

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
February 21, 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 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.

District employees Robert Clark (Facilities Maintenance Superintendent), Mike McMaster (Operations Superintendent), Alicia Manzoni (Consumer Services Representative), Pablo Ramudo (Water Quality Supervisor), Doug Moore (Construction Superintendent), former District employee Marcia Davis, Roger Bennett of the California Rural Water Association and Ron Gerber of the City of Novato Redevelopment Agency were in the audience.

**MINUTES**

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

**GENERAL MANAGER'S REPORT**

**Sonoma Marin Saving Water Partnership**

Mr. DeGabriele reported that last week the Sonoma Marin Saving Water Partnership met and that the group is close to finalizing the MOU. He stated that the Agency has asked that the Sonoma Marin Saving Water Partnership exceed the BMPs, especially for new construction and that North Marin is already accomplishing this by implementing new construction standards which require high efficiency washing machines and drought tolerant landscaping. He stated that the Partnership will be meeting more frequently in the future.

**Environmental Forum of Marin**

Mr. DeGabriele apprised the Board that next Saturday he will be speaking at the Environmental Forum of Marin at their Water Resources Day.

## Novato Unified School District

Mr. DeGabriele stated that next Tuesday, February 28, he will present a check to the Novato Unified School District for their synthetic turf replacement projects at Novato and San Marin High Schools.

### **OPEN TIME**

President Schoonover asked if anyone in the audience or staff wished to bring up an item not on the agenda and there was no response.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele reviewed the Monthly Progress Report for January noting that water production was up 8% over last year; however, consumption is down from prior years. He stated that at the next meeting there will be a discussion on why there is such a difference between water production and water sales. In West Marin, Mr. DeGabriele reported that water production is down 8%; however, if the system leak data from last year is removed, production is down 3% from one year ago. He stated that Novato's annual rainfall is 18" and that Stafford Lake continues to spill through today. He noted that there has been an increase of 40 new services in West Marin due to the EAH housing; that in Oceana Marin the discharge in January resulted in recovering freeboard in the pond; that there has been 60 days without a loss time accident or injury; and that over 2,600 high efficiency washing machines have been rebated which is approximately 11% of dwelling units in Novato. Mr. DeGabriele apprised the Board that the Auditor-Controller's Monthly Report of Investment is in compliance with the statement of investment policy and that the increase of service complaints of 13% from last year is probably due to the extremely wet weather experienced in January.

### **CONSENT CALENDAR**

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

#### Atherton Ranch – Request for Temporary Irrigation Service for Open Space Parcel A

The Atherton Ranch project has requested a 1-inch temporary irrigation meter to furnish water via Zone 2 to the open space landscaping located north of the homes on Pinheiro Court. Labor and materials costs will be borne by the applicant.

The Board authorized Resolution 06-07, entitled, "Authorization of Execution of Agreement for Temporary Irrigation Service to Parcel A, Atherton Ranch, Marin County, California with Atherton Ranch, L.L.C."

Resolution Nos. 06-03 and 06-04 Quitclaim Portion of Unused Easement at 292 & 294 Olive Avenue

At the February 3, 2006 Board of Directors meeting, the Board approved the Quitclaims for unused portions of existing easements for 292 and 294 Olive Avenue and authorized the General Manager to execute said quitclaims. Authorization of the execution of quitclaims is typically by resolution and, therefore, the Board authorized Resolutions Nos. 06-03 and 06-04, entitled "Authorization of Execution of Quitclaim Deed to Rudy J. and Michele R. Hassid."

Resolution No. 06-05 Quitclaim Existing Easement in Trade – Cooper Land Division

At the February 3, 2006 Board of Directors meeting, the Board approved the Quitclaim for existing easement in trade for the Cooper Land Division and authorized the General Manager to execute said quitclaim. Authorization of the execution of quitclaims is typically by resolution and, therefore, the Board authorized Resolution No. 06-05 entitled, "Authorization of Execution of Quitclaim Deed to Bridget M. Cooper."

Resolution No. 06-06 Amendment to Regulation 5 – Temporary Water Service

At the February 3, 2006 Board of Directors meeting, the Board approved the revision of Regulation 5 – Temporary Service. Authorization to revise regulations is typically by resolution, and therefore, the Board authorized Resolution No. 06-06 entitled, "Resolution of the Board of Directors of North Marin Water District Revision of North Marin Water District Regulation 5 Temporary Service."

Outside Employment Policy

The Board adopted the Outside Employment Policy to ensure that any secondary employment by a District employee does not adversely impact job performance with the District.

