REHABILITATION

Dave Jackson, District Associate Engineer, reviewed the circumstances leading up to the request for additional funds for Creegan & DeAngelo to complete the detailed design phase of the Stafford Dam Outlet Tower Rehabilitation project. He said that the Division of Safety of Dams required seismic evaluation of the outlet tower be conducted and that the design phase was put on hold until this evaluation was completed. He reported that the evaluation changed the scope of work which now included lowering the outlet tower, switching from electric gate operators to hydraulic operators, and incorporating the outlet tower gate operators into the STP control system which is all more complex than first anticipated. Mr. Jackson said that the cost for the extra design work is estimated at \$48,000 and that the change order request is for the completion of contract documents so that the project can move forward and be put out to bid. He cautioned that the review of the 100% project design submittal by Division of Safety of Dams may add additional design costs and project delays.

Mr. Jackson answered questions from the Board on the design of the tower, operation of the hydraulic gates, maintenance, estimated costs and if the State Revolving Fund loan can be extended.

On motion of Director Schoonover and seconded by Director Baker, the Board unanimously approved authorizing the General Manager to execute a change order to increase Creegan & DeAngelo's fees by \$48,000 for design engineering services.

RECYCLED WATER FACILITY & PIPELINE UPDATE & RMC'S BUDGET AMENDMENT NO. 5 FOR RECYCLED WATER FACILITY & PIPELINE PROJECT

Mr. McIntyre stated that staff is requesting authorization to amend RMC's contract to provide additional funds to their contract for the Recycled Water Facility and Pipeline Project. He said that delays in getting an executed agreement with Black Point Partners necessitated the project be rebid, and that RMC increased their hourly rate during this period which is greater than

what was anticipated in 2004. Mr. McIntyre reported that RMC had requested additional compensation in the amount of \$23,887, but that staff negotiated the amount of increase, recognizing that expenditures to date have been within budget. He said that the agreed upon amount of increase is \$7,400 and that the project is expected to be completed below the estimate of \$4.9M and the proposed increase is well within the project contingency. He stated that it is anticipated that costs may be incurred at the end of the project on start-up and training.

On motion of Director Baker and seconded by Director Fraites, the Board authorized the General Manager to execute a new amendment to increase RMC's fee by \$7,411 for engineering services during construction.

CSW/STUBER-STROEH CONSULTING ENGINEERING CONTRACT - STRUCTURAL EVALUATION OF RESERVOIR HILL CONCRETE WATER TANK

Mr. McIntyre advised that the District is interested in acquiring the out-of-service Reservoir Hill water tank from the City of Novato for storage of recycled water and that staff had set aside \$20,000 in the 2005/2006 fiscal year budget for an evaluation of the tank. He stated that staff performed a preliminary evaluation to determine how much rehabilitation of the tank would be necessary and it was determined that the existing wood roof is in need of repair and is estimated to cost \$200,000 to \$400,000. He said that it became evident during the evaluation that the overall integrity of the concrete slab and sidewalls should also be evaluated. Mr. McIntyre reported that CSW/Stuber-Stroeh was asked to provide a proposal to perform an evaluation of the existing structure, including core sampling of the concrete slab and testing by CSW's subcontractor Baseline Engineering.

On motion of Director Fraites and seconded by Director Rodoni, the Board unanimously approved authorization of the General Manager to execute a contract to CSW/Stuber-Stroeh for a not-to-exceed amount of \$30,000 to perform a structural evaluation of the Reservoir Hill Tank.

ACCESSORY UNIT CONNECTION FEE REDUCTION FOR 2007 RESOLUTION

Mr. Bentley reported that at the last meeting, the Board agreed to adopt a 50% reduction in connection fees during 2007 for those second units eligible to participate in the County Amnesty Program subject to review by District legal counsel. He said that there is no legal problem and that staff recommends one additional modification to the proposal that was reviewed by the Board which is to limit the fee reduction to existing second units eligible under the County Amnesty Program. New construction would not be eligible.

On motion of Director Fraites, seconded by Director Rodoni, the Board approved Resolution 07-01 entitled, "Resolution of the Board of Directors of North Marin Water District Revision of North Marin Water District Regulation 1 – New Service Connections."

INFORMATION ITEMS

LETTER FROM CUSTOMER ROBERT HEMPHILL

Mr. DeGabriele advised the Board that staff received a detailed letter from Robert Hemphill who has requested a written response and the Board will review staff's response at the next Board meeting.

TAC MEETING – JANUARY 8, 2007

Mr. DeGabriele apprised the Board that the Technical Advisory Committee is moving forward on several subcommittee initiatives and that the TAC received a draft of the Sonoma County Water Agency's Budget showing a proposed 3.5% increase in the cost of purchased water for North Marin.

MISCELLANEOUS

The Board received the following miscellaneous information: 2nd Quarter Overtime Report, Memo: Water for People Fund Raiser by NMWD Employees, ACWA Presents Emissary Award to Bob Maddow, Memo: City Measures A & B Pavement Rehabilitation & Excavation Prohibition, HET Distribution News Coverage, Hydro Herald News, Stolen Truck at Stafford Treatment Plant.

The Board also received the following news articles: Paper Water? (1/11), Plan Would Fund Two Dams (1/10), Bold Move on Global Warming (1/10), Quenching County's Thirst (1/7), It Only Seems Dry (1/7), Water District News (1/4), Spend Our Cash Wisely! (1/3), Obituary: Charles "Pat" Semple (1/3).

ADJOURNMENT

President Petterle adjourned the meeting at 8:50 p.m.

Submitted by

Renee Roberts
District Secretary