

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
February 20, 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, Auditor-Controller David L. Bentley, Chief Engineer Drew McIntyre, and Acting Secretary Sue Kessler.

District employees Doug Moore (Construction Superintendent), Mike McMaster (Operations Superintendent), Carmela Chandrasekera (Assistant Engineer), and Mr. Steve Cleveland (Coastland Civil Engineering) and Mr. Robert Hemphill were in the audience.

**MINUTES**

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

**GENERAL MANAGER'S REPORT**

**Stafford Treatment Plant Start-Up**

Mr. DeGabriele informed the Board that Stafford Treatment Plant had started up last Thursday and has been producing water for the last five days. He noted that staff is working on cost data for the shutdown period since late October 2006, and stated that hopefully he will have that information for the Board at the next meeting.

**Community Choice Aggregation Meeting**

Mr. DeGabriele informed the Board that this Thursday, he will be attending a Community Choice Aggregation Task Force meeting being held at the County of Marin. He noted that this will be the first report on what the county's consultant has done on Phase Two of the Community Choice Aggregation, and stated that he will have additional information at the next meeting.

Director Petterle asked if perhaps a Board member should also represent the District at this meeting, and Mr. DeGabriele responded that he was uncertain at this time but commented that the county is interested in forming subcommittees of the Task Force and noted that the District could then choose a Board member to represent the District, and that he would know more after the meeting.

### Marin County Special District Association Annual Dinner

Mr. DeGabriele reported that Thursday evening, he would be attending this event, and hoped that Director Rodoni would be able to attend also. He noted that Jared Huffman is scheduled to speak.

### Green Vision Workshop

Mr. DeGabriele reported that on Monday, February 26<sup>th</sup>, the County is holding a Green Vision Workshop, hosted by Marin County Open Space District and sponsored by Bay Area Open Space Council and the Green Belt Alliance. He stated that the goal is to identify the most important conservation lands within Marin County, and commented that NMWD has been invited because of its Stafford Lake properties.

### Marin Environmental Forum

Mr. DeGabriele also informed the Board that on March 3<sup>rd</sup>, he would be speaking to the Marin Environmental Forum. He noted that they are holding a series of workshops this year entitled "Toward a Sustainable Marin."

### Water Quality Supervisor

Mr. DeGabriele informed the Board that Pablo Ramudo, NMWD Water Quality Supervisor, was not able to attend this evening's meeting due to a death in the family. He stated that Mr. Ramudo's item – "Quarterly Progress Report – Water Quality" – could be received as presented or held over until the next meeting.

### **OPEN TIME**

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

#### Replacing Stafford Lake Bridge

Mr. McIntyre reported to the Board that District staff has been in communication with the consultant working for Marin County Parks with respect to replacing the old wooden "fishing" bridge at Stafford Lake, which had been rendered completely inoperable since last year's flooding. He noted that there has been some initial outreach, and more work will be done to replace the bridge. He stated he would keep the Board posted on its progress.

#### Leaky Valve at Long's Drugs

Director Schoonover stated that recently there had been a leaky valve out in front of the Long's on Novato Blvd. The store manager reported to him that the District employee who responded to the call had been very efficient, friendly and cooperative, that it had been a good experience and the problem was quickly resolved.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele reviewed the progress report for January 2007, and noted there were a few minor corrections: in October, there was a little more water production (another 6M gallons) from Stafford Treatment Plant than was shown on the report, which brought the total up to 60M gallons through January, and the fiscal year-to-date total for Novato to 2,259M gallons. He further reported that in Novato, water production was on par with last year's production, and similarly so in West Marin, and noted that during the spring months, water production, as well as water use, is most variable. Mr. DeGabriele also commented that the Stafford Lake data through January noted very little rainfall (8.71 inches for the year); however, in February to date, there has been almost 3" of rain, and noted that staff was hopeful to gain additional rainfall in the near future.

The General Manager also reported that at Oceana Marin, the disposal fields didn't operate in January, but the freeboard and the storage pond at the treatment plant were in good shape.

