

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
April 4, 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 L. Bentley and Chief Engineer Drew McIntyre.

District employees Mike McMaster (Operations Superintendent), Robert Clark (Maintenance Superintendent), Doug Moore (Construction Superintendent) and consultant John Nelson (7:45) were in the audience.

**APPROVE MINUTES FROM REGULAR MEETING**

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

**GENERAL MANAGER'S REPORT**

**Meeting with City of Petaluma**

Mr. DeGabriele reported that on Friday, March 31, 2006 he and Mr. McIntyre met with the City Manager of Petaluma and the senior staff of Petaluma's water department to discuss transfer of water service responsibility in the South Petaluma Blvd. area. He stated that Petaluma is not interested at this time to take over the responsibility, but when asked if Petaluma would consider it if a developer would pay for recycled water extension into that area, they seemed interested. Mr. DeGabriele stated that Petaluma will review the options and advise North Marin within the next month.

**Novato Affordable Housing**

Mr. DeGabriele advised the Board that tomorrow night the City of Novato Design Review Board is meeting to consider the Virginia Grove residential development project, an eight single family home affordable housing project. He stated that the project homes are small on small lots and that nine District employees are interested in purchasing these homes. He said that the developer, Rob Hart, approached the District and asked if the District is interested in developing its surplus property into this type of project. Mr. DeGabriele stated that if the Virginia Grove Project is successful, the District may be interested in talking further with Mr. Hart.

## **OPEN TIME**

### **March Rainfall**

Mr. McMaster shared a graph of rainfall occurring in the month of March since 1916 and noted that although rainfall this March is plentiful, it has not exceeded rainfall when compared with March of past years.

### **Embezzlement**

Mr. Bentley updated the Board on the embezzlement case and stated that yesterday Ms. Riska met the judge and in return for a guilty plea, she will forego state prison. He stated that sentencing will occur in six to eight weeks and that Ms. Riska most likely will be sentenced to six to nine months in county jail and that she will pay for costs incurred by the District.

### **Recycled Water Project**

Mr. McIntyre informed the Board that the District received approval of the State Revolving Fund loan for the Recycled Water Project and that staff will be requesting approval to award the contract to Maggiora and Ghilotti, the apparent low bidder on the project, at the next meeting.

## **CONSENT CALENDAR**

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

### **WATER SERVICE AGREEMENT – FINNEGAN’S RESTAURANT – 877 GRANT AVENUE**

The Board approved a water service agreement necessary for the remodel of the former Bit-A-Honey bar into the full service Finnegan’s restaurant, including a new kitchen. The property is currently served by a 1” meter and the renovation and additional plumbing fixture units will result in an estimated water consumption increase of one EDU. New Zone One water facilities include a 4-inch fire service and 4-inch lateral from the existing 6-inch main.

The Board approved Resolution 06-12 entitled, “Authorization of Execution of Water Service Facilities Construction Agreement with Marlene McHale.”

### **DESTRUCTION OF RECORDS**

In accordance with Board Policy, once a year on or about April 21, specified documents designated as eligible will be destroyed in an appropriate manner either by shredding or recycling. The list of files to be eliminated have been reviewed and approved by the Department Heads, General Manager, Auditor-Controller and the Records Retention Manager.

The Board approved Resolution 06-13 entitled, "Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records."

### **SPOT ADJUSTMENT – CONSUMER SERVICES SUPERVISOR**

The Board approved a 5.5% salary increase for the Consumer Services Supervisor, Alicia Manzoni. In accordance with Administrative Division reorganization plan as discussed at the Board Workshop in January, 2006, Ms. Manzoni has now assumed responsibility for supervision of the Receptionist / Cashier, making six full-time equivalent employees under the direct supervision of Ms. Manzoni, more than any other mid-level supervisor.

### **DISBURSEMENTS**

The Board approved and authorized for payment payroll and accounts payable vouchers totaling \$844,254.47 and estimated overheaded payroll for April of \$263,000.

