

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 7, 2006**

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 Fraitas, Steve Petterle, Dennis Rodoni and John Schoonover. Also, present were General Manager Chris DeGabriele, Secretary Renee Roberts, and Chief Engineer Drew McIntyre. Auditor-Controller David Bentley was absent.

District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent), Doug Moore (Construction Superintendent), Pablo Ramudo (Water Quality Supervisor), Larry Timmer, Vice President, Harris & Associates and Selby Mann were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

The General Manager notified the Board that Mr. Bentley is attending a memorial service and may not be present at tonight's meeting.

Oceana Marin Association

Mr. DeGabriele reported that he attended the Oceana Marin Association meeting on Saturday, January 21, 2006. He stated that the residents were very interested in the proposed Parcel K development and representatives from that development were in attendance. He noted that representatives from the Coptic Monastery also were in attendance to discuss the possible development of the former Christopher property. Mr. DeGabriele stated that he provided an update on North Marin's projects, mid-year financial status, information on the rebuilding of lift station pumps and that the pond controls upgrade is being deferred. He stated that the audience was interested in the maintenance of the emergency generator and was happy to hear that Oceana Marin is operating in the black.

Tomales Bay Watershed Council

Mr. DeGabriele reported that he and Mike McMaster attended the Tomales Bay Watershed Council kick-off meeting on the Integrated Coastal Watershed Management Plan and that the scheduled completion date for the plan has been extended from December 31,2006 to March 2008, but that the Council plans to complete the plan within eighteen months. He noted that the Tomales Bay Watershed Council has received a state grant under Prop. 50 to prepare the plan.

California Hydroelectric Seminar

Mr. DeGabriele apprised the Board that he attended the California Hydroelectric Seminar last Friday where there was discussion on the re-licensing of hydroelectric plants.

Sonoma County Water Agency

Mr. DeGabriele reported that he attended the Sonoma County Water Agency Board of Directors meeting and that the Agency is moving forward with environmental studies pursuant to activities related to flood control, dam operations and hatchery operations. He stated that the National Marine Fisheries has committed to issuing a biological opinion this October for existing Agency and Corps of Engineers' operations and activities on the Russian River project.

OPEN TIME

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

Recycled Water Project Pre-Bid Meeting

Mr. McIntyre apprised the Board that on Thursday, February 9 at 10 a.m. there will be a mandatory pre-bid meeting with interested contractors. He stated that at this time there have been twenty-nine contract documents issued and nine general contractors who have requested documents and that the bid opening is scheduled for March 2, 2006.

CONSENT CALENDAR:

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

ANNUAL REPORT

The Board approved the Annual Report for FY 2004/05.

PARTNERSHIP BETWEEN NMWD & MMWD FOR 2006 MARIN H2O HOW2 FAIR

The Board authorized the General Manager to enter into a letter agreement with Marin Municipal Water District for a full partnership in the 2006 Marin "H2O How2" Fair for an amount not

to exceed \$15,000. The goal of this event is to teach customers about the benefits of water - efficient landscaping and plumbing fixtures.

AGREEMENT TO PROVIDE FLUSHING PROGRAM LOCATION SERVICE- GERALD BUNDESEN

The Board authorized the General Manager to enter into an agreement for consultant services with Gerry Bundesen for work to be performed during the 2006 flushing program.

AMENDMENT TO CONTRACT FOR DRAFTING SERVICES - ABEREGG

The contract for drafting services for Michael Aberegg increasing the amount from \$20,000 to \$30,000 was approved by the Board. Mr. Aberegg will continue to provide services on an as needed basis for developer and/or District projects.

FY06/07 BUDGET REVIEW SCHEDULE

The Board approved the proposed budget review schedule for FY 2006-07 noting that the meeting in Pt. Reyes is scheduled for June 27 in lieu of July 4.

BUDGET AUGMENTATION FOR PURCHASE OF FORKLIFT AT TREATMENT PLANT

A \$10,500 augmentation of the equipment expenditures budget was approved by the Board authorizing staff to purchase the 1997 Hyster Forklift now in operation at the Stafford Treatment Plant.

DISBURSEMENTS

The Board authorized payroll and accounts payable vouchers totaling \$394,103.86 and estimated overheaded payroll for February of \$263,000.

ACTION CALENDAR

DENY-BILL ADJUSTMENT- SCHIENBERG/MANN

Mr. DeGabriele introduced Mr. Selby Mann of 70 Verissimo Drive, and stated that he is present to request a bill adjustment for his January 2006 bill and that Mr. Mann had previously received a bill adjustment in June 2005. He stated that District policy limits customers to one bill adjustment every twenty-four months. Mr. Mann recapped his problems with multiple leaks in his private service line and stated that all leaks have been repaired and that the current bill of \$1,054 presented a financial hardship. The Board confirmed that Mr. Mann had received the best of the two possible adjustments to his account.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board denied Mr. Mann's request for a second bill adjustment. Mr. Mann thanked the Board and left the meeting.

