

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
September 6, 2011**

**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, and Dennis Rodoni (7:33 p.m.). Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Ed Nute (Nute Engineering), Curtis Lam (HydroScience Engineers) and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) and Ryan Grisso (Water Conservation Coordinator), and Pablo Ramudo (Water Quality Supervisor) 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 presented by the following vote:

AYES: Directors Baker, Fraites, Petterle, Schoonover

NOES: None

ABSENT: Director Rodoni

ABSTAIN: None

**GENERAL MANAGER'S REPORT**

The General Manager reported that he received a call on Friday, September 2, 2011 from the State Water Resources Control Board regarding District petitions for change to the water rights on Lagunitas Creek. He reminded the Board that the change petitions proposes to dedicate one of the permits to instream purposes, convert one permit to a license and add a point of diversion at the Gallagher Well. Mr. DeGabriele advised that State Board staff is having trouble separating the historical use between the two permits because the District has always reported the total use for both permits. He said that the "good news" is that the State Board has accepted his offer to make a proposal on how to separate the two permits' historical use and he hopes to present that to the District Board at the next meeting for their review.

***OPEN TIME:***

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

**STAFF/DIRECTORS REPORTS**

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

**No Challenge to AEEP Project**

Drew McIntyre advised the Board that the period to legally challenge for the Notice of Determination that was filed for the Aqueduct Energy Efficiency Project closed on August 21 and there was no challenge to the project. He said the project will continue to move forward.

**Certificate of Appreciation from North Bay Leadership Council**

Robert Clark presented a Certificate of Appreciation from the North Bay Leadership Council for District participation in the 2011 Algebra Academy. He said that approximately 19 students spent two days at the District visiting the Stafford Treatment Plant, the laboratory, Accounting and Engineering Departments wherein they heard presentations on how math is used at the District. The District also received a thank you card signed by all the students.

**California Solar Initiative**

David Bentley reported that SB 585, the California Solar Initiative has passed both houses and is expected to be signed by the Governor. He said that the Board authorized President Schoonover to sign a letter in support of SB 585 and it is anticipated that the funds will be disbursed by the end of the year to enable the District solar energy project to move forward.

**CONSENT CALENDAR**

At the request of Director Baker, the following items were removed from the consent calendar for further discussion: Item 7 – Claim for Damages (Jerome Ghigliotti), Item 9 – Engineering Services Contract – Laura Jones, and Item 11 – Regulation 54 – Service Charge for Residences with Fire Sprinklers.

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

**RESOLUTION OF APPRECIATION TO RETIRING EMPLOYEE – SOMOFF**

Ivan Somoff, District Account Credit Clerk, has decided to retire after 12 years of service on September 15, 2011. The Board approved Resolution No. 11-24 entitled, “North Marin Water District Resolution of Appreciation to Ivan Somoff.”

**OUT-OF-STATE TRAVEL TO ATTEND – CA/NV AWWA FALL 2011 CONFERENCE**

The Board authorized out-of-state travel for the Chief Engineer to attend the California-Nevada AWWA Conference October 17 through 20, 2011 in Reno, Nevada.

**CLAIM FOR DAMAGES (JEROME GHIGLIOTTI)**

This item was removed for further discussion.

Director Baker asked for clarification of what Mr. Ghigliotti meant by a “water culvert”. Mr. Bentley said that he spoke with the customer and that it is most likely a drainage culvert installed before Mr. Ghigliotti moved into his house. There are no District facilities in the back of Mr. Ghigliotti’s property as he has claimed.

On motion of Director Petterle, seconded by Director Rodoni, and unanimously carried, the Board denied Mr. Ghigliotti’s claim for damages.

**DUMP TRUCK REPLACEMENT AUTHORIZATION**

After a review by staff of the California State Vehicle bid list, it was determined that no vendors were able to meet District minimum specifications for a new dump truck. The Board authorized staff to solicit bids for the purchase of a new 2011 dump truck.

**CONSENT APPROVE: ENGINEERING SERVICES CONTRACT – LAURA JONES**

This item was removed from the consent calendar for further discussion.

Director Baker asked for further information on Laura Jones’ past employment with the District and what tasks she will be assigned as part of her contract.

Mr. McIntyre stated that Ms. Jones was employed as a District engineer from 2006 to 2010 and played a major role in the development of the Master Plan 2007 Update. He said that she will be in the lead for compiling all the background research and will be writing different sections of the 2012 Novato Water System Master Plan Update report and providing analyses, evaluating storage and pumping facilities and facilities replacement among other tasks. Mr. McIntyre stated that Winzler & Kelly will be playing a smaller role in the Plan’s update and that it is more efficient to contract with Ms. Jones since she worked on the previous Plan update in 2007.

