

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
May 6, 2014**

**CALL TO ORDER**

President Rodoni 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, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young and Chief Engineer Drew McIntyre. Auditor-Controller David Bentley was absent.

District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

**GENERAL MANAGER'S REPORT**

**ACWA Conference**

Mr. DeGabriele informed the Board that Mr. Bentley was absent and attending the Association of California Water Agencies Conference in Monterey. He noted that he has asked Mr. Bentley to participate more with ACWA.

**Gallagher Well Project**

Mr. DeGabriele advised the Board that on April 21<sup>st</sup> he and Mr. McIntyre met with the Department of Fish and Wildlife staff, and PES Environmental, Inc. to review the Hydrologic Design Plan for the Gallagher Well Project. He stated that CDFW wants a formal agreement to monitor Lagunitas Creek stream flows and coordinate the MMWD releases and Gallagher Well diversions. Mr. DeGabriele informed the Board that he has asked PES Environmental to develop a Streambed Alteration Agreement application. He noted that the cost is \$4,750 and he has authorized PES Environmental to move forward with the application preparation.

### Sonoma County Board Of Directors Meeting

Mr. DeGabriele advised the Board that he attended the Sonoma County Board of Supervisors meeting on April 22<sup>nd</sup> and that the Water Rates and Transmission System Budget was unanimously approved, increasing NMWD's cost of purchased water from the Russian River to increase 3.4% from last year.

### Drought Drive-Up

Mr. DeGabriele informed the Board that staff held the Drought Drive-Up at Vintage Oaks on Wednesday, April 23<sup>rd</sup>. He stated that it was well attended by 240 customers and Water Conservation Coordinator, Ryan Grisso, along with District Secretary Katie Young and temporary employee Elena Freeman, handled the customers. Mr. DeGabriele stated that Ryan Grisso has provided the Board with new water bottles as well as the drought drive-up kits which were distributed that day.

### Novato Clean and Green Day

Mr. DeGabriele informed the Board that he and Mr. Bentley participated in the Annual Novato Clean and Green Day on April 26<sup>th</sup> and cleaned up trash along Redwood Blvd, from San Marin Drive to Olive Ave.

### Water Supply Condition Updates

Mr. DeGabriele advised the Board that he provided a brief update to the Novato City Council on the water supply conditions and participated in an interview with KWMR radio station in West Marin. He informed the Board that he also spoke to the Marin Economic Forum on May 2<sup>nd</sup> at Dominican University regarding the water supply conditions and effect of water shortages on small businesses.

### School Fuel

Mr. DeGabriele informed the Board that Water Conservation staff had a booth at the Tour of Novato School Fuel event on Saturday, May 3<sup>rd</sup> promoting the District's water conservation programs.

### Memorial for Rick Rudolph

Mr. DeGabriele informed the Board that he and many staff attended the burial of retired employee Rick Rudolph on May 3<sup>rd</sup>.

### Air Base Tank Media Update

Mr. DeGabriele alerted the Board that Marin Independent Journal published an article on the Air Base Tank water release that occurred on March 17<sup>th</sup>. He stated that SF Chronicle has now published an article and KRON 4 news, KTVU and KCBS ran stories on the release as well. Mr. DeGabriele informed the Board that there has been no customer feedback other than the television reports. Mr. Petterle stated that KGO radio hosted a talk show on the Air Base Tank water release.

### Town Hall Meeting

Mr. DeGabriele informed the Board that he and President Rodoni attended the April 29<sup>th</sup> Town hall meeting about water shortage in Petaluma and it wasn't very well attended.

### **OPEN TIME**

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

Mr. Clark informed the Board that the Stafford Treatment Plant started production this week, operating Monday-Friday, 16 hours per day.

### **CONSENT CALENDAR**

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

### **SHELL GAS STATION – 2085 NOVATO BLVD.**

The Shell Gas Station - 2085 Novato Blvd project consists of demolition of the existing convenience store at the Gas Station and construction of a new enlarged 2,520 sqft convenience store with a 700 sqft upstairs office in a slightly different building foot print. New Zone 1 water facilities include 10 feet of 6-inch PVC main, one 1.5-inch domestic service, one 1-inch irrigation service, one commercial fire hydrant, and a 6-inch fire service with 5/8-inch bypass meter.

The Board approved authorization of the agreement with Resolution No. 14-7 titled: "Authorization of Execution of Water Service Facilities Construction Agreement with AU Energy, LLC."