Disbursements

The Board authorized payroll and accounts payable vouchers totaling \$877,160.69.

## **ACTION CALENDAR**

### **APPROVE: AGREEMENT WITH CITY OF NOVATO TO EVALUATE OPPORTUNITIES FOR REDEVELOPMENT OF DISTRICT PROPERTY**

Mr. Bentley introduced Ron Gerber, Redevelopment Administrator with the City of Novato and stated that the District headquarters site is located within the city's downtown redevelopment area, and that the city has offered to develop a plan, at no cost to the District, to relocate District offices and corporation yard. He stated that the Memorandum of Agreement has been reviewed by the District's legal counsel, was approved by the Novato City Council and that District staff is interested in what the city has to offer. He stated that the city can develop a plan, and it is expected to be available for Board review within 90 or 120 days.

Director Schoonover noted that the District is under no obligation to relocate the District headquarters upon completion of the plan.

Director Petterle expressed concern with the wording in the first line in Paragraph 4 on Page 2, that states, "The Agency and District contemplate that upon approval by the District and Agency of a comprehensive plan will enter into an implementation agreement ..." and suggested eliminating that paragraph.

Director Baker asked for clarification on the use of the word "initially" in the first sentence of Paragraph 3, Page 2.

Mr. DeGabriele stated that the Redevelopment Agency will bear all costs of the feasibility evaluation in this agreement including determining the value of the property, how it could be marketed and if there is an opportunity for relocation. He stated that the Redevelopment Agency may recover its costs with the sale of the redevelopment of the property from the entity that purchases the property. Mr. DeGabriele stated that if there is a comprehensive plan resulting from this feasibility study which recommends relocation of the District headquarters, both the District and Redevelopment Agency would have to approve it before moving further.

Director Fraites asked if the District would receive compensation should the land that was offered for the relocation of District offices and corporation yard be appraised for less than the District's existing property. Mr. DeGabriele stated that this would be one of the areas addressed in the study. Mr. DeGabriele stated that the District is not bound by this Agreement, but that the District is interested in proceeding with the study for relocation of the District offices and yard and recognizes that besides having a good location, it is important to have the

necessary facilities, including laboratory, to continue the District's operation. He stated that there are limitations to the District's existing site and that the goal for possible relocation would be for the District not to incur any out-of-pocket costs.

On motion of Director Baker and seconded by Director Fraites, the Board authorized President Schoonover to sign the Memorandum of Agreement with the Redevelopment Agency of the City of Novato by the following vote:

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: Director Petterle

ABSTAIN: None

ABSENT: None

**APPROVE: CHEMICAL SAFETY TRAINING FOR OPERATIONS STAFF**

Mike McMaster presented his request for Board approval to enter into an agreement for Chemical Safety Training for the Treatment Plant staff. He stated that the new plant will be handling many new chemicals and that it is very important that Treatment Plant staff and the Distribution Collection System Operator be fully compliant with all safety and emergency operating procedures for chemicals being used. He stated that Peter Deacon is well qualified to provide this training and is familiar with the plant design and participated in the plant's initial study for the use of chlorine dioxide.

Director Rodoni suggested that the Novato Fire Protection District be asked to participate in this training.

On motion of Director Baker and seconded by Director Rodoni, the Board unanimously approved an agreement with Peter Deacon for chemical safety training in an amount not to exceed \$8,400.

**APPROVE: SOLAR POWERED LAKE AERATION SYSTEM**

Mike McMaster reported that the existing lake aeration system uses a compressor that is no longer functioning and that he is proposing that the District rent a solar powered lake aeration system from Solar Bee. He stated that their product has been improved and that Solar Bee now guarantees that the solar powered system will operate for a twenty-four hour period. He stated that next year's improvement projects budget includes funds for purchase of the units, but that staff believes it is important to get the units in the lake and operating as soon as

possible and that renting the units initially is the best way to test the units and verify their effectiveness prior to making a decision to purchase the system.

On motion of Director Rodoni and seconded by Director Fraitess, the Board unanimously approved the rental agreement with Solar Bee for six months for the amount of \$40,224.

**APPROVE: MAINTENANCE MANAGEMENT SOFTWARE CONSULTING**

Mr. Clark apprised the Board that in order to support the expansion of the District's maintenance management program at the new Stafford Water Treatment Plant and to implement use of the Mainscape software, it is necessary to engage a consultant from the software company to provide training. He stated that the staff will receive on-site training to establish the maintenance program at the new plant and that training is for a forty-hour week.