On motion of Director Petterle, seconded by Director Rodoni, and unanimously carried, the Board authorized the General Manager to execute an agreement with Laura Jones for General Engineering Services for a not-to-exceed amount of \$32,500 plus \$,2500 contingency.

**CSW/STUBER-STROEH ENGINEERING SERVICES FY 11-12 – MISCELLANEOUS ENGINEERING SERVICES**

The Board authorized the General Manager to execute an agreement with CSW/Stuber-Stroeh in the not-to-exceed amount of \$30,000 for Miscellaneous Engineering Services for Fiscal Year 2011-2012.

**REGULATION 54 – SERVICE CHARGE FOR RESIDENCES WITH FIRE SPRINKLERS**

This item was removed from the consent calendar for further discussion.

Director Baker asked if the change to Regulation 54 Section f was because of comments received at the May rate hearing wherein a customer said he was required to install a 1.5-inch meter for fire sprinklers and that his service charge would double with the rate increase? Mr. Bentley responded yes. Director Baker asked if this change would satisfy the customer's issue and Mr. Bentley said that it would and that there are ten other customers that will also be affected.

Director Rodoni inquired if the change is for all service areas at the three-year step rate increase that was approved by the Board; Mr. Bentley responded that it is.

On motion of Director Petterle, seconded by Director Rodoni, and unanimously carried, the Board approved Resolution 11-25 entitled, "Resolution of the Board of Directors of North Marin Water District Amending Regulation 54 – Water Rates."

**NOTICE OF COMPLETION CREST WATER TANK NO. 2 (PASO ROBLES TANK)**

Pursuant to and in conformance with contract requirements for the Crest Water Tank No. 2 project, Paso Robles Tank has fulfilled their obligations under the contract and all work performed by Paso Robles Tank has been inspected by District staff and inspection consultants. The Board authorized the General Manager to execute and file a Notice of Completion for the Crest Water Tank No. 2 project.

**ADOPT STATE REVOLVING FUND LOAN RESOLUTIONS – REVISED APPLICATION FOR RECYCLED WATER PROJECT SOUTH SERVICE AREA PROJECT (PHASES 1 A/B & 2)**

The Recycled Water South Service Area Project was divided into two phases to avoid delay in bidding and requires a revised State Revolving Fund (SRF) Application reflecting updated costs. The application process requires submission of three resolutions. The Board approved the following resolutions:

Resolution No. 11-26 entitled, "Application/Authorization Resolution" authorizing the General Manager to act as the District representative;

Resolution No. 11-27 entitled, "A Resolution of the Board of Directors of the North Marin Water District to Approve and Authorize Dedication of a Revenue Source for the North Marin Water District Repayment of State Revolving Fund Financing (CWSRF Project Nos. 7802-10, 7802-120 and 7802-130)";

Resolution No. 11-28 entitled, "Resolution of the Board of Directors of the North Marin Water District Declaring the Official Intent of the District to Reimburse Certain Design, Permitting and Capital Expenditures from the Proceeds of Indebtedness."

### ***ACTION CALENDAR***

#### **POINT REYES WELLS PRODUCTION STATUS**

Robert Clark informed the Board of the Point Reyes wells production status and he provided a history of the Point Reyes Wells. He advised that there were three wells installed near Lagunitas Creek and that Well #1 was abandoned in 2002 due to siltation and excessive draw-down of the water table. He said that Wells #2 and #3, when originally installed, each produced approximately 300 gpm for the Point Reyes water supply. He advised that in 1996, Well #3 experienced high turbidity, and it was found to have similar silting issues as had Well #1, and it underwent rehabilitation as did Well #2 in 1997 by Weeks Drilling & Pump Company (Weeks). He further advised that over the past two years, the pump motor control center and well pumps and motors were replaced in Wells #2 and #3, and a new casing was installed in Well #3 in 2010. Mr. Clark stated that over the last two months, both wells are experiencing high turbidity and that Well #2 is pumping 280 gpm and Well #3 production has dropped to 150 gpm. He said that current demand has been maintained, however pumps have been running 18 to 22 hours per day. He said that staff has consulted with Winzler & Kelly and Weeks, both who recommend that a replacement well at a location near the existing wells is recommended for maintaining the production capacity in order to meet the existing water system demand. He stated that he has requested a proposal for engineering services from Winzler & Kelly and cost estimates for drilling a replacement well from Weeks.