Mr. DeGabriele reported that since the December report, there had been an additional work-related injury of short duration, and that the yearly total was now up to three incidents; however, only five lost-time days were incurred.

Mr. DeGabriele also noted that on both the bacteriological and chemical water quality standards were met, and reported that the customer summary of complaints and services orders was on par with last year, but up slightly principally in the area of service repair reports.

### **CONSENT CALENDAR**

Director Rodoni requested that Item 5, Black Point Golf Course – Amendment No. 1, be removed from the Consent Calendar for further discussion, and Director Petterle requested that Item 10, Hemphill Letter Response, also be removed for further discussion.

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

### **OAK PARK ESTATES LAND DIVISION – AMENDMENT NO. 3**

At the April 1, 1997 meeting, the Board authorized an agreement with Pacific Guaranty Mortgage for the Oak Park Estates Division of Land in the amount of \$71,692. At the November 17, 1998 meeting, the Board authorized assigned of this agreement (Amendment No. 1) to the project's

new owner, Gregory Schoepp, with a new estimated cost of \$96,700. The original design had called for the installation of a second, buried 2,000-gallon water storage tank. Due to recent construction of the Cherry Hill pipeline extension, the District was able to bring a more reliable source of high-pressure water to this area via the Cherry Hill storage tanks. Therefore, on August 1, 2006, the Board approved Amendment No. 2 to the agreement to modify the design to eliminate the buried storage tank in lieu of a 500-foot pipeline extension to connect to the Cherry Hill transmission pipeline. Since approval of this amendment, the applicant (Schoepp) has completed installation of the new pipeline extension.

It is anticipated that the Cherry Hill pipeline extension will be completed by the end of spring 2007, and once completed, water will be able to be delivered to the Oak Park Estates project via this pipeline extension segment. It will also allow the District to move forward to eliminate the entire Hancock pump station and buried storage tank water system.

All work has now been completed for the Oak Part Estates project. During project close-out, staff discovered that Amendment No. 2 should have included elimination of the Storage and Pumping Credit (\$2,625) and the associated Pump Station Improvements Contribution (\$8,333). Amendment No. 3 revised the original Water Service Agreement to reflect these changes, resulting in a net reduction (\$5,708) of fees paid to the District. Closeout shows that \$34,508 is to be refunded to the applicant; amended agreement costs are reflected in the Disbursements for said applicant as part of this Board agenda.

### **OLEANDER LAND DIVISION**

The Oleander Land Division consists of constructing water facilities for a 13.65-acre proposed development with four residential lots and one parcel for conservation area. The former owner of the property applied for water service and the Board approved an agreement for the project on August 3, 2004. However, that applicant failed to execute the agreement within a 30-day period and an amendment to the agreement was approved in July 2005. This amendment also expired since the applicant did not make financial arrangements and construct within one year from the date of the amendment, and District staff has since terminated the agreement with the former owner.

New owners of the property (James and Margaret Otterlee) are ready to move forward with the project and have requested addition of two new temporary irrigation services to establish hillside plantings which require irrigation for three years. Staff has revised the cost of the project to include changes in initial charges, construction labor and material costs, and those changes are reflected in this new agreement.

Water for the land division will be supplied by the Cherry Hill Tanks, and residents in this new development will receive Zone 3 water, regulated by the Plum Street Pressure Reducing Station. New water facilities proposed for this project include 1,000 feet of 8" PVC pipe, 60 feet of 6" PVC fire hydrant laterals, 40 feet of 6" welded steel fire hydrant lateral, a total of 100 feet of 1" copper laterals for four new services, and 60 feet of 2" copper laterals for two new 1.5-inch temporary irrigation services. Of the four new residential lots, one will be designated as high-pressure service while the other three will be within the normal pressure range.

The project cannot be completed until water facilities for the Cherry Hill Pipeline Extension Phase 2 is complete. A Mitigated Negative Declaration was approved by the City of Novato on July 14, 2003.

