

**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
May 21, 2013

**CALL TO ORDER**

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

Novato residents, Hutch Turner and Karol Jo Kappel and, Denise Wade, (from Novato Fire Protection District), District employees Pablo Ramudo (Water Quality Supervisor), Stacie Goodpaster (Sr. Chemist), Robert Clark (Operations/Maintenance Superintendent), and Doug Moore (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**

**Novato Democrats Club**

Mr. DeGabriele informed the Board that he spoke to the Novato Democrats Club on Saturday, May 11<sup>th</sup>, focusing primarily on the Recycled Water Expansion Project and giving the club a general update on the District.

**Eco-Friendly Garden Tour**

Mr. DeGabriele informed the Board that he visited the two gardens in the Districts' service territory whom participated in the Eco-Friendly Garden Tour on Saturday, May 11<sup>th</sup>. He stated that one of the gardens was at a Lanham Village condominium and the other was part of Green Point Nursery.

**TAC Ad Hoc Committee**

Mr. DeGabriele informed the Board that he met with the Technical Advisory Committee Ad Hoc to discuss water conservation plans for the summer with Sonoma Marin Saving Water Partnership. He stated that there was discussion of promotions encouraging customers to take a pledge to reduce water usage and give customers tips on how to conserve. He advised the Board that the Sonoma County Water Agency is working close with Air Quality Control Board and proposes

to promote a “beat the heat day” when a spare the air day is in effect. He noted that this would consist of customers reducing irrigation on those days and would promote this message through radio advertisements. Mr. DeGabriele informed the Board that there would be more discussion regarding this at the June 3<sup>rd</sup> TAC meeting and that the Sonoma County Water Agency scheduled a meeting for late June where the National Weather Service will attend to explain a new weather forecasting tool that will give agencies a better predication for hot spells in the future.

### Water Conservation Banner

Mr. DeGabriele advised the Board that he and Ryan Grisso have been working on replacing the water conservation banner facing Hwy 101. He believes that it is a good product and will be very innovative in promoting water conservation.

### **OPEN TIME**

President Fraites asked if anyone in the audience wished to bring up an item not on the agenda and the following items were discussed:

Karol Jo Kappel, a Novato resident, informed the Board that she has two issues with the District, one with her water being turned off and secondly, she has previously sent letters to the District regarding senior discounts on the service charge and has never received a response. Ms. Kappel informed the Board that her water was shut off on May 8<sup>th</sup>. She stated that she had called the District around March 7<sup>th</sup> to tell the customer service representative she would be out of the area and that she wouldn't be able to access her mail. She noted when she returned she had received water bills and notices and her water was turned off for a bill of \$37.48. She reminded the Board that she called and told the customer service representative that she would be gone and is now requesting that there be a refund for the fees it cost to turn the water back on. Ms. Kappel also informed the Board that she has previously written two letters to the District regarding a discount on the service charge for senior citizens and has never heard anything from the District.

Director Baker asked Ms. Kappel if she had a bill that was unpaid. Ms. Kappel informed Director Baker that she called the District and told someone that she was going to be out of town and had not received a bill before she left. She noted that she came home to her water being shut off.

Mr. DeGabriele informed Ms. Kappel that staff would investigate the issue and give her a response.

Hutch Turner, a Novato resident, expressed his concerns about the 9% raises being given to the General Manager and Chief Engineer. He stated that the action results in negative public

perception when the District has previously instituted large rate increases. Mr. Turner stated that he did research on salaries throughout the County and giving the General Manager the raise would be out of line as he would make more than most County managers.

### **STAFF/DIRECTORS REPORTS**

President Fraites 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 provided the Board with the Monthly Progress Report for April. He stated that water consumption was up in both Novato and West Marin compared to last year. He noted that there are now 15 active Recycled Water customers versus two customers last year. Mr. DeGabriele advised the Board that there was steady production at the Stafford Treatment Plant through April. He informed the Board that the Lake Mendocino water levels have stabilized now that the Temporary Urgency Change Order has gone into effect and Russian River in-stream flows have been reduced. . He stated in Oceana Marin the storage and treatment plants are in good shape. Mr. DeGabriele stated that employees have worked over 473 days without lost time. He noted that in the Summary of Complaints and Service Orders, complaints were down 22%, due to fewer customer issues and fewer leaks.

Mr. Bentley provided the Board with the Monthly Report of Investments. He stated that the investment portfolio is \$8.7M and that the cash balance was down \$187K for the month. He advised the Board that to date \$6.5M has been advanced for the Recycled Water Expansion Project and the District is waiting to receive reimbursement via grant and SRF Loan funds. Mr. Bentley stated that the weighted average Portfolio interest rate was 0.42%.

Director Petterle asked Mr. Bentley to explain the cash balance decrease.

Mr. Bentley stated that the money spent on the Recycled Water Expansion Project is being spent in advance before loan money is received and the balance will increase once the loan money is reimbursed.

### **CONSENT CALENDAR**

At the request of Director Baker, item number 8 - North Coast Mussel Consortium – Request For Support Federal Legislative Update Hr 1823 was pulled for further discussion.