**OMA VILLAGE – 5394 NAVE DRIVE**

Homeward Bound of Marin proposes to build a 14 unit multi-family apartment complex consisting of four residential buildings and one community center on a 30,880 sqft lot located at 5394 Nave Drive. New water facilities required include 80 feet of 8-inch PVC main, one new commercial fire hydrant, one 4-inch fire service, two 1-inch domestic meters and one 1-inch irrigation meter. The lot will receive high pressure Zone 2 water service from the Air Base tank.

The approved authorization of the agreement with Resolution No. 14-8 titled: “Authorization of Execution of High Pressure Water Service Facilities Construction Agreement with Homeward Bound of Marin – OMA Village.”

**2013 CONSUMER CONFIDENCE REPORT – NOVATO**

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the District’s sources of water and treatment regimes, as well as general information about water and its constituents.

This year customers will receive a bill insert informing them that the report is available on our website and that a paper copy will be mailed to them upon request.

The Board authorized the General Manager to approve final text and design for the 2013 Consumer Confidence Report for Novato and related bill insert.

**2013 CONSUMER CONFIDENCE REPORT – POINT REYES**

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the District’s sources of water and treatment regimes, as well as general information about water and its constituents.

This year customers will receive a bill insert informing them that the report is available on our website and that a paper copy will be mailed to them upon request.

The Board authorized the General Manager to approve final text and design for the 2013 Consumer Confidence Report for Point Reyes and related bill insert.

**CHANGE ORDER NO. 7 – ENVIRONMENTAL SCIENCE ASSOCIATES FOR EXPANDED BIOLOGICAL MONITORING SERVICES**

At the January 7, 2014 meeting, the Board approved Change Order No. 6 to Environmental Science Associates for \$30,000 to perform biological monitoring services related to the advance tree removal contract. Since that time, and towards the end of the tree removal contract, Caltrans' requested additional biological monitoring services from the District, primarily related to the observation of a hawk nest that was found near one of the trees slated for removal. Change Order No. 7 is requested to primarily cover this out of scope task which will be fully reimbursed by Caltrans'.

The Board authorized the General Manager to execute Change Order No. 7 for expanded biological monitoring services for the AEEP/MSN B3 Tree Removal project in the amount of \$8,000.

**ACTION CALENDAR**

**RATE INCREASE LETTERS TO WEST MARIN WATER AND OCEANA MARIN SEWER CUSTOMERS**

Mr. DeGabriele reminded the Board that a public hearing is scheduled in Pt. Reyes on June 24, 2014 to consider a rate increase for both West Marin water and Oceana Marin sewer rates. He noted that there would be separate hearings for West Marin and Oceana Marin and the Board will need to approve the letters notifying customers of the proposed rate increase and public hearing.

Mr. DeGabriele stated that for West Marin water there is a 7% commodity rate increase proposed for July 1<sup>st</sup>. He noted that the median residential customer will see a \$31 per year increase. He advised the Board that along with the proposed commodity rate increase, the District is proposing a drought surcharge, which is now included in the Water Shortage Contingency Plan. Mr. DeGabriele informed the Board that West Marin water customers have been notified of the mandatory 25% water use reduction effective July 1<sup>st</sup> and if approved the District will apply a drought surcharge of \$2.50 per 1,000 gallons for any residential customer usage over 200 gallons per day. Mr. DeGabriele advised the Board that the drought surcharge will apply to commercial or non-residential customers from their first gallon of usage.

Mr. DeGabriele stated that in Oceana Marin the sewer rate increase would be 5% and be collected on the annual tax bill. He noted that the annual amount would be \$816 for the new sewer charge a \$36 increase.

President Rodoni asked how the accounting part of the drought surcharge would work. Mr. DeGabriele informed the Board that the District bills bi-monthly on each 1,000 gallon consumed and it would be billed on average basis for the month with anything over 200 gallons being charged.

President Rodoni stated that there has been a lot of curiosity regarding the drought conditions, but since the recent mailers have come out the questions have died down.

On motion of Director Fraites, seconded by Director Baker and unanimously carried, the Board approved mailing the rate increase letters to West Marin water and Oceana Marin sewer customers.

**RISING SUN ENERGY CENTER WATER USE SURVEY AGREEMENT**

Ryan Grisso, Water Conservation Coordinator, requested the Board continue the “Green House Call” program with Rising Sun Energy Center. He stated that the program is going well and to date there has been 1,022 calls in the District service area. He informed the Board that this program specifically includes installation of showerheads and sink aerators plus toilet gallons per flush determination and toilet leak detection. He noted that the District provides the fixtures needed for installation and provides leak detection tablets. Mr. Grisso asked that the Board authorize a two year agreement in the amount of \$8,000.

