

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 18, 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, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. Director Rick Fraites was absent.

Sara Johnson, River Resources, Inc. and District employees Robert Clark (Facilities Maintenance Superintendent) and Doug Moore (Construction Superintendent) were in the audience.

MINUTES

On motion of Director Baker, seconded by Director Schoonover and carried by the following vote, the Board approved the minutes from the previous meeting as mailed:

AYES: Directors Baker, Petterle, Rodoni, Schoonover

NOES: None

ABSENT: Director Fraites

ABSTAIN: None

GENERAL MANAGER'S REPORT

Toilet Giveaway

The General Manager reported that on Saturday, September 15th, 387 high efficiency toilets were distributed to customers who were lined up to receive the free toilets as early as 7 a.m. He said that 45 customers were turned away when the toilet supply ran out and that Ryan Grisso, District Water Conservation Coordinator, is working on a plan to satisfy those customers. Mr. DeGabriele stated that everyone involved in the toilet distribution did a good job and that he will provide a full report at the next meeting.

North Bay Watershed Council

Mr. DeGabriele advised that next Tuesday, he will attend the North Bay Watershed Council meeting at the Marin Community Foundation from 4 p.m. to 6 p.m. and if any Board member is interested in attending to please let him know.

Intertie Agreement Negotiations

Mr. DeGabriele advised that the Intertie Agreement negotiations will commence next Wednesday, September 26th, with a meeting with Marin Municipal Water District.

Stafford Treatment Plant Security Project Bid Protest

The General Manager stated that, after Board authorization on July 17, 2007, the Stafford Treatment Plant Security Project was awarded to Mike Brown Electric and that the second low bidder, Electronic Innovations, Inc. has filed a Declaratory Relief action in Marin County Superior Court. He reported that District legal counsel has reviewed the original protest by Electronic Innovations and District bid documents and did not find any basis for the protest and advised the District to proceed with the work. He said that Electronic Innovations is not asking for a work stoppage and that the project will proceed as advised by legal counsel.

State Water Bond

Mr. DeGabriele stated that he received a request from Assemblymember Huffman's office for a meeting with him, Randy Poole of SCWA and Paul Helliker of Marin Municipal Water District to discuss the special session called by the governor to address water issues in California. He advised that a bond initiative, as proposed by the governor, deals with the Delta only and that Mr. Poole wants to broaden the language to include the North Coast region. Mr. DeGabriele passed out a draft delegation letter requesting that the North Coast region be included in the bond initiative language. Mr. DeGabriele asked that the Board forward any comments to him before Friday's meeting.

Disbursements

Mr. DeGabriele noted that his initials were omitted from the disbursements included in the Consent Calendar on tonight's agenda and he advised the Board that he had indeed reviewed the Disbursements on Friday.

OPEN TIME

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

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Monthly Progress Report for August. He reported that water production in Novato was down 15% from one year ago and down 8% from 2004. (He reminded the Board that 2007 is being compared to 2004 as it was also a dry year and is the comparative year for

this summer's reduction in Russian River diversions ordered by the State Water Resources Control Board.) In West Marin, water production was also down 20% from 2006 and down 21% from 2004. He said that Stafford Treatment Plant production is up significantly from last year. He further reported that lake elevation is at 184.2' which is 4' below a typical August and that in August 2004, lake elevation was 1' higher. He noted that in 2002, the end-of-season lake elevation was 177'. He said that the lake level this year may reach 2002 levels and that Stafford Lake production will be scaled back at the end of October.

Mr. DeGabriele reported that in Oceana Marin, storage and treatment ponds are in good shape and there is sufficient freeboard entering into the winter season. He noted that the District has gone 226 days without a lost time accident or injury and that the recent change in the safety incentive program will be presented to the Board at a future meeting. He pointed out that wastewater complaints were double from last year, washer leaks were up from last year and that high bill complaints were down, likely due to cool summer temperatures and conservation efforts.

Mr. Bentley provided the Auditor-Controller's Monthly Report of Investments and Financial Reserve Summary and noted that one half of funds in the total investment portfolio are in state treasury funds and the portfolio is now earning over 5%. The Financial Reserve Summary shows that the connection fee fund amount of \$2.4 million is down from last year. He said that \$60,000 in connection fees were received from the Costco expansion project and \$200,000 from the Hamilton Market. He said that the District needs \$3M in the fund for the Palmer Tank project and that the District is anticipating the Water Service Agreement for the Whole Foods project to come in within the next couple of months.