Mr. Clark stated that staff has talked with Department of Public Health (DPH) to determine if the District qualifies for emergency funding and was advised that emergency funds would be contingent on a failure to meet water quality standards. He advised that because of the inability to initiate off-tide avoidance pumping practice, salinity in the aquifer will continue to increase and disinfection byproduct concentrations will begin to rise.

Director Schoonover asked if the District has satisfied DPH's position that water quality standards have not been met, and therefore the District is not eligible for funding?

Mr. Clark said that currently water quality standards continue to be met; however, water quantity standards are not being met and the District may be eligible for emergency funds.

Mr. DeGabriele said that another well near the creek must be drilled, and that emergency funding from DPH is in question because District circumstances do not trigger emergency funding. He said that staff is trying to convince DPH that emergency funding is needed and that the project should receive a higher priority for funding of long-range solutions which is the Gallagher Well and Pipeline Project.

There was a lengthy discussion about costs, permitting and location of the replacement well.

On motion of Director Baker, seconded by Director Fraites and unanimously carried, the Board authorized the General Manager to execute contract services agreements for the Point Reyes Treatment Plant replacement water supply and work with DPH to secure emergency funding if possible.

**RECYCLED WATER EXPANSION TO SOUTH SERVICE AREA PROJECT – CLEAN WATER STATE REVOLVING FUND LOAN CEQA PROJECT APPROVAL (SRF PROJ. NO. 7802)**

Mr. McIntyre stated that in December 2009, the Board made findings on the North Bay Water Recycling Program (NBWRP) Environmental Impact Report (EIR) and that by approving that document, the District was able to move forward at the federal level for all environmental work. He further stated that when the District applied for a low interest rate loan for the North Service Area, the document was not adequate under the Clean Water State Revolving Fund Loan (CWSRF) Program and a more focused environmental document was needed. He said that ESA was hired to prepare an addendum to address only the North Service Area. Mr. McIntyre said that an addendum to the NBWRP EIR addressing the South Service Area, prepared by ESA and reflecting final pipeline alignments, is presented to the Board for approval tonight. He described the South Service Area Project as being more complicated than the North Service Area Project as the pipeline will traverse open farm land from Las Gallinas Valley Sanitary District through Catholic Youth Organization (CYO) properties to the Hamilton Field area. He advised that ESA has been working with the Bureau of Reclamation and the State and have completed the addendum. He further advised that with the approval of the addendum tonight, the District will submit this document as part of its revised SRF application to the State Water Resources Control Board for its consideration to administer the CWSRF funding.

Mr. McIntyre answered questions from the Board including a question from Director Baker regarding the pipeline's proximity to the Sonoma Marin Area Rail Transit (SMART) right-of-way. Mr. McIntyre stated that the pipeline crossing of SMART tracks will be in the Hamilton area near Bolling Circle and State Access Road and over Main Gate Road. Director Baker asked if CYO and SMART will provide the necessary easements and Mr. McIntyre stated that both entities have stated that they will.

On motion of Director Pettele, seconded by Director Fraites and unanimously carried the Board: 1) Approved the Addendum to the Environmental Impact Report and adopted Resolution No. 11-29 entitled, "Resolution Of The Board Of Directors Of North Marin Water District -Approval Of The South Service Area Supplemental Environmental Assessment/Addendum To The North Bay Water Recycling Program EIR/EIS Prepared For The United States Bureau Of Reclamation And State Water Resources Control Board As Part Of Consideration Of Issuance Of Funding Under Public Law Title XVI And The Clean Water State Revolving Fund Program, And Finding That Addendum Is Consistent With The Aforementioned EIR/EIS";

2) Authorized the General Manager or his assignee to file the Notice of Determination with the Marin County Clerk and State Clearinghouse; and

3) Established the Board of Directors as custodian of the documents.

**CHANGE ORDER TO NUTE ENGINEERING CONTRACT FOR RECYCLED WATER PROJECT SOUTH SERVICE AREA**

Drew McIntyre presented a change order to the Nute Engineering Contract to perform additional engineering services for the Recycled Water Project South Service Area. He advised that Nute Engineering performed all the design work for the Recycled Water South Service Area that included the pipeline, transmission and distribution system. He stated that there are unforeseen changes to the original scope of work with additional tasks, i.e. easements preparation and SMART permit applications and additional engineering services for the SMART crossing at Olive Avenue (part of the Recycled Water North Service Area). Mr. McIntyre further stated that with the previous Change Orders 1 through 4, Nute Engineering was authorized a total of \$66,000 outside of the original contract. He said that during the development of the design, Nute has identified eight other tasks that were not anticipated during the preparation of the original proposal. Mr. McIntyre highlighted a few of the additional tasks including: pavement overlay required by the City of Novato on Hamilton Meadow Park streets, Main Gate Road bridge structural calculations to demonstrate that the pipeline can be safely installed on the Main Gate Bridge, separate the project into three separate bid documents; add additional work related to the Reservoir Hill tank project.