APPROVE: HARRIS & ASSOCIATES RE STAFFORD TREATMENT PLANT REHABILITATION PROJECT CONSTRUCTION MANAGEMENT CONTRACT CHANGE ORDER NO. 2

Mr. McIntyre reminded the Board that the last progress report on the Stafford Treatment Plant Rehabilitation Project as presented by the Project Manager, Michelle Leonard, reported that the project continues to be behind schedule with an anticipated completion sometime in March or early April. He stated that Ms. Leonard reported that these delays have had financial impacts on Harris & Associates and that earlier in the year, the Board had approved a change order in the amount of \$200,000 to keep the staffing of the construction management team at the current level. He stated that it was anticipated that by this time the contractor would be finishing up punch lists and that staffing could be reduced, but that has not been the case. Mr. McIntyre said that at the time the first change order was presented, Mr. Timmer, Vice-President of Harris & Associates, told the Board that he hoped that would be the only change order, but if delays continued, he would find it necessary to come back to request another change order. Mr. McIntyre stated that it was staff's opinion that Harris & Associates has a legitimate claim for additional compensation, but that staff is not in agreement with the requested amount of \$139,000 and that staff is requesting that the Board authorize the General Manager to enter into negotiations with Harris & Associates to amend their contract.

Mr. Timmer thanked the Board for their consideration of the previous request. He explained that Ms. Leonard has been able to cover expenses for January; however, additional funds are needed to extend construction management services until May. He stated that the project was to have been completed in October and that the contractor has failed to complete on time. He said that Harris & Associates wants to do the best job for the District while maintaining solvency with the firm.

On motion of Director Fraites, seconded by Director Baker and unanimously carried, the Board authorized the General Manager to negotiate a price for Change Order No. 2 to Harris & Associates' contract and return back to the Board for approval.

Director Baker stated that the District has been very pleased with Michelle Leonard's performance as Project Manager.

Director Petterle requested that the Board be provided with a breakdown of costs including money spent on purchased water from SCWA. Mr. McIntyre stated that this information is being compiled now, and Mr. DeGabriele stated that the Board would be fully informed in a future closed session.

Director Rodoni stated that it is important to know if there are other factors that have caused the delay in completion other than the contractor's performance and if those factors are being tracked.

Director Schoonover stated that most of the problems are caused by the contractor's staffing inadequacies.

Mr. McIntyre stated that a certain amount of onsite management including an onsite inspector is expected during the construction period. He stated that there hasn't been the productivity that was expected in the two-year period and as a result inspection staff time has been extended.

Mr. Timmer thanked the Board and left the meeting.

APPROVE: QUITCLAIM PORTION OF UNUSED EASEMENT AT 292 (APN 143-110-90) & 294 (APN 143-110-78) OLIVE AVENUE

Mr. McIntyre stated that in 1986, the District acquired a 40-foot wide easement over a 40-foot wide driveway access and utilities easement as part of the Schon water main extension project. He stated that the homeowner of 292 Olive Avenue has requested to allow new residential construction within a portion of the existing easement resulting in the District having to quitclaim 20 feet of the existing 40-foot easements across both parcels. He stated that the quitclaims would still provide the District with a 20-foot wide easement required for construction and maintenance of the existing water mains and facilities.

On motion of Director Petterle, seconded by Director Baker and unanimously carried, the Board approved the quitclaims of the unused portions of existing easements for 292 and 294 Olive Avenue and authorize the General Manager to execute said quitclaims.

APPROVE: QUITCLAIM EXISTING EASEMENT IN TRADE - COOPER LAND DIVISION (APN 140-101-29)

Mr. McIntyre reported that in July 2005, the Board approved the Cooper Land Division which required additional waterline easements to accommodate a new water main extension for the two lot land division. He stated that the applicant's engineer surveyed the existing water line easement within said property and discovered that the existing easement needed to be shifted slightly to center the easement over the pipeline.

On motion of Director Fraites, seconded by Director Petterle and unanimously carried, the Board approved the quitclaim for APN 140-101-29 and authorized the General Manager to execute said quitclaim.

APPROVE: AMENDMENT TO REGULATION 5 - TEMPORARY WATER SERVICE

Mr. McIntyre stated that the purpose of the proposed amendment to Regulation 5 - Temporary Water Service is to strengthen the regulation as it pertains to floating fire hydrant meters, specifically, to eliminate the use of floating meters at unspecified locations and to update costs. He stated that the regulation was amended in 1992 to provide floating fire hydrant meters and allowed for hydrant meters to be installed by the applicant. Mr. McIntyre stated that some of the problems with not knowing the location of the installed fire hydrant meter are: the meter could be installed on a hydrant with limited storage capabilities; the possible withdraw of water at such a rate that it causes turbidity; and there is also a cross connection risk. He said that other agencies were surveyed and three out of five agencies do not allow applicant installed floating fire hydrant meters at unknown locations. The proposed language restricts floating hydrant meters to ninety days rather than one year, doubles the fee and requires that the applicant get District authorization before installing the meter at a new location. Mr. McIntyre said that Director Schoonover suggested additional language be included addressing that failure of an applicant to get District authorization prior to relocation of the meter will be cause for revocation of the temporary service permit.