### **ACTION CALENDAR**

#### **RESTRUCTURED AGREEMENT FOR WATER SUPPLY**

Mr. DeGabriele recapped the events leading up to tonight's request for approval of the Restructured Agreement for Water Supply. He stated that in September 2005, after 4-1/2 years of workshops and negotiation meetings, the Board did not approve the Restructured Agreement for Water Supply and requested that the language in Section 2.4 of the proposed agreement, regarding the Potter Valley Project, be modified. He stated that the Sonoma County Water Agency and the contractors worked to develop alternative language and on January 17, 2006, the North Marin Water District Board approved that language and as of today, only North Marin and the cities of Santa Rosa and Petaluma have not approved the Restructured Agreement. He stated that Santa Rosa is scheduled to vote in early May and that Petaluma has accepted Section 2.4 language and is scheduled to vote on April 17. Mr. DeGabriele also noted that after Monday's WAC meeting, the contractors did conclude on the water shortage allocation methodology.

Director Fraitas inquired why the city of Santa Rosa has not voted on the Restructured Agreement and Mr. DeGabriele responded that Santa Rosa was waiting for resolution of the water shortage allocation methodology.

Director Rodoni said that the process the District went through provided a valuable lesson in negotiating with the Agency. He suggested that during future negotiations for an amendment to the Restructured Agreement, the District should push for a unanimous vote of all contractors for the Potter Valley purchase and/or that a maximum dollar commitment for that purchase be provided to all the contractors should the Potter Valley Project purchase be considered.

President Schoonover asked Mr. Nelson if he had any additional comments and Mr. Nelson reiterated that Santa Rosa and Petaluma were concerned with the shortage allocation methodology to reflect demand hardening and that at the WAC meeting yesterday a consensus was reached by all contractors on this subject.

On motion by Director Baker, seconded by Director Rodoni, the Board unanimously approved Resolution 06-14 entitled, "A Resolution of the North Marin Water District Approving a Restructured Agreement for Water Supply with the Sonoma County Water Agency and other Water Contractors, and Authorizing the President to Execute Said Agreement on Behalf of the North Marin Water District," and also authorized the General Manager to file the Notice of Exemption.

Mr. Nelson left the meeting at 7:50 p.m.

### **LONG RANGE PLANNING WORKSHOP ACTION ITEMS**

Mr. DeGabriele reviewed the notes from the Long Range Planning Workshop held in January 2006. He said that actions to be taken for each item have been identified and have been scheduled for implementation. Those actions scheduled in the near future are: the Board Ethics training, scheduled for May 18; a "Lessons Learned" staff report on construction delays at the Stafford Water Treatment Plant, scheduled for September 2006; and that beginning with tonight's meeting, two District Board policies will be presented at each meeting for Board review.

On motion by Director Rodoni and seconded by Director Baker, the Board unanimously approved the Long Range Planning Workshop Notes, Action Plan and Schedule.

### **AWARD OF CONTRACT TO MVP REPAIR COMPANY – METER CALIBRATION STUDY IMPLEMENTATION**

Mr. McIntyre stated that two years ago the District completed its meter sizing study to assess the status of the District's larger water meters and it was determined that one of the main sources of water loss was due to inaccurate readings from meters which had excessive wear and tear. He said that staff has prepared a meter calibration implementation plan and identified that all 3-inch and larger meters and approximately eighty 5/8-inch and one-inch older meters have been selected for testing. Mr. McIntyre said that the consultant, MVP Repair Company, will perform meter testing in the field and will repair meters when required, and will also train District staff on small meter testing. He said that the consultant has performed water meter related projects for Alameda County Water District and City of Napa for many years. He said that this testing will establish inaccuracies in meters and establish baseline information to determine where to concentrate the District's efforts.

On motion of Director Baker, seconded by Director Petterle, the Board unanimously authorized the General Manager to execute a contract with MVP Repair Company in the amount of \$18,000 for testing, repair and calibration of selected water meters.

### **SIGN REPLACEMENT**

Mr. Clark presented graphics of four different versions of the sign replacement for the District Headquarters. He stated that the suggestions made by the Board were incorporated into the design specifically adding the address and eliminating the duplication of the District's name. He stated that of the four designs, staff recommends Version D.

Director Petterle stated that he is comfortable with the chosen design; however, he stated that the sign should have dimension and not look cheap.

Director Fraites queried if the sign will be illuminated. Mr. Clark responded that a light could be inexpensively added to the design of the sign.