CONSENT CALENDAR

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

7135 REDWOOD BLVD (JACK-IN-THE-BOX) FIRE SERVICE

This project at 7135 Redwood Boulevard consists of installing a four-inch fire service for an existing restaurant to be remodeled into a Jack-In-The-Box. The Novato Fire Protection District has required that a fire sprinkling system be installed with a dedicated fire service. Zone 1 water facilities include 68 feet of four-inch PVC, eight feet of four-inch steel main and four-inch fire service with 5/8-inch bypass meter.

The Board approved Resolution 07-31 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with Novato Fair Shopping Center, LLC."

QUITCLAIMS – ACCESS EASEMENTS TO NORMAN TANK RE ANDERSON-ROWE RANCH SUBDIVISION

New access easements to the future Palmer Drive Water Tank were established with the Anderson-Rowe Ranch Subdivision developer in July 2005, and a lot line adjustment was completed in May 2007. This easement can also be used to access the Norman Tank access easement. Portions of an old access road easement to the existing Norman Water Tank cannot be utilized for District use and the District intends to relinquish the unused easements to eight homeowners so that each homeowner can have a clear property title.

The Board approved Resolutions Nos. 07-32 through and including 07-39 entitled, “Authorization of Execution of Quitclaim Deed to Brian and Kelly Schroth (07-32), Joel Lutz (07-33), Brice Criswell and Carrie Stevens (07-34), Dale Davison and Judy Jeong (07-35), Joanna Ojeda (07-36), Robert and Jennifer Partrite (07-37), Joann and Kevin Rapp (07-38) and Kelly Moynihan (07-39).”

QUITCLAIM – PIPELINE EASEMENT RE PT. MARIN PHASES 2 & 3 SUBDIVISION

The cross country 16-inch steel waterline installed circa 1960 through Kathy Court was realigned in Ignacio Boulevard and reconnected at the end of Creekview Court as part of Pointe Marin Phase 2 and 3 subdivision project. Consequently, a portion of the original waterline easement at 22 Creekview Court is no longer required and has been abandoned.

The Board approved Resolution No. 07-40 entitled “Authorization of Execution of Quitclaim Deed to Richard and Michele Ugarte.”

BAY AREA IMPLEMENTATION GRANT - INTEGRATED REGIONAL WATER MANAGEMENT PLAN

The Bay Area’s Integrated Regional Water Management Plan grant consists of 13 projects covering regional water conservation, water recycling, desalination and groundwater projects. The District intends to spend its share of the grant (\$244,550) on the following tasks related to our recycled water project: Payments to the Recycled Water Facility and Pipeline Contractor and Recycled Water Facility start up costs (\$69,550); installation of a 6” meter at Stone Tree Golf Course for metering recycled water use (\$25,000); site retrofit and storage improvements at Fire Station #2 to provide recycled water (\$100,000); provision of a back-up potable water main to the recycled water facility (\$50,000). The Board authorized a payment of \$3,000 to the Bay Area Clean Water Agencies for grant administration costs associated with the Proposition 50 Recycled Water Grant.

AGREEMENT WITH CONFIDANTE FOR FOLLOW-UP TO WORKPLACE ASSESSMENT

The Board authorized the General Manager to enter into an agreement with Confidante, Inc. to conduct a workplace assessment follow-up in an amount not-to-exceed \$5,000. Confidante, Inc. has conducted a workplace assessment to address employee conflicts and this assessment requires follow-up.

DISBURSEMENTS

The Board approved and authorized for payment, accounts payable vouchers totaling \$828,536.03.

ACTION CALENDAR

TOMALES BAY INTEGRATED COASTAL WATERSHED MANAGEMENT PLAN

Mr. DeGabriele reported that Mike McMaster is on vacation and that Sarah Johnson of River Resources Associates and consultant to the Tomales Bay Watershed Council (TBWC) is present to address the Board and answer any questions on the Tomales Bay Integrated Coastal Watershed Management Plan (Plan). He said that District projects are identified in the Plan and that it is hoped that there will be future grant funding to help pursue these projects. He advised that the Board will be asked to adopt the Plan by resolution tonight.

Ms. Johnson stated that she has worked with Mike McMaster and the Technical Advisory Committee (TAC) of the TBWC on the Plan and that the draft Plan had been submitted to the State in August. She said that the TAC is now in the process of making revisions and getting the Plan adopted by the various agencies and that the Plan was adopted by the TBWC today. Ms. Johnson reported that of nine plans submitted to the state by other agencies, the draft version of the Plan is one of two plans being considered for grant funding. She said that the District's Gallagher Well and Pipeline Project has scored very high by the review team. She said that the project implementation package requested funding of \$4.25 million. She said that the TBWC believe they will be invited to apply for the full amount, the projects will be discussed and the scope will likely be narrowed down.

Director Rodoni inquired what agency will make the decision to call back and review the Plan and Ms. Johnson replied the Department of Water Resources.