On motion of Director Petterle, seconded by Director Fraitess, the Board unanimously approved an agreement with Grand Ravine Software Ltd. for Stafford Water Treatment Plant and District Maintenance management software consulting services in the amount of \$5,500.

**APPROVE: STAFFORD TREATMENT PLANT REHABILITATION CONSTRUCTION CONTRACT - FRONTIER CONTRACTING INC. CHANGE ORDER'S 33, 34 AND 36**

Mr. McIntyre presented the Board with a request to approve three change orders for Frontier Contracting, Inc., and he stated that two of the three change orders, Site Paving Modifications and Emergency Shower Eye Wash to Chemical Containment, were presented to the Board last December and that the third, Heat Trace Caustic Soda Line, was developed in January 2006. Mr. McIntyre reported that the total amount of these three change orders is \$80,000 and no increase above that amount was presented in the revised budget of December 2005 and that there is no overall cost impact on the project.

Director Petterle asked if these change orders impact the project schedule. Mr. McIntyre responded that Harris & Associates considers how the additional work impacts the schedule, and if the change orders are not on the critical path, then no time is allotted to the contractor. He also stated that the contractor's perspective is that these change orders require extra time.

On motion of Director Baker and seconded by Director Petterle, the Board unanimously approved the authorization of the General Manager to execute Change Orders Nos. 33, 34 and 36 to Frontier Contracting, Inc. in the amount of \$80,124.

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

Mr. McIntyre reviewed Harris & Associates' request for Change Order No. 2 for additional compensation in the amount of \$139,000 that was presented at the February 7, 2006 Board meeting. He stated at that time, staff requested and received Board authorization to negotiate the amount of Change Order No. 2 and that staff met with Larry Timmer of Harris & Associates and negotiated an amount agreeable to both Harris and the District in the amount of \$105,000. He noted that the stipulation is that this change order will be the final adjustment to their contract amount.

On motion of Director Petterle and seconded by Director Baker, the Board authorized the General Manager to execute Change Order No. 2 to Harris & Associates' construction management contract in the amount of \$105,000 by the following vote:

AYES: Directors Baker, Petterle, Rodoni, Schoonover

NOES: Director Fraites

ABSTAIN: None

ABSENT: None

**CONSIDER: RATE STRUCTURE OPTIONS**

Mr. Bentley stated that at the January 2006 Board workshop, there was discussion on revising the District's existing rate structure to consider tiered water rates. He stated that the rate increase enacted last year provided \$707,000 of the \$1.3M necessary to pay the annual debt service and expected operating costs of the new Stafford Water Treatment Plant and Mr. Bentley presented the Board with several options to consider that will generate the balance of \$576,000 to achieve this goal. He stated that the first option is an across the board commodity increase of 12¢; the second option is a seasonal (May 1 through October 31) commodity rate increase of 20¢; the third option is a bimonthly minimum charge increase; and the fourth option is the addition of a third tier to the current rate structure. He presented the three tiered rate options and noted that the General Manager favors the first option (4a) that calls for an additional tier for all customers to fund the remaining cost of the Stafford Treatment Plant operation with an incremental rate of \$1.00/Ccf for bimonthly use over 45 Ccf per dwelling. He stated that this option is also projected to generate a reduction in water use demand of 11% within that tier.

A discussion followed where all options were examined and considered. There was a consensus that an across the board increase was not favorable; that the seasonal increase would be confusing to customers; and that the increase in the minimum charge disproportionately impacts customers using less water and does not provide an incentive to conserve water. There was discussion on ways to notify customers of the rate increase.

Mr. DeGabriele stated that it is important to convey to customers that the rate increase is consistent with the District's goal to conserve as much water as possible and not just necessary to pay for the new treatment plant.

Director Rodoni favored the first tier option (4a) and stated that hiring a public relations person is a good idea and he suggested hiring a public relations consultant to accomplish this.

Director Schoonover stated that customers should be made aware that the District had no choice but to build a new treatment plant.

Director Petterle said that he favored some increase in the minimum charge and that the District's water rates are well below other water agencies.

Director Baker stated that he also favored the first tier option but with a modest increase in the minimum charge as well.

Director Fraites stated that if the District anticipates further increases that a larger increase rather than several small increases may be better.

The Board agreed on option 4a, which provides for an additional tier for all residential customers to fund the remaining cost of the Stafford Treatment Plant operation using a threshold of 50 Ccf, and directed staff to proceed in the rate structure revision. The Board further requested an option with some increase in the minimum charge plus an additional tier be prepared for review.

Director Rodoni stated that he would not be in favor of increasing the minimum charge for residential customers, but that he would be in favor of increasing the bimonthly charge for commercial accounts.