Mr. McIntyre said that the original amount for change order No. 5 was \$71,000 and he met with Nute Engineering and negotiated the amount to \$56,246 by taking more of a cost-sharing approach on progress meetings, and Nute agreed to reduce the 10% profit on all tasks except for the Reservoir Hill Tank overflow line. He advised that he felt the cost is reasonable and that Mr. Nute is present tonight to answer any questions.

Director Baker asked if the pavement overlay is a reasonable request by the City of Novato and Mr. Nute responded that this issue has been negotiated with the City, and it will be a partial overlay in some of the areas. He said that these are fairly new streets that are being trenched through.

On motion of Director Baker, seconded by Director Rodoni the Board unanimously authorized the General Manager to execute Change Order No. 5 to Nute Engineering to perform additional recycled water design-related tasks for the Novato South Service Area project in the amount of \$56,246.

**RECYCLED WATER ONSITE RETROFIT DESIGN PROJECT – AGREEMENT FOR DESIGN SERVICES WITH HYDROSCIENCE ENGINEERS**

Ryan Grisso stated that as part of the North Bay Recycled Water Program expansion of recycled water in Novato, the District has identified 75 existing customers to receive recycled water. He reminded the Board that pursuant to Regulation 18, the District requires the use of recycled water for new and existing customers should recycled water become available and that the District will pay the reasonable capital costs of retrofitting the water service on existing customer's side of the water service meter. He said that 53 of the sites will require retrofitting by September 2012. He described the scope of work for the retrofit project that includes evaluating the existing irrigation system, documenting all points of connection, preparing final design drawings and coordinating plan review with the Department of Public Health and preparing design plans for bid documents for the construction work.

Mr. Grisso said that the agreement before the Board tonight is for 21 sites that includes Valley Memorial Cemetery and Fireman's Fund in the North Service Area and Meadow Park Homeowners and Bay Vista in Hamilton in the South Service Area. He said that staff sent out a Statement of Qualifications and selected the highest ranking firm, HydroScience Engineers, because of their experience and proposal approach.

Mr. McIntyre addressed the financial impact. He said that pursuant to the SRF loan application and State Board policy, on-site retrofit for public properties will be funded but not private properties. He said the District is accelerating on-site retrofit work into this year to capture as much

of the 25% federal grant monies by September 2012. He said the SRF loan will cover city properties and school ball fields; but Valley Memorial and Fireman's Fund project funding will be paid from District reserve funds.

Director Rodoni asked if the contingency amount in the contract is higher than normal. Mr. Grisso stated that an evaluation of existing pumps and engineering of new pump system stations on a per site basis is included in the contingency with a projected cost for each site.

Mr. Grisso introduced Curtis Lam of HydroScience Engineers and Mr. Lam provided a brief description of his firm and its current projects.

Mr. McIntyre stated that Mr. Grisso has done a great job with public outreach and staff expects that questions from customers and homeowners will continue during the project. He said that as of now, there have been no negative comments.

On motion of Director Petterle, seconded by Director Rodoni, and unanimously carried, the Board authorized the General Manager to execute an agreement with HydroScience Engineers for a not to exceed fee of \$245,000 plus a contingency of \$49,000.

Mr. Nute and Mr. Lam left the meeting.

**RECYCLED WATER EXPANSION TO THE NORTH SERVICE AREA - SEGMENT 2 CONSTRUCTION PROJECT – APPROVE BID ADVERTISEMENT**

Mr. McIntyre stated that Segment 2 of the North Service Area Recycled Water Expansion Project includes installation of 10,000 feet of 12-inch pipeline along Olive Avenue west of Summers Avenue intersection and on Redwood Boulevard north of Olive Avenue and on Wood Hollow to the Meadow Crest Road intersection. He said that the engineer's estimate is \$2M. He said the contractor will be given the option to directional drill or open cut except for the area of the SMART railroad crossing which will be directional drill.

On motion of Director Petterle, seconded by Director Baker and unanimously carried, the Board authorized bid advertisement of the Recycled Water Expansion North Service Area – Segment 2 construction project.