### **REQUEST TO SOLICIT FINANCIAL AUDIT PROPOSALS**

The District last solicited financial audit proposals in 2003, at which time the District entered into an agreement with Moss, Levy & Hartzheim to perform the District's financial audits for a four-year period. After performing the 2003 and 2004 audits, the managing partner at Moss, Levy & Hartzheim was fired and their local office shut down. In May 2005, the Board approved the Auditor-Controller to enter into an agreement with Porter & Company to perform the District's annual financial audits for fiscal years ending 2005 and 2006.

The District periodically surveys the market to assure its customers an economical and objective audit examination. Staff proposes to mail a preliminary letter to firms who have expressed interest, to the largest CPA firms in Marin and Sonoma counties, and all CPA firms who have responded to previous proposal requests, and then follow up with a secondary letter (with a copy of last year's audited financial statements) to those firms that expressed interest. Staff is looking to solicit for an audit contract of four years.

### **POLICY RE HIRING OF IMMEDIATE FAMILY MEMBERS**

In September 2006, the Board approved sending the District's Policy Regarding the Hiring of Immediate Family Members to SEIU for review. The union did comment on the draft policy and staff coordinated their response with legal counsel. Staff has not since received any further SEIU comment on the policy subsequent to the District's response.

### **ANNUAL REPORT**

The final version of the Annual Report for 2005-2006 was approved by the Board.

### **DISBURSEMENTS**

The Board approved payroll and accounts payable vouchers totaling \$1,504,118.51.

## **ACTION CALENDAR**

### **BLACK POINT GOLF COURSE – AMENDMENT NO. 1**

Mr. McIntyre explained that this project is an amendment to the original Black Point Water Service Agreement, which was approved by the Board on April 18, 2000, and encompassed the clubhouse and residential homes above the clubhouse. He reported that since that time, the developer has gone back and forth with plans to construct a maintenance facility (three offices, locker room and equipment storage areas). Mr. McIntyre noted that in revising the Water Service Agreement, staff has looked at the historical water usage for the clubhouse's entitlement (8 EDUs) and there is sufficient reserve entitlement to authorize an amendment to the existing agreement. Mr. McIntyre also commented that only 2 additional EDUs have been allocated to the new maintenance building. He further noted that the agreement as modified does not collect any additional connection fees; however, it does collect installation costs associated with extending the water main from the existing pipeline.

Director Rodoni asked what opportunity the District has to revisit the agreement to make certain that the EDUs stay in line, and stated he feels this is important since there is no way to know how the facility will operate when at full potential, and further stated that the usage needs to be checked again and kept track of. Director Rodoni also commented that it was his understanding that the residential portion of the property had been sold and questioned whether they were still working under the agreement with Black Point. Mr. McIntyre replied that the residences had been sold, and explained that with respect to water service agreements, once Board approval is obtained, the entitlements are entered into a database and that the database will be queried once a year. Mr. McIntyre also noted that District regulations state that agreements can be revisited and modified accordingly.

On motion of Director Rodoni and seconded by Director Fraites and unanimously carried, the Board approved authorization of Amendment No. 1 to the Water Service Agreement with Black Point Golf Links.

### **HEMPHILL LETTER RESPONSE**

President Petterle acknowledged Mr. Robert Hemphill's presence in the audience, and stated that he believed that David Bentley would be responsible for drafting the response letter. Director Petterle stated that he felt the letter should begin by first thanking Mr. Hemphill for his letter. He noted that the base rate language in the District's response to Mr. Hemphill's first issue was still confusing and asked if it couldn't be "smoothed out" to make it as clear as possible. Director Petterle then addressed several specific suggestions to revise the letter.

On motion of Director Fraites and seconded by Director Rodoni and unanimously carried, the Board authorized President Petterle to sign the response letter to Robert Hemphill as amended.