On motion of Director Schoonover and seconded by Director Rodoni, and unanimously carried by those present, the Board authorized Resolution 07-41 entitled, "Resolution of the Board of Directors of North Marin Water District Adopting the Tomales Bay Integrated Coastal Watershed Management Plan."

NOTICE OF COMPLETION FOR THE RECYCLED WATER FACILITY AND PIPELINE (MAGGIORA-GHILOTTI, INC.)

Mr. McIntyre stated that the work on the Recycled Water Facility and Pipeline construction contract is complete and that it is appropriate to approve the filing of the 30-day Notice of Completion with the County. He explained that this notice allows unforeseen claims to come forward during the 30-day period after which the District will release to the contractor, Maggiora-Ghilotti, the final 5% retention amount of \$179,279 and the final payment of \$5,409.09. Mr. McIntyre summarized the project and stated that the original contract was in the amount of \$3.6 million with a 7% contingency and that 17 change orders to Maggiora-Ghilotti were issued for the total amount of \$76,000. Mr. McIntyre said this project went very smoothly and the contractor performed well.

Mr. McIntyre reminded the Board that work is continuing on delivering recycled water to the Novato Fire Protection District's No. 2 station. He said that retrofitting the existing system at the Fire District and separating the irrigation system from the potable water supply is a component of the overall recycled water project. He stated that it is planned to have a fall-back contingency plan to supply potable water should the recycled water be undeliverable. Mr. McIntyre further stated that the total project costs have been updated and there are enough funds for the project using the contingency in the Stone Tree project in the amount of \$186,000. He stated that the estimate is slightly higher than the original estimate but includes the contingency amount. He said he is confident that the job will be closed out at or below the original total project cost estimate.

On motion of Director Schoonover, seconded by Director Baker, the unanimously carried by those present, the Board authorized the General Manager to execute and file a Notice of Completion for the Recycled Water Facility and Pipeline construction contract.

SOLICITATION FOR PROPOSALS FOR WEBSITE REDESIGN

Mr. Bentley stated that the District's website was built in-house six years ago and is in need of updating. He reported that the current website receives approximately 2,000 visitors per month whereas approximately 400 people come into the office and, therefore, it is important for the District website to be easier to use and navigate and appear more professional. He presented a list of vendors who will be sent the Request for Proposals (RFP) and that the selected vendor will make presentations to the Board during the design phase to allow input by the Board. He said that once the design is finalized, the vendor will walk through the website with the Board and staff. He asked the Board if they were interested in taking an active role in developing the website once staff selects the vendor.

President Petterle stated that he did not see the need for the entire Board to participate and that it may be more effective to form a committee to review the proposed website. He said that he would be interested in sitting on the committee and he asked Director Rodoni if he was interested. Director Rodoni responded that he would participate unless Director Fraites wants to.

On motion of Director Rodoni, seconded by Director Schoonover and unanimously carried by those present, the Board authorized staff to issue the Request for Proposal for the District website redesign.

INFORMATION ITEMS

EMERGENCY WATER CONSERVATION STATUS REPORT

Mr. DeGabriele stated that during the month of August, water watch patrols were increased including patrols on Saturdays, and advised that when a water waste call is received, staff responds in a timely manner. He said that 101 customers were noticed about water waste and that the majority of notices were for irrigating after 6 a.m. He noted that it was discovered that irrigation timers fall back to standard run times if the battery back-up fails during a power outage and that this is the primary reason for irrigation running after 6 a.m. He said that customers were advised to reprogram their controllers after a power outage and replace the battery back-up power supply. Mr. DeGabriele said that Russian River water use was reduced by 22% compared to 2004 due to a combination of customer water conservation, Stafford Treatment Plant production and recycled water delivery to Stone Tree Golf Course. He said that, as a region, Russian River diversion has been reduced by 18.3%.

Director Petterle inquired what the overall District reduction in consumption was, disregarding Russian River supply. Mr. DeGabriele responded that without detailed analysis or accounting for differences in number of customers or weather, overall, the District saw 15% reduction from 2006, 8% below 2004 and that savings from conservation is approximately 8%, recycled water 1% and the remaining 13% from Russian River reduction.

Director Petterle requested that when the ordinance is lifted at the end of October, the District acknowledge the good job of customers and to remind them to continue conserving water. Mr. DeGabriele said that he plans to do that in the Fall "Waterline" and that the District typically gives away a clothes washer at that time and that the District provides many giveaways throughout the year.

