

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 20, 2012**

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Acting Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent) Carmela Chandrasekera (Associate Engineer), David Ramsey, from Ifland, and Steve Wrightson, from The Covello Group, were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Chris DeGabriele informed the Board that last week he attended the Legislative Symposium in Sacramento and also attended ACWA's Local Government Committee Meeting. He stated that the common discussion among the two meetings was the governor's 12-point plan for pension reform. Mr. DeGabriele opined that he doesn't think the governor's plan will make it through the legislature. He stated that there are two ways the legislative can go about it, one way would be a bill proposed in the two houses where the assembly and senate work through to reconcile the bill and the second would be a conference committee that craft legislation to be introduced and voted with a floor vote expected to be seen around April.

Mr. DeGabriele stated that he and Director Rodoni have a meeting with Sonoma County Water Agency on another approach to convince the U.S. Army Corps of Engineers to fund its share the Russian River biological opinion.

Mr. DeGabriele informed the Board that he received an email last week stating that the rain fall which occurred on Lagunitas Creek exceeded the dry year minimum and that there would be normal year flow this summer in Lagunitas Creek.

OPEN TIME

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

STAFF / DIRECTORS' REPORTS

President Petterle asked if staff or Directors 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 the month of February. He stated that water production in Novato is up 2% over last year and is 3% below last year in West Marin. He noted that Stafford Lake has 665 MG in storage through February 9th, about 46% capacity. Mr. DeGabriele stated that Lake Sonoma currently holds 213,000 acre-feet, Lake Mendocino holds approximately 71,000 acre-feet and Marin Municipal reservoirs are at 94% of capacity. Mr. DeGabriele stated that in Oceana Marin both treatment and storage ponds have good freeboards. Mr. DeGabriele reported that the Summary of Complaints and Service Orders indicates that leak complaints are up 100% from a year ago.

Mr. Bentley reviewed the investment report and stated that at the end of February, there was \$10 M in the bank, and the weighted average portfolio rate was 0.45% for the month of February. He informed the Board that the District received its first payment of State Revolving Funds totaling \$1.9 M for Recycled Water reimbursement and the state has agreed to loan the District \$9.6 M total.

CONSENT CALENDAR

On the motion of Director Schoonover, seconded by Director Baker and unanimously carried, the following items were approved on the consent calendar:

APPROVE: QUITCLAIM EXISTING UNUSED PORTION EXISTING CHIPOTLE MEXICAN GRILL EASEMENTS IN TRADE FOR NEW EASEMENT

With execution of the Chipotle Mexican Grill Water Service Agreement, staff secured a waterline easement from Novato Realty Partners, LLC, a California Limited Liability Company, at that time for new on-site water mains required for the project. The old easement alignment on said parcel is now obsolete. The District must record a quitclaim to properly remove the old easement encumbering said parcel.

The Board unanimously approved Resolution No. 12-05 entitled, "Authorization of Execution of Quitclaim Deed to Ronald F. Mei."

APPROVE : QUITCLAIM EXISTING UNUSED HEIDRUN MEADERY FIRE SERVICE EASEMENT IN TRADE FOR NEW EASEMENT ALIGNMENT

With execution of the Heidrun Meadery Fire Service Water Service Agreement, staff secured a waterline easement from Point Reyes Farm LLC, at that time for new on-site water mains required for the project. The old easement alignment on said parcel is now obsolete. The District must record a quitclaim to properly remove the old easement encumbering said parcel.

The Board unanimously approved Resolution No. 12-06 entitled, "Authorization of Execution of Quitclaim Deed to Point Reyes Farm, LLC A California Limited Liability Company."

ACTION CALENDAR

APPROVE: DISTRICT EMAIL ACCOUNTS FOR BOARD OF DIRECTORS

David Bentley recommended the Board use District email accounts. He informed the Board that in the event of a public record request, personal email accounts of elected officials can become a public record, should they be used for District business. Mr. Bentley explained to the Board that the District will set up email accounts for Directors who request it and the District Secretary would check the account everyday and would print out the email and mail it to the Director's.

Director Petterle asked if the email can be accessed remotely from home. Mr. Bentley responded yes, that the District could set up a password and the Directors would have the ability to access their emails.

Director Fraites, Director Petterle and Director Schoonover requested to have a District email account established.

On the motion of Director Fraites, seconded by Director Schoonover and unanimously carried, the Board authorized staff to establish District email accounts for any Director that requested one.

APPROVE: SERVICE CONNECTION CREDIT

Chris DeGabriele reminded the Board about the changes proposed to Regulation #3, which will change the way credit for existing services are applied where redevelopment occurs on a property with an existing water service. He informed the Board that the draft revision to the regulation was reviewed by legal counsel. He stated that the District proposes that no credit be issued for the value of the meter or reimbursement fund charge.