**EXCHANGE AND RENTAL AGREEMENT – SOLAR BEES**

Mike McMaster commented to the Board that this item was for a change in the type of Solar Bee aerator units originally installed in Stafford Lake last year. He noted that the purchased units had been performing well, and consisted of three twenty-foot-deep straight-pipe circulators to control algae, and a fourth unit, used to circulate the lower lake levels, which is referred to as a “hypolimnetic” circulator. He stated that this unit is not getting to the very bottom layer of reservoir water and thereby resulting high manganese levels in the lake when it went through the natural lake turn-over last October.

Mr. McMaster also reported that Solar Bee offered to exchange the existing hypolimnetic unit for a “J-pipe” style and noted that the J-pipe unit moves less volumes of water, and Solar Bee recommends adding another J-pipe style hypolimnetic unit to better oxygenate the reservoir bottom.

Mr. McMaster further reported that staff recommended renting the additional unit until October to allow time to evaluate its effectiveness in dealing with manganese, at which time the District would have the option of either removing or purchasing the units. He noted that an equipment purchase line item would be added to the FY2007/08 budget should the District decide to purchase the unit.

Director Rodoni asked if that was the reason that the financial impact was variable, and Mr. McMaster replied that it was based on whether or not the District accepted the unit; if they don’t work, he stated staff would have to develop another solution.

On motion of Director Schoonover and seconded by Director Rodoni and unanimously carried, the Board approved the exchange and rental agreement for the Solar Bee Lake Aeration System for two Solar Bee hypolimnetic circulators of the J-pipe style.

**MATCHING FUNDS FOR STAFFORD LAKE FISHERY ENHANCEMENT**

Mr. DeGabriele stated that this item requested Board authorization for staff to submit a grant funding application from Marin County Wildlife and Fisheries Advisory Committee, and that the funds would be budgeted next year, to plant catfish in Stafford Lake. He noted that there are several District employees who are avid fishermen, and that Brad Stompe (Distribution & Collection System Operator) has undertaken surveys of the fishery in Stafford Lake over the past three years. He noted that the lake offers a healthy bass fishery, as well as sunfish and bluegill. Mr. DeGabriele commented that staff believes they can enhance the fishery by adding up to a maximum of 6,000

catfish, stocked in 4" to 6" sizes. He added that staff is hoping to get funding from the Fishery Advisory Committee to help with this project, and if not, staff would return to the Board to request authorization to go forward on a smaller scale. Mr. DeGabriele also reported that incubators – catfish “condos” – need to be constructed to aid with propagation, and that they can be made out of spare pipe. He noted that approximately four would be dropped into the lake, and commented that they needed to be large enough to allow access and egress for the catfish.

On motion of Director Schoonover and seconded by Director Fraites and unanimously carried, the Board authorized staff to submit the funding request application and budget funds for Stafford Lake Fishery Enhancement project in FY2007/08.

### **WEST VINEYARD ROADWAY EASEMENT MAINTENANCE**

Mr. DeGabriele stated that the District owned much of the property on the Stafford Lake watershed, but that he had been unaware of the history of the easement on Vineyard Road dating back to 1959. Mr. DeGabriele stated that the users of the road were nearby property owners, Marin County Open Space District and the Willow Tree Farm horse ranch. He noted that several weeks ago, the property owner came in to speak with staff, and in looking through the file, it was discovered that the maintenance issue had been discussed in the late 1970s, but that a new roadway maintenance agreement had never been consummated. Mr. DeGabriele noted that in the past, the District has done some of the roadway maintenance with its own employees and materials, and commented that it was likely that the District previously shared the cost of road maintenance with the property owners. He further reported that in the District’s file, there is a proposed allocation of maintenance responsibility based on the number of trips and the length of the roadway.

Director Baker commented even though the road crossed District-owned property, the stable had an easement to use the road, and he asked to what extent the District uses it. Mr. DeGabriele replied that the District uses the road very little, and in fact, in the proposed allocation of responsibility from the late 1970s, the District had been allocated ½ of one share, whereas the stable had several shares, and each single family dwelling had a share.

Director Baker surmised that the District really didn’t use the road much at all, and stated that even with the turnover in owners, stable patrons constituted most of the traffic on the road, along with the property owners. He asked that even with golf course usage of the road, how frequently are District vehicles using the road. Mr. DeGabriele replied that probably no more than a couple of times a month.