On motion of Director Baker, seconded by Director Rodoni and unanimously carried, the Board approved Regulation 5 - Temporary Water Service as amended.

INFORMATION ITEMS:

MID-YEAR PROGRESS REPORT- MAINTENANCE DEPARTMENT

Mr. Clark provided the Board with the mid-year progress report for the Maintenance Department stating that progress has been as planned and scheduled except for minor variances. He reported that the Lynwood Pump Station flooded in late October causing pump failure and that warning alarms have been installed to give staff time to respond should flooding occur again. Mr. Clark stated that there was a communication failure at the Verizon facility in West Novato causing lost operational visibility of the Distribution Control and Monitoring System for two weeks after late December storms. He also reported that injuries and illness of Maintenance staff impacted the department's completion of scheduled maintenance projects.

MID-YEAR PROGRESS REPORT- WATER QUALITY

Mr. Ramudo reported to the Board that during the second quarter water served to Novato and Point Reyes service areas met federal and state water quality standards. He said that no *cryptosporidium* or *giardia* cysts were detected in any samples of Stafford Lake raw water, and in Point Reyes, water quality parameters affected by salinity intrusion remained low but that several coliform positive raw water samples were collected leading to an ongoing effort to disinfect the

Coast Guard wells. He stated that despite the presence of coliform bacteria in the wells, finished water samples were negative in Point Reyes. He reported that there were two coliform positive samples in the Novato distribution system water but that it is suspected that sampling error created a false positive result since both samples had residual chlorine sufficient for disinfection. Mr. Ramudo apprised the Board of the events in the Black Point area of Novato during a break on a fire hydrant lateral on Atherton Avenue near Highway 37. He said that this break dropped pressure in the Black Point area and customers at the highest elevations experienced an interruption in service until the break was repaired. He said that Lab staff collected samples from homes in the affected areas and tests showed there was no bacterial contamination.

MID-YEAR PROGRESS REPORT- ENGINEERING

Mr. McIntyre presented the Engineering Department's mid-year report. He stated that for the Novato system, District performance in completing improvement projects is trailing planned performance and in West Marin, planned performance also trails actual completion. In Novato, all project areas are estimated to be completed at or below original budget and that the delay in the start of the Recycled Water Treatment project will result in a reduction of approximately \$2M in forecast vs. budgeted expenditures during FY 05-06. Mr. McIntyre stated that four new projects have been added during the first half of the fiscal year resulting in additional improvement project expenditures of approximately \$275,000 and that staff continues to work with consultants on the District's new storage tank projects.

In West Marin improvement projects are projected to be completed at or below original budget and although two projects have been added this year, forecasted expenditures will trail the approved budget by approximately 11%.

EAST SHORE WASTEWATER IMPROVEMENT PROJECT ENVIRONMENTAL IMPACT REPORT

Mr. DeGabriele provided the Board with information on the East Shore Wastewater Improvement Project Environmental Impact Report public scoping session on Thursday, February 16 at the Dance Palace Community Center in Point Reyes Station. Mr. DeGabriele said that he intends to notify LAFCo of the District's intent to de-annex the Marshall area from the District's service territory.

NORTH BAY WATERSHED ASSOCIATION MEETING - FEBRUARY 3, 2006

Director Fraites provided a brief report of the North Bay Watershed Association Meeting held on February 3, 2006. He also advised the Board of the upcoming NBWA conference on April 7.

WATER ADVISORY COMMITTEE MEETING - FEBRUARY 6, 2006

Mr. DeGabriele provided a summary of the Water Advisory Committee meeting held on February 6, 2006. He reported that Jake MacKenzie, City of Rohnert Park council member, updated the WAC on the status of the Restructured Agreement Section 2.4 revision. Mr. DeGabriele reported that the WAC was apprised of North Marin's Board action approving the proposed revised language and he advised the Board of the comments of the other contractors. Mr. DeGabriele stated that the SCWA presented their draft budget for FY 2006-07 which was favorably accepted and that Paul Helliker expressed concern that there would be a surcharge placed on each water connection in the state to pay for the governor's proposed bond and water tax and suggested that each contractor make their position known to the state government.

Mr. DeGabriele reported that the Urban Water Management Plan has not been completed by the Sonoma County Water Agency and may be several months before the plan is adopted by the water contractors and that this is a concern for all contractors who rely on state financing as funding by the state cannot occur without an adopted Urban Water Management Plan.

MISCELLANEOUS:

The Board received the following miscellaneous information: Review of Scheduled Agenda Items, Water Conservation Program Quarterly Status Report, CALFED Bay-Delta Program Science Conference 2006, Single-Service Installation Cost, Vehicle Auction Proceeds, HET Toilet Rebate Information.

The Board also received the following news articles: Study Shows State's Water Use Not Expected to Change in 25 Years, Novato Memories (1/25), Syar Seeks Extension to Mine in Russian River (1/23), Coyote Valley Dam Pump Failure Kills 100,000 Steelhead (1/22), Dillon Water Rates May Triple (1/19).

ADJOURNMENT

President Schoonover adjourned the meeting at 9:30 p.m.

Submitted by

Renee Roberts
District Secretary