TWO WATER OUTAGES: WILSON AVENUE/MAESTRO ROAD AND ADRIENNE STREET

Mr. DeGabriele advised the Board of two water outages. He reported that the first incident occurred on August 30th, at approximately 4 a.m., when an eight-inch water main broke near the

corner of Wilson Avenue and Maestro Road which is supplied by the Wild Horse and Center Road tanks. Mr. DeGabriele said that a Precautionary Water Quality Alert was issued to thirty-six customers and that after two consecutive clean water samples were collected, the Precautionary Water Quality Alert was lifted. He said that the second incident occurred at approximately 6 p.m. on September 4th when a contractor, working on a commercial building, broke a two-inch main on Adrienne Street resulting in three homes being out of water. He stated that the District was not notified until the following day and a Precautionary Water Quality alert was hand-delivered to the three affected customers on September 6th. He advised that after two consecutive water samples were collected, a cancellation of the water quality alert was hand-delivered to the affected customers on September 8th.

CLIMATE CHANGE AND WATER RESOURCES

Mr. Clark reported that he attended a meeting in Sacramento, held jointly by the State Water Resources Control Board and the Department of Water Resources, for the purpose of discussing how California water's resources are impacted by climate change. He said all attendees were informed of Assembly Bill 32 that requires all state agencies to consider and implement strategies to reduce greenhouse gas emissions. He said that many good ideas were presented on how to reduce greenhouse gas emissions, conserve water and plan for impacts to water resources from climate changes. Mr. Clark reported that there was discussion on the direct relationship between water conservation and energy consumption and that the District has recognized this relationship and has already implemented programs to conserve water and energy. He suggested ways to further reduce energy consumption and get back to 1990 emission levels as is required by AB 32 and that he will come up with a plan to reduce District emissions 10% per year until the 1990 emission levels are reached.

CALIFORNIA CLIMATE ACTION REGISTRY WEBSITE

Mr. Clark stated that the California Climate Action Registry is updating its website and has requested information from member agencies and he presented the Board with the paragraph highlighting the District's environmental leadership that will be included on the California Climate Action Registry website.

SOUTH TRANSMISSION SYSTEM PROJECT EXTENSION TO MARIN/SONOMA COUNTY LINE

Mr. DeGabriele reported that the District received an offer from Sonoma County Water Agency to extend the South Transmission System Project (STSP) 48-inch pipeline to the Marin/Sonoma County line. He said that the cost of the design was estimated to be \$220,000 and that \$11 million is estimated for capital costs for the extension. He said that SCWA prepared a

hydraulic evaluation report and shared this with Marin Municipal Water District and North Marin and that District staff reviewed this with Mark Soldati, consultant with Winzler and Kelly. Mr. DeGabriele noted that while this proposal to extend the pipeline south makes sense to avoid pumping at Kastania pump station, there are two reasons not to proceed at this time: the draft Environmental Impact Report for the SCWA Water Project is scheduled for release in June 2008 and the extension of the pipeline to the Marin/Sonoma county line may delay the Water Project EIR as it is unknown what additional environmental review will be necessary to consider the STSP extension on a site-specific basis within the Water Project EIR; Caltrans' Marin-Sonoma Narrows Highway 101 widening project will require the relocation of the North Marin Aqueduct for much of its length and that Caltrans will be required to pay for the relocation. Additionally, Mr. DeGabriele said that the Highway 101 widening project provides the District an opportunity to work with Marin Municipal on a joint project and assist them in solving their water supply problem. He informed the Board that he has drafted a letter to SCWA, which he shared with Marin Municipal, declining, at this time, the District's participation in their proposal to extend the STSP to the Marin/Sonoma County line.

TECHNICAL ADVISORY MEETING – SEPTEMBER 10, 2007

Mr. DeGabriele advised that City of Santa Rosa will not execute the Sonoma Marin Saving Water Partnership agreement if the partnership would enable Marin Municipal to receive water conservation funding money from SCWA. He said he told Marin Municipal about this and they are not certain if they will participate in the Partnership.

Mr. DeGabriele further advised that the City of Santa Rosa reported that they have an agreement with Calpine to send additional recycled water to The Geysers and that this will avoid discharge to the Russian River in most years and that any discharge will remain in the Laguna. He stated that this was a big concern to the District and that this is good news.

MISCELLANEOUS

The Board received the following miscellaneous information: Sonoma County Water – Creating a Climate of Change, Paul Sheffer Retires from 50 Year Career in Agriculture Conservation, Tomales Bay Watershed Council Notice, North Bay Water Reuse Authority Agenda. The Board also received the following news articles: Watered Down; Petaluma Council Misses Change to Make Water Efficiency a Priority (9/12), and Petaluma Water Proposal Scrapped (9/11) (with response from Michael Ban), SR May Force Use of Wastewater (9/10), Close to Home (9/6).

ADJOURNMENT

President Petterle adjourned the meeting at 8:43 p.m.

Submitted by

Renee Roberts
District Secretary