On motion of Director Petterle and seconded by Director Fraites, the Board unanimously approved Version D to be constructed at a cost not to exceed \$5,000, including lighting.

### **INFORMATION ITEMS**

#### **INITIAL REVIEW: EQUIPMENT BUDGET**

Mr. Bentley presented the first review of the proposed Equipment Budget for FY 06/07 and stated that this year's budget shows an increase of 20% from last fiscal year, primarily due to the upgrade of the information systems. He noted that the new lab software cannot run on the District's existing servers and that adding upgrades to the network will provide more "muscle power" to the system. He stated that there will be a plan to purchase new computers and distribute older computers to other staff and he also presented a five-year vehicle and equipment replacement plan. Mr. Bentley advised the Board that the budget is scheduled for further review on April 18 and May 16 and that a public hearing and approval of the Equipment Budget is scheduled for June 20, 2006.

Director Petterle cautioned against distributing outdated computers to staff. Mr. Bentley stated that the budget includes eleven new computers and that the District is considering standardizing computers and that the used computers will be given to field personnel who do not require new high-powered machines.

Director Rodoni queried if the \$68,000 being carried over from FY 05/06 into the FY 06/07 budget is included in the total proposed budget amount of \$423,400 and Mr. Bentley said yes.

### **INITIAL REVIEW: IMPROVEMENT PROJECTS BUDGET**

Mr. Bentley also presented the proposed Improvement Projects Budget for initial review by the Board and noted that staff will be recommending that projects for both FY 06/07 and FY 07/08 be adopted at the public hearing scheduled for June 20, 2006. He stated that the \$10.4 M proposed budget is close to what staff anticipated last year and noted that 65% of this amount is budgeted for recycled water (\$4.7M) and storage projects (\$2.1M). He stated that the District outlay, after receiving SRF loans, is approximately \$4.4M compared to \$4.3M this fiscal year and that 43 improvement projects are budgeted compared to 46 last year. Mr. Bentley stated that the District is promoting changing out older 5/8" meters due to water loss in the system and is planning to replace 400 meters next fiscal year that are over 30 years old and that the District's inventory of older 5/8" meters can be replaced over a period of 25 years at that rate.

### **NOVATO WATER CONSUMER CONFIDENCE REPORT**

Mr. DeGabriele presented the Novato Water Consumer Confidence Report and stated that the format is similar to last year's report and that all state and federal drinking water standards were met and that customers will begin receiving the report next month.

### **WEST MARIN WATER CONSUMER CONFIDENCE REPORT**

Mr. DeGabriele presented the Consumer Confidence Report for the Point Reyes area and stated that all state and federal drinking water standards were met and that an update on capital improvement projects was also included in the report.

Director Rodoni inquired if dogs were a problem in West Marin as the report included an advisory for residents to keep their dogs confined or on a leash.

Mr. DeGabriele stated that dogs are always a concern for meter readers both in West Marin and Novato.

### **DISTRICT POLICIES REVIEW**

Mr. DeGabriele stated that as a result of the Long Range Planning Workshop in January, the Board asked staff to begin reviewing policies and that the Board is being provided a list of existing policies. He stated that two policies will be presented for review by the Board at each meeting until all policies have been reviewed. Mr. DeGabriele said that in the future, the original policy as written will be presented to the Board along with suggested language and that all policies will be written in the same format. The two policies for review tonight are:

Bill Adjustment Policy Re Storm Damage (Policy No. 3) – This policy was adopted by the Board in 1982 to provide a bill adjustment beyond the standard bill adjustment when more than ten requests for an adjustment caused by storm damage are received and said bills be limited to twice

the normal amount with the District forgiving the remainder.

Director Rodoni stated that this policy does not address other catastrophes such as earthquakes and that it could be simplified by stating that the Board can use its discretion to adjust a consumer's bill in the event the leak is the result of a catastrophic event.

Director Petterle suggested that "catastrophe" should be defined as when the federal, state or local governments declare a "State of Emergency."

Director Fraites stated that the Board may want to consider adopting a bill adjustment policy specifically for earthquakes recognizing the financial impact on the District should such a catastrophic event occur wherein a huge number of consumers suffer water loss due to breaks in their lines.