Director Fraites asked how the contract originated and continues between the District and the customers. Mr. Grisso stated that there have been bill inserts, and information distributed at outreach events such as the farmers markets, etc. Mr. Grisso further advised that PG&E publicizes the energy conservation component of the “Green House Call” program.

On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the Board authorized the General Manager to execute the agreement for an amount not to exceed \$8,000, with Rising Sun Energy Center, to fund the water portion of the CYES “Green House Call” program through calendar year 2015.

**REIMBURSEMENT AGREEMENT WITH SONOMA COUNTY WATER AGENCY FOR THE NORTH MARIN WATER DISTRICT WATER CONSERVATION PROGRAM**

Mr. Grisso requested the Board to approve the Reimbursement Agreement with Sonoma County Water Agency for the Water Smart Home Survey Program. He stated that this program has been very successful with over 460 completed since last March. He asked that the Board approve a three year agreement at a funding level of \$60,000 per year.

On motion of Director Fraites, seconded by Director Petterle and unanimously carried, the Board approved and authorized the General Manager to execute the Reimbursement Agreement for the North Marin Water District Water Conservation Program with Sonoma County Water Agency.

## **INFORMATION ITEMS**

### **INITIAL REVIEW – FY 2014/15 PROPOSED NOVATO OPERATIONS BUDGET**

Mr. DeGabriele provided the Board with the initial review of the FY 2014/15 Proposed Novato Operations Budget. He stated that the FY15 Operations budget is proposed at \$15.4M and reflects a conservative water sales estimate of 2.7BG. He stated that the budget includes normal water production out of Stafford Lake, additional costs for water conservation and increased staffing to 51.5 full time equivalent employees. He advised the Board that an additional laborer is budgeted to beef up man hours available for system construction/maintenance activities. Mr. DeGabriele stated that in the General Administration is budgeted to increase 10% from last year's budget with \$30,000 to complete the work for the Stafford Lake Taste and Odor Consultant, \$50,000 for a consultant to perform hydro pneumatic tank inspections, \$14,000 for a "cyber liability" audit to review the District's internet and computer security system and a re-budgeting of the \$100,000 Stafford Dam Emergency Action Plan.

Mr. DeGabriele informed the Board that Mr. Bentley provided the Board with a great summary of where the increases occur compared to this year's budget. He reminded the Board that a second review will occur on May 20<sup>th</sup>.

### **INITIAL REVIEW – FY 2014/15 NOVATO RECYCLED WATER SYSTEM BUDGET**

Mr. DeGabriele provided the Board with the initial review of the FY2014/15 Novato Recycled Water System Budget. He stated that the District is projected to bring three new accounts online and, consistent with the potable water rate increase, a 6.5% commodity rate increase is proposed to be effective June 1, 2014. Mr. DeGabriele informed the Board that the FY15 budget projects purchasing 85 million gallons (MG) of tertiary treated water from Novato Sanitary District and 50MG from Las Gallinas Valley Sanitary District. He advised the Board that the Recycled Water System is budgeted to receive \$737K in Connection Fee monies from the Novato potable water system in FY15 to pay for the recycled water expansion loan debt service and to cover the cost of the North Bay Water Reuse Authority's grant administration. He noted that the proposed budget projects a cash surplus next fiscal year of \$289K. Mr. DeGabriele reminded the Board that along with the Novato Budget, the Recycled Water System Budget will be brought back to the Board on May 20<sup>th</sup> for another review.

### **QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

Mr. Grisso provided the Board with the quarterly progress report for Water Conservation. He informed the Board that the participation numbers have increased and the Water Smart Home Surveys are up over three times than the previous year. He stated that the District is expected to

receive \$184K in Prop 84 Grant funds to help fund HET rebates, Cash for Grass rebates, Smart Controllers, Clothes Washer Rebates and a Commercial Direct Install HET program. Mr. Grisso advised the Board that both of the summer *WaterLine's* have been sent out with information about the drought, various events and seminars and included information on the upcoming Garden Tour. He noted that he has received numerous calls since sending out the newsletter regarding water conservation programs.

Mr. Grisso informed the Board that the water conservation expenditures are up and may go up even further and that in June the water conservation program will propose adding additional programs such as the hot water circulation systems, pool cover rebates and mulch giveaways.

President Rodoni asked if everyone received free toilets that requested them. Mr. Grisso stated that the District has given away over 400 toilets and there are 130 more requested. He stated that staff plans to hold one more giveaway and will consider doing the same giveaway next year.

Mr. DeGabriele asked Mr. Grisso to speak about the District's Facebook page. Mr. Grisso stated that he and District Secretary, Katie Young, are in charge of the District's Facebook page. He stated that we have 1,014 "likes" and post upcoming events, customer outreach, and drought tips on the District's page.