Mr. DeGabriele stated that staff was seeking direction from the Board on how to approach the roadway easement maintenance. He acknowledged that since the District used the road the least, it should have the smallest share of maintenance costs. He stated that there were four options to choose from: (1) do nothing; (2) contribute to periodic maintenance either with a financial contribution or using District materials, equipment and labor; (3) propose a formal maintenance agreement with the roadway easement users; and (4) request that the County of Marin take over maintenance of the easement.

Director Baker stated that he felt that Option 2 was in the District's best interest, and commented that if Option 3 was taken, it may raise expectations and that the District could end up doing more work on a more regular basis.

Director Schoonover stated that he tended to agree with Director Baker that Option 3 might be cumbersome. Director Fraites commented that it wouldn't necessarily reduce the District's financial obligations.

Director Rodoni asked if the District had any responsibility for upkeep as the owner of the roadway from a safety/liability point of view. Mr. DeGabriele replied that it hadn't ever been evaluated. Director Rodoni further stated that having a formalized agreement would be in the District's favor but would allocate reasonable costs to each party. He recommended that the District move forward but attempt to formalize an agreement in the best long-term interest of the District. Director Fraites agreed that there should be a formal agreement.

On motion of Director Fraites and seconded by Director Rodoni, the Board approved staff's recommendation to propose a combination of Option 2 (continue to make periodic payments or use District labor to maintain the road) and Option 3 (attempt to come to a cost-sharing roadway easement maintenance agreement with the property owners) by the following vote:

AYES:	Directors Fraites, Petterle and Rodoni
NOES:	Directors Baker and Schoonover
ABSTAIN:	None
ABSENT:	None

**INFORMATION ITEMS**

**RECYCLED WATER PROJECT PROGRESS REPORT NO. 2**

Mr. McIntyre introduced Steve Cleveland (Coastland Civil Engineering), the Construction Manager on the Recycled Water Facility and Pipeline Project, who offered a slide presentation to

the Board outlining Progress Report No. 2. Mr. Cleveland noted that the project is 80% completed by time and 78% complete by cost, and stated that the target completion date was still April 7<sup>th</sup>. There was a brief question-and-answer period between the Board and Mr. Cleveland, after which Mr. Cleveland left the meeting.

### **2007 URBAN AREA WATER COST COMPARISON**

David Bentley informed the Board that once a year, the District compares its water rates with those of 16 other agencies in the area. He noted that last year, two of these agencies had rates lower than NMWD, but that this year, several changes had been made: (1) the City of Forestville had been dropped from the survey as they were no longer a prime contractor with SCWA; and (2) the Town of Windsor had been added, and that their rates were even lower than those of Forestville. Mr. Bentley also reported that this year, the District had dropped the inclusion of tax revenue as a component of water costs, as the District's bond taxes had been paid off several years ago. He noted that a draft version of this comparison had been sent to all participating agencies and only a few responded with corrections.

### **MID-YEAR BUDGET REVIEW AND FORECAST**

Mr. Bentley reported that operating revenue was projected to come in at 4% over budget by the close of the fiscal year. He noted stronger water sales than those anticipated, but that costs were up about 7% due to the late start-up of Stafford Treatment Plant, resulting in a projected operating surplus at the end of this fiscal year of \$370,000. Mr. Bentley commented that connection fee revenue is projected to come in \$2.1M under budget as the anticipated commercial development is moving at a slower pace than expected. He also noted that a significant amount (48 out of 72) of improvement projects are forecasted to be completed by June 30.

### **MID-YEAR PROGRESS REPORT – ENGINEERING**

Mr. McIntyre reviewed the Engineering Department's Mid-Year Progress Report, highlighting carryover projects, deferred projects and those projects exceeding the budget. He commented that out of 72 projects, most of them are being completed at or below budget. He also reported that twelve new projects have been added during the second quarter, among them: So. Novato Blvd./Rowland Blvd. Main Break – Final Repair; Measure B, Group 3 & 4; Meter Accuracy Testing; 24" Pipeline Leak Investigation/Repair; High Efficiency Toilet (HET) Distribution Program; and 2007 Stafford Dam Seismic Stability Analysis.