Mr. DeGabriele stated that staff will craft the policy to state that the Board will take action to address consumers' water loss in those catastrophic events.

Collateral Requirements on Investments (Policy No. 4) – This policy was adopted in 1982 and stated that the Water Code provides that District investments of monies requires the depository agency (bank) to deposit collateral of 110% of the investment with a third party and that a not-to-exceed two-thirds of District investments to be collateralized by mortgage backed securities with the remainder to be backed by non-mortgage securities.

Mr. Bentley stated that the bank is still complying with this policy.

### **STAFFORD TREATMENT PLANT OPEN HOUSE**

Mr. DeGabriele said that at the last Board meeting, Director Petterle commented on whether the Stafford Treatment Plant would be ready for the Open House scheduled for May 13, 2006. The Manager reported that he talked with the Operations staff and with the Chief Engineer and although the construction will most likely be completed by that date, there are concerns with bringing the public to the site before start up testing is completed and the site is safe and free of hazards. He suggested delaying the open house until late summer or early fall and the Board concurred.

### **COMMUNICATIONS CONSULTANT SOLICITATION**

Mr. DeGabriele presented a draft letter soliciting proposals for customer outreach planning support and an "issues paper" that characterizes District water supply concerns and the challenges facing the District in areas such as the new Stafford Lake Water Treatment Plant, recycled water, water conservation, and Russian River supply. He stated that it is important for District customers to understand the challenges the District is facing and the impact it has on rates. He said that the

letter would be mailed to ten Bay Area firms and that he would like to have the Board be involved with the consultant providing their perspective in ways to approach customers on these issues.

The Board was in agreement that this is an excellent idea and Directors Rodoni and Baker volunteered to be of assistance when the time comes.

### **WAC MEETING APRIL 3, 2006**

Mr. DeGabriele recapped the Water Advisory Committee meeting held on April 3, 2006 and stated that there were several presentations by Agency staff two of which discussed fisheries. He said that the first presentation addressed the results of a study to compare out-migration of Steelhead with the normal rubber dam versus a notched rubber dam. It was determined that out-migration improved with the notched rubber dam as more flow goes over the center of the dam and does not deter water supply operation. Mr. DeGabriele said that there was a very interesting description of how radio transmitters were surgically implanted into the fish in order to retrieve data for the study.

Mr. DeGabriele reported that a discussion on Chinook salmon in the Russian River concluded that the fish are plentiful whether or not they are native and that Chinook spawn in all regions of the river not just in the upper reaches as was previously believed.

Mr. DeGabriele stated that there was an update on Collector No. 6 and that it is substantially complete and they are conducting pre-production sampling as required by DHS. He said the pre-production testing should complete in two months and that further water quality testing will go on for approximately one year to confirm that the collector is not under the influence of surface water.

The Manager reported that a draft version of the SCWA Water Vision and Policies was distributed and that this version incorporates the Agency's emphasis on reliability, sustainability and strategic planning and that the water contractors were asked to provide their input.

Mr. DeGabriele also reported on discussions on the new schedule for completion of the water project EIR noting that the draft EIR is scheduled for completion in June 2007 and the final EIR is scheduled for May 2008. He said that the submission of the Urban Water Management Plan by the Agency is also delayed and that it was good for North Marin to submit its own Plan.

Mr. DeGabriele said that he has asked the WAC to coordinate DHS requests for fluoridation cost estimates updates with SCWA and stated that there was an argument for a system-wide estimate, but that he advised the WAC that there were good reasons to provide individual cost

estimates such as individual retail water suppliers may be petitioned to add fluoridation rather than on a regional basis.

Finally, Mr. DeGabriele reported that the technical staff met after the meeting and concluded on a shortage allocation methodology.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Review of Scheduled Agenda Items, Letter from Consumer Re Darrell Bynum, AWWA Unveils “Only Tap Water Delivers” Campaign, Letter from Oceana Marin Customer and District response, Hayden Pump Station Project Update, Palmer Dr. Water Tank Belle Terre HOA Meeting Update.

The Board also received the following news articles: Learning the Value of Our Liquid Assets (3/27), NMWD Redraws Boundaries Here (3/23).

**ADJOURNMENT**

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

Submitted by

Renee Roberts  
District Secretary