#### **QUARTERLY PROGRESS REPORT – ENGINEERING**

Mr. McIntyre provided the Board with the quarterly progress report for Engineering. He stated that in Novato and West Marin the District is forecasted to be below budget but exceed the original budget for Recycled Water due to unexpected cost and ongoing permit requirements. He informed the Board that there is a total of five carryover projects this fiscal year and that it is anticipated to only use \$2.5M of the AEEP budget. He advised the Board that five projects have been added including a SMART crossing upgrade in two locations, Hanna Ranch and Roblar Rd, where the outer existing casing on the pipes did not extend the full width of the SMART right of way.

Director Baker asked about the existing casing. Mr. McIntyre stated that SMART is widening the tracks in the two locations. Director Baker asked if we were going to hire a contractor to complete the work and Mr. McIntyre said that the District crew would be completing the project.

Mr. McIntyre stated that PB replacement projects related to the City of Novato's paving project have been added and that in West Marin there are three projects carried over, the tank seismic upgrade and the Gallagher Well pipeline, along with the County PB Replacement.

Mr. McIntyre stated that 107% of the budgeted labor hours have been expended on Capital Improvement Projects primarily due to the Gallagher Well Pipeline accelerated work that was not anticipated.

Director Baker asked if there was a timeline to complete the Gallagher Well Pipeline project. Mr. McIntyre stated that the project must be completed by the end of the calendar year and the District provided a Notice to Proceed to Team Ghillotti yesterday and there are requirements that need to be met along the way.

### **QUARTERLY PROGRESS REPORT – OPERATIONS/MAINTENANCE**

Mr. Clark provided the Board with the quarterly progress report for the Operations/Maintenance department stating that the Stafford Treatment Plant stayed operationally ready through January in case a problem occurred on the aqueduct resulting from the Aqueduct Energy Efficiency Project tie-in, but the plant was subsequently shut down and the maintenance was completed quickly. He informed the Board that the biggest project in the quarter was the flushing program and knowing the issues with reduction in water consumption, staff only flushed half of the system using only 3MG this year rather than the normal 10MG. He noted that there were not as many dirty spots in the distribution system and there hasn't been a lot of flushing water used in the ends of the system. Mr. Clark congratulated all the construction/maintenance employees who helped complete the flushing program quickly and smoothly.

Mr. Clark informed the Board that the Cross Connection Control staff is short handed but they did get caught up on the recycled water projects. He advised the Board that the maintenance tasks at Stafford Treatment Plant were substantially completed with annual pump and motor maintenance, filter cleaning, and instrument maintenance being performed. He noted that the only big project this winter included the removal of the fluidization systems from the filters.

Mr. Clark stated that in West Marin staff flushed the distribution system and completed installing half of the tank intrusion alarm devices and tested the radio transmission capabilities throughout the service area. Mr. Clark stated that in Oceana Marin staff has identified 28 manholes that need to be resealed above the collection line.

Director Baker asked about problems with instability in Oceana Marin as the earth is moving and shifting. Mr. Clark stated that there were no landslides during the rainstorms but the system is at risk being so near the San Andreas Fault.

**NBWA BOARD MEETING – APRIL 19, 2014**

Drew McIntyre informed the Board that he and Director Schoonover attended the North Bay Water Reuse Authority Meeting on April 19<sup>th</sup>. He included a letter of support for AB2417 in the Board packet, which would essentially exempt the recycled water projects less than 8 miles in length from CEQA.

Mr. McIntyre stated that there was a lot of discussion on Phase 2 participants and how much it was going to cost. He noted that the Phase 2 administrative costs have been reduced by 30% in the budget. Mr. McIntyre informed the Board that Marin Municipal Water District is pulling out of the NBWRA Phase 2 expansion and it will increase the costs to other participants including Phase 1.

Director Baker asked if Mr. McIntyre was surprised about MMWD. Mr. McIntyre stated that he, along with others were very surprised. Mr. McIntyre stated that there has been a recent push by the State to lower interest rates for SRF loans and that MMWD believes they can move more quickly going with the SRF financing.

**NBWA – MAY 2, 2014**

Director Fraites informed the Board that he attended the North Bay Watershed Association meeting on May 2<sup>nd</sup>. He advised the Board that Tony Hale from the San Francisco Estuary Institute presented a program on watersheds and the science behind them. He noted that it was an extremely informative presentation and invited the Board to view the maps online where the Board can see every watershed, every creek and every restoration project that is occurring in California.

Mr. DeGabriele informed the Board that the North Bay Water Association budget was approved and the District's share is a little less than the current fiscal year budget.