### **QUARTERLY PROGRESS REPORT – WATER QUALITY**

There were no questions from the Board regarding this report which was accepted as presented.

### **QUARTERLY PROGRESS REPORT – OPERATIONS**

Mr. McMaster discussed the Operations Department's Quarterly Progress Report, noting low rainfall and limited production from Stafford Treatment Plant for the year. He also reported that water storage and chlorine residual remained up throughout the Novato system during this period. Mr. McMaster commented that the Point Reyes System operated trouble-free during the first six months, and reported that the Inverness Utility District was allowed to take 84,000 gallons of water for firefighting to help control the Manka's Restaurant fire in Inverness on December 27<sup>th</sup>.

### **MARIN COUNTY-WIDE MEETING – FEBRUARY 12**

Director Rodoni reported that he had attended the Marin County-wide Meeting on Local Governments Setting Bay Area Growth, Conservation and Funding Priorities at the invitation of Supervisor Susan Adams. He noted that the Association of Bay Area Governments (ABAG) is refocusing their look for this area (Marin) in terms of priorities, and stated that what they're trying to develop is more of an incentive program rather than a "carrot and stick" approach. He noted that funding would be available, but that everyone agreed that the bigger cities would get a major share and were not too encouraged about Marin County getting much. He stated he felt it was a good idea to change the method for allocating housing and that the individual communities should decide where housing should be. Director Rodoni commented that this meeting had been well-attended.

Director Fraites asked if there had been any discussion on how to get a handle on rapid growth, or was it simply accepted. Director Rodoni responded that there had not been such discussion, but noted that it was the same throughout California, that discussions didn't address how to control growth as much as how to provide housing, etc.

### **MMWD SEAWATER DESALINATION PILOT PROGRAM**

Mr. DeGabriele reported that he had attended a Marin Municipal Water District Board meeting on February 8<sup>th</sup> where MMWD staff and consultants made a presentation on the subject program. He noted that the meeting had been well-attended by the general public and there were many public comments, both pro and con, pertaining to the desalination project.

### **NORTH BAY WATER REUSE AUTHORITY WORKSHOP**

Mr. DeGabriele reported that he and Director Baker had attended the subject workshop on January 31. He commented that those agencies attending included Napa Sanitation District, SCWA, Sonoma Valley Sanitation District, NSD, NMWD, LGVSD and MMWD, and noted that while neither NMWD nor MMWD were members of the North Bay Water Reuse Authority, NMWD is participating by sharing NSD's financial obligation for the project's environmental review.

There was a brief discussion between the Board and Mr. DeGabriele on several issues, including salt pond restoration.

### **WEST MARIN WATER SUPPLY SALINITY INTRUSION NOTIFICATION**

Mr. DeGabriele reported that this item has been provided as a response to Director Rodoni's request from the February 6th meeting that the Board review the District's procedure pertaining to public notification of salinity intrusion into the West Marin water supply. Director Rodoni thanked Mr. DeGabriele for bringing this item back to the Board's attention.

### **MISCELLANEOUS**

The Board received the following miscellaneous information: Additional of Conservation Incentive Tier Description to Water Bill; Reimbursement Program 2006; Clean Energy: Novato's Choices.

The Board also received the following news articles: Council Dismisses Indirect Discharge of Wastewater (2/14), Wetlands Project Receives Boost (2/11), Bold Ideas for Delta (2/8), Peripheral Canal Concept Revived in Delta Study (2/8), Koehler Elected Water Board President (2/8), Russian River Water Flow to Be Cut (2/6), and Bay Desal Plant Cost Skyrockets (2/5).

### **ADJOURNMENT**

President Petterle adjourned the meeting at 9:22 p.m.

Submitted by

Sue Kessler  
Acting District Secretary