**RECYCLED WATER NORTH SERVICE AREA EXPANSION - SEGMENT 3 PROJECT: AWARD CONSTRUCTION CONTRACT**

Mr. McIntyre said that the Board had authorized staff to advertise for Segment 3 in July and 22 contractors attended the mandatory pre-bid meeting and six bids were received at the bid opening on August 16, 2011. He said the bids ranged from \$1.5M to \$2.2M and the engineer's estimate was \$1.75M. He said that Ghilotti Construction's bid came in the lowest and was 11%

below the engineer's cost estimate. Mr. McIntyre advised that The Covello Group is the construction manager and they evaluated the bid and concluded that Ghilotti Construction's bid was responsive and responsible. He further advised that this information was forwarded to the District legal counsel and they confirmed Covello Group's finding.

Mr. McIntyre informed the Board that the Plum Street Recycled Water Tank Rehabilitation Project Notice to Proceed was issued on August 29 and contractors are expected on site in late September.

Director Rodoni asked staff to come back with the impact the recycled water projects will have on District financial planning and its reserves.

Mr. DeGabriele commented that staff has had preliminary discussions on the financial impacts and noted that construction costs are escalating.

On motion of Director Baker, seconded by Director Fraites and unanimously carried, the Board approved award of the Segment 3 construction contract to Ghilotti Construction and authorized the General Manager to execute an agreement with Ghilotti Construction.

The General Manager congratulated Mr. McIntyre for the great job that he is doing bringing all of the recycled water projects forward; it's a huge job and the District is lucky to have Drew to carry out the tasks.

Mr. McIntyre stated that his entire department is supporting him with these projects.

### ***INFORMATION ITEMS***

#### **WATER CONSERVATION YEAR END REPORT (JULY 2010 THROUGH JUNE 2011)**

Ryan Grisso presented the Water Conservation Year End Report. He stated that the rebate amount for high efficiency toilets have been reduced to \$75 and he will advise the Board if that has an effect on the number of future rebate requests. He said that reduction in participation in the washer rebate program has not been realized even though the rebate amount has been reduced from \$75 in FY 11 to \$50 in FY 12. Mr. Grisso said that there has been a significant reduction in retrofit on resale certificates and he opined that it may be due to the poor real estate market. He said that Cash for Grass rebates are down with only 50 projects rebated in FY 11. He summarized the remaining programs and noted that participation has remained the same or decreased from prior years.

Mr. Grisso addressed the public outreach and the "Water Smart" branding of the programs. He said that the spring 2011 WaterLine focused on water supply and included the water quality report for West Marin and Novato. He advised that staff attends the farmer's market and that the

District is actively maintaining a District Facebook page and explained that this is a modern way to connect with customers. He stated that the District is also working on establishing a YouTube video page.

Mr. Grisso stated that staff is recommending adopting the use of the term “Water Use Efficiency” rather than “Water Conservation”. He said that in the last few years there has been a negative connotation associated with water conservation and rate increases and noted that other utilities have switched to the term “water use efficiency”. Mr. Grisso advised that water conservation expenditures in FY 11 were below budget mainly due to a reduction in washer rebate levels and cash for grass participation.

Director Baker said that he understands Mr. Grisso’s reasoning, however, in the North Bay, the term “conservation” is still very popular.

Director Schoonover opined that “water use efficiency” is a “nebulous term” and does not tell people how to conserve.

Mr. DeGabriele stated that using “water use efficiency”, the connotation the customer may take away is that by being more water efficient money and water will be saved. He further stated that “water conservation” provides the connotation that this is a requirement to save water. Mr. DeGabriele said that, in the North Bay, water conservation has been linked with maintaining water in the Russian River for the fisheries and that both terms are good. He said that Ryan’s idea of promoting “water use efficiency” enables the customer to take responsibility for water use.

There were many comments from the Board, and Mr. Grisso will bring the subject back to the Board for further discussion.

### ***MISCELLANEOUS***

The Board received the following miscellaneous items: Disbursements, Save Our Water ad, Letter from PG&E, Letter from Assembly Member Huffman Re GFOA Certificate of Achievement, Letter from Senator Mark Leno Re GFOA Certificate of Achievement, Letter from Customer, Letter to Senator Mark Leno Re AB 646, History of Stafford Lake, and Salinity Notice.

The Board received the following news articles: Brown Appoints Chuck Bonham as New DFG Director, Troubled SMART Rail Line Taps Marin Official as Its Leader, San Rafael and Novato Water Recycling Plants Get Funding Help, Brown’s Decision Means Wide-Open Race in Sonoma County’s 1<sup>st</sup> District.

### **CLOSED SESSION**

President Schoonover adjourned the Board into closed session at 9:05 in accordance with Government Code Section 54957.6; Conference with Labor Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; Employee Organization – North Marin Water District Employee Association.

**OPEN SESSION**

Upon returning to regular session at 9:19 p.m., President Schoonover stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 9:20 p.m.

Submitted by

Renee Roberts  
District Secretary