**CONSIDER: MEMBERSHIP OF THE WEST MARIN MOSQUITO CONTROL COMMITTEE**

Mr. DeGabriele presented an invitation from the West Marin Mosquito Control Committee for a North Marin representative to become a member of the committee and stated that he is recommending that the District decline due to staff's involvement in various technical

and community associations, committees and councils and that he will suggest that the committee share information at the Tomales Bay Watershed Council.

Director Rodoni expressed his disagreement and stated that he had met with the Bolinas Public Utilities District representatives who had organized the committee and felt it was important to participate and that he is volunteering to be North Marin's representative.

Director Baker stated that the committee deals with controversial issues and that the District should not be drawn into these issues and stated that even with Director Rodoni's participation, District staff may be required to participate.

Director Fraites stated that Director Rodoni is willing to be involved and that the Board should allow him that opportunity and Directors Petterle and Schoonover concurred.

On motion of Director Petterle and seconded by Director Fraites, the Board authorized the General Manager to send a letter to the West Marin Mosquito Control Committee stating that Director Rodoni will be North Marin Water District's representative by the following vote:

AYES: Directors Fraites, Petterle, Rodoni, Schoonover

NOES: Director Baker

ABSTAIN: None

ABSENT: None

### **INFORMATION ITEMS**

#### **CALIFORNIA RURAL WATER ASSOCIATION PRESENTATION OF AWARD FOR WEST MARIN CONSUMER CONFIDENCE**

Roger Bennett of the California Rural Water Association presented the association's 2005 Consumer Confidence Report award to the District for its Point Reyes Water Quality Report. Marcia Davis, former District Water Quality Supervisor, graciously accepted the award on behalf of the District. Pablo Ramudo stated that Ms. Davis, Stacie Goodpaster, Senior Chemist and Sue Kessler, Administrative Assistant, worked very hard on the report during the past years and because of their efforts, this year's report will be easy to prepare.

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

Mr. McMaster provided the Board with a mid-year Progress Report of the Operations Department. He stated that during this quarter, the peak flows on the aqueduct and the largest flows to Novato from Sonoma County Water Agency occurred in the month of October. He

provided charts that illustrated storage, consumption and production in both the Novato and Point Reyes Water Systems. He reported that due to heavy rainfall in the month of December, that approximately 875 acre-feet of water went over the spillway, and continues to spill today.

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

Mr. Bentley provided the Board with the Mid-Year Budget Review and Forecast and noted that the operating revenue is projected to come in 5% under budget at the close of the fiscal year and operating expenditures are projected to be 4% over budget. He stated that the late start-up of the Stafford Water Treatment Plant will result in the District exceeding the budget by \$700,000 due to the increased purchase of water from the Sonoma County Water Agency. Mr. Bentley stated that water sales are projected to be 3% less than last fiscal year's level and that interest revenue and connection fee revenue will come in over budget due to higher interest rates and increase in commercial development, respectively. He said that the District is looking at an operating deficit of \$280,000 rather than the anticipated \$617,000 budget surplus before depreciation resulting in a \$900,000 difference in operating costs.

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

Mr. Bentley presented the final draft of the Urban Area Water Cost comparison which shows the District's ranking as 15 out of 17 agencies surveyed in total annual water cost.

### **SALMONID CONSERVATION STRATEGY PRELIMINARY MEMORANDUM OF UNDERSTANDING**

Mr. DeGabriele reported that the Sonoma County Water Agency has entered into a Memorandum of Understanding with development interests in Sonoma County and is enlisting these entities to work together to make changes necessary for developing recovery strategies for the fisheries. He also stated that the State Board, Sonoma County Water Agency, Trout Unlimited and the Audubon Society are working together to map out water rights on the Russian River.

### **MISCELLANEOUS**

The Board received the following miscellaneous information: Letter to Randy Poole Re North Marin Water District Urban Water Management Plan, Approved Budget Review Schedule FY 2006-07, Regional Residential Clothes Washing Machine Rebate Program, Cash for Grass Rebate Approval, Letter to Black Point Partnership Re Outstanding Invoice Summary, Information: 5 & 84 Rowland Way Credit for Overcharge, Marin County Farm Bureau – Long Time Members Honored.

The Board also received the following news articles: North Marin Water: Quality at an Affordable Price (2/8), Human Needs Center Drives 'Five Truckin' FLON Leadership Team's Fund-Raising Effort (2/06).

**ADJOURNMENT**

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

Submitted by

Renee Roberts  
District Secretary