**TAC MEETING – MAY 5, 2014**

Mr. DeGabriele advised the Board that the summary of the Technical Advisory Committee meeting from May 5<sup>th</sup> was distributed at tonight's meeting. He stated that the TAC continues getting public comment urging the water contractors mandatory water conservation requirements. He informed the Board that Lake Mendocino now holds just over 50,000AF and is approximately 50% full. Lake Sonoma holds over 185,000AF and it is 75% full and the upper Russian River continues to be classified as critically dry, pursuant to the Temporary Urgency Change Order. He noted that the order terms out at the end of June but believes that the conditions will change to dry conditions and the in stream flows will go up in the upper Russian River.

Mr. DeGabriele informed the Board that Sonoma County Water Agency is working hard in proposing a high-efficiency toilet direct install program and a cash-for-grass program for upper Russian River water users and will apply for North Coast IRWMP funding. Mr. DeGabriele advised

the Board that currently, Healdsburg, Cloverdale, Russian River Valley Water District, City of Ukiah and Russian River Flood Control and Water Conservation District have committed to provide funding along with Sonoma County Transportation Authority and Beaumont Water Company, which total approximately \$500K in matching funds to solicit \$1.5M in additional grant funding through the IRWMP process.

Mr. DeGabriele advised the Board that most Water Contractors 2013 water use is at or below the 20 by 2020 target and the Regional Alliance is below the 20 by 2020 target for 2013.

Mr. DeGabriele stated that the Mirabel Fish Screen/Fish Ladder Project ground stabilization work is about 50% completed and that the work is expected to be completed in early June. He stated that Bids have been opened on the second phase of work to construct the new fish screens and fish ladders and that the engineers estimate is \$10.9M.

Mr. DeGabriele stated that the Biological Opinion Status Update was included in the Board's packet and that Grant Davis advised that the Water Resources Reform and Development Act legislation had passed both in the House and Senate and the bill's are under reconciliation now and that both include funding for the Russian River Biological Opinion.

Mr. DeGabriele stated at the next WAC/TAC meeting in June there will be a Resolution for WAC members to consider supporting the grant application for Upper Russian River Water Conservation Programs.

Mr. DeGabriele stated that at the TAC Ad Hoc meeting it was recommended that the water contractors present what each Water Contractor is doing for water conservation this summer.

### **MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, FY 14 3rd Quarter Labor Cost Report, Presentation of GFOA Certificate of Achievement for Excellence in Financial Reporting, Baywork Executive Committee, and Marin Economic Forum.

The Board received the following news articles: ACWA- Sponsored Bill on Recycled Water Pipeline Projects Headed for Hearing, Bucket brigade seeks to revive Dry Creek with salmon pellets, Editorial: Saving water is a goal we must all share, Rainy season winding down, water officials ramp up drought message, In drought dilemma, water district cuts off growers to ensure supply for homes, Water reduction requested, Legal Notice re: Vacancy on NSD Board, Important Novato Watershed Program, Some residents' answer to the drought: Drill, Forum to air impact of drought on Marin's small businesses, Novato water tank drained after locks cut, officials say water supply safe, Officials

call for bids on Stafford Lake Bike Park as donors provide \$200,000, and Inaugural Dr. John L. Leal Award Goes to CA-NV AWWA's Mike McGuire.

The Board also received the following miscellaneous item at the meeting: Technical Advisory Committee Meeting – May 5, 2014 Summary. They also received the following news articles: Drought prompts likely limits on tapping Russian River, others and Despite drought, Marin water managers forced to dump 900K gallons after break in.

Director Baker recognized David Bentley and the accounting staff for the GFOA District Award and stated that it reflects well on the District and it is great to receive the award five years in a row.

Mr. DeGabriele pointed out the Press Democrat article distributed to the Board regarding curtailment of water rights and stated that it is coming to fruition in the upper Russian River and Eel river.

### **CLOSED SESSION**

President Rodoni adjourned the Board into closed session at 8:57 p.m. in accordance with Government Code Section 54956.8. Conference with Real Property Negotiators: Interconnection Agreement between North Marin Water District and Marin Municipal Water District; District Negotiators: General Manager, Chief Engineer, and Counsel; Negotiating Party: Marin Municipal; Under Negotiation: Price and Terms.

### **OPEN SESSION**

Upon returning to regular session at 9:27 p.m., President Rodoni stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

### **ADJOURNMENT**

President Rodoni adjourned the meeting at 9:28 p.m.

Submitted by

A handwritten signature in black ink, appearing to read 'Katie Young', written in a cursive style.

Katie Young  
District Secretary