The Board unanimously approved Resolution No. 12-07 entitled, "Amending Regulation 3- Change of Service Connection".

On the motion of Director Fraites, seconded by Director Rodoni and unanimously carried, the Board approved Resolution No. 12-07 entitled, "Amending Regulation 3- Change of Service Connection".

APPROVE: GHD (FORMERLY WINZLER & KELLY) CONSULTING ENGINEERING SERVICES CONTRACT AMENDMENT NO. 3 – AEEP

Drew McIntyre advised the Board that Winzler & Kelly have now become GHD, Inc. He stated that the District is requesting a contract amendment for consulting services related to the District's Aqueduct Relocation and Energy Efficiency Project. Mr. McIntyre reminded the Board that back in September 2010, the Board approved \$423,000 for the project along with a 10% contingency, for other potential work. He stated that there is still additional need for on-going design support services and would like to request \$25,000 for additional support.

On the motion of Director Schoonover, seconded by Director Fraites and unanimously carried, the Board authorized the General Manager to execute Amendment No. 3 to increase GHD, Inc.'s fee by \$25,000 for ongoing design support services related to the District's AEE Project and CalTrans' Marin Sonoma Narrows Project.

INFORMATION ITEMS

RECYCLED WATER EXPANSION PROJECT NORTH SERVICE AREA - UPDATE PRESENTATION BY THE COVELLO GROUP

Mr. McIntyre introduced Steve Wrightson, Project Manager of The Covello Group, construction manager for the Recycled Water Expansion Project in the North Service Area and who presented an overview to the Board at the beginning of the year on the progress and has returned to present the Board with an update. Mr. McIntyre stated that three out of the four Recycled Water Project Segments in the North - Segments 1, 3 and the Plum Street Tank Rehabilitation has been essentially completed.

Mr. Wrightson stated that Segment 1 began at Bugeia and H Lane to Atherton and Olive Avenue, the work was performed by Ghilotti Construction and is 100% complete.

Mr. Wrightson said that Segment 2 location is Olive and Summers to Redwood and Wood Hollow and the contractor is Ranger Pipelines. He stated that it is the remaining segment and is nearly 10,000 ft of 12-inch diameter recycled water line, $\frac{3}{4}$ of which will be installed by directional

drilling, which causes less impact to traffic and to the roads. Mr. Wrightson and Mr. McIntyre explained to the Board what directional drilling consisted of and invited them to observe the project. Mr. Wrightson said that the project is expected to be completed before the October 12th project completion. He said that there have been a few change orders due to the city encroachment permit being more expensive and needed service connections.

Mr. Wrightson stated that Segment 3 project location was Atherton and Olive Avenue to Olive and Summers and that this segment was completed on January 27th. He said that they are still negotiating change orders and there should be a Notice of Completion to the Board in early April for acceptance.

Mr. Wrightson said that the Plum Street Tank Rehabilitation is almost completed. He said there were problems with corrosion and severe pitting on the walls of the existing tank was discovered which required a change in the type of coating used. He stated that in addition, there was corrosion found on the floor of the tank, some of which rusted through the floor. The change order for this extra work was \$40,000.

Mr. Wrightson informed the Board that there has been no accidents or injuries reported on the jobs.

The Board thanked Mr. Wrightson and he left the meeting.

FY12/13 SCWA PURCHASED WATER COST

David Bentley informed the Board about the negotiations that occurred with Sonoma County Water Agency on participating in financing for common facilities allocated in the FY13 budget rather than paying cash. He stated that the District decided to pay \$64,000 for next 30 years to participate in the debt issuance, which will result in a purchased water price increase of 4% over the current FY12 cost. He stated that participating in the debt issuance and keeping \$1.1M in the District's account, gives the District more flexibility for whatever may arise.

NORTH BAY WATER REUSE AUTHORITY BOARD MEETING - FEBRUARY 27, 2012 & WASHINGTON DC LEGISLATIVE VISIT (ORAL REPORT)

Director Baker provided a summary of his meetings in Washington D.C., where an NBWRA contingent visited elected officials and bureaucrats, and advocated for continued funding of the NBWRA program.

Drew McIntyre provided an update on the status of the ARRA grant funding. He informed the Board that the funding commitment was received for the Recycled Water South Service Area and Disney Construction was issued the Notice to Proceed.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Letter from Novato Fire District Re Assessment Panel, SRF Loan Proceeds Received and Ultraviolet Disinfection System Dedication Event Notice.

The Board also received the following news articles: Carpenter Launches Bid for West County Supervisorial Seat, Kinsey Challenged on Ballot, An LCP Update and Lifetime Achievement for Grossi.

ADJOURNMENT

President Petterle adjourned the meeting at 8:28 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is fluid and cursive, with the first name "Katie" written in a larger, more prominent script than the last name "Young".

Katie Young
Acting District Secretary