On motion of Director Schoonover, seconded by Director Rodoni and unanimously carried, items 6, 7, and 9 were approved on the Consent Calendar.

### **SALARY ADJUSTMENT FOR CHIEF ENGINEER**

The Board recently met to consider the performance review for the General Manager and during that discussion the Board reviewed officer salary survey information and recommended a salary adjustment for the Chief Engineer.

The Board authorized a salary increase for the Chief Engineer to \$11,650/month (\$139,800/year).

### **REVISED DISTRICT POLICIES NUMBER 29 & 32**

The Board was given District policies number 29 & 32 to review and revise at the prior Board meeting on May 7, 2013.

There were minor changes made to Policy Number 32 – District Vehicles Taken Home, adding language that employees may make occasional stops to conduct personal business in District vehicles and must abide by the District' Drug and Alcohol Abuse Policy.

The Board adopted the following revised polices, Policy Number 29 – Recognition at Retirement and Policy Number 32 – District Vehicles Taken Home.

### **NORTH COAST MUSSEL CONSORTIUM – REQUEST FOR SUPPORT FEDERAL LEGISLATIVE UPDATE HR 1823**

Director Baker requested this item be removed from the consent calendar for further discussion.

In November 2012, the District joined the Consortium of North Coast Counties by signing the Memorandum of Understanding regarding the Zebra and Quagga Mussel Consortium to implement a regional approach to prevent Quagga and Zebra Mussel infestation.

Sonoma County Water Agency has recently requested assistance to support Federal Legislation (HR 1823) introduced by Congressman Mike Thompson, which would add Quagga Mussels under the Lacey Act defining the species as injurious.

Director Baker stated that he had no issues with the support letter but asked about equipment and other water craft that enter Stafford Lake.

Mr. DeGabriele stated that although infrequent, the Department of Fish and Game and Sonoma County Water Agency uses the lake to survey fish populations, along with Novato Fire Protection District for water rescue drills.

Director Baker stated that he has attended seminars on the Zebra and Quagga Mussels and stated that they are a big problem in the bigger lakes. Mr. DeGabriele added that not only does it mess up the facilities but it upsets the ecosystem as well and the Russian River is the most important due to listed fisheries.

Director Baker asked if someone inspects the District boats along with others that enter Stafford Lake.

Robert Clark stated that the Department of Fish and Game has given two demonstrations to District staff on how to complete inspections of the vessel and some employees have visited other agencies that complete these inspections as well. He stated that the District does require the same inspection tags as the Sonoma County Water Agency.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board authorized sending a letter of support for HR 1823.

#### **SURPLUS USED ION CHROMATOGRAPH**

The Water Quality Laboratory purchased a Dionex DX120 Ion Chromatograph and related equipment in 2002 for approximately \$45K. In 2009, the manufacturer discontinued support for parts and a replacement instrument was purchased in 2012.

The Board authorized surplusizing the Dionex Ion Chromatograph and related equipment.

#### **ACTION CALENDAR**

#### **CONDITIONS OF EMPLOYMENT – GENERAL MANAGER (REVISED RESOLUTION 95-12)**

The Board has recently met to discuss the General Manager's performance review and "Conditions of Employment." The Board desires to authorize a salary increase in the amount of \$1,250/month.

Director Rodoni stated that he the Board had carefully considered this item including looking at the salaries of other water and wastewater agency chief executives in the area. He noted that the General Manager has gone several years without a raise. He said that the General Manager and Chief Engineer both are well deserved of the raise and that the District is trying to stay competitive with other Districts. Director Rodoni stated that Mr. McIntyre has faithfully completed his work and has been on many special projects and done a fantastic job.

Director Schoonover stated that he agreed with Director Rodoni.

On motion of Director Baker, seconded by Director Schoonover and unanimously carried, the Board authorized Revised Resolution No. 95-12, North Marin Water District Conditions of Employment – General Manager.

Mr. DeGabriele thanked the Board and stated that he was very appreciative.

**MSN/AEEP CONTRACT AMENDMENT – CSW/STUBER-STROEH**

Mr. McIntyre informed the Board that staff had CSW/Stuber-Stroeh reassess their scope and budget to identify anticipated costs to complete the Aqueduct Energy Efficiency Project based on the District requested out of scope services. He noted that the current contract has a remaining balance of less than 25%. He stated that as a result of that review CSW submitted a proposal for additional services for \$80,580. Mr. McIntyre advised the Board that some of the additional costs would be for construction management during the MSN B3 AEEP project, and for landscape design, surveying, and potholing. Mr. McIntyre reminded the Board that some of the additional costs will be eligible for partial reimbursement by Caltrans.

President Fraites asked if these additional tasks came up after the initial proposal.

Mr. McIntyre stated that when the CSW original proposal came in was when Caltrans was still completing the design phase of the project. He informed the Board that all of the additional tasks have developed since the project has been developing.

Mr. DeGabriele noted that when travelling north on US 101 there is now 42” pipeline preparing to be installed in the B1 area and that construction is starting to happen.

On motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the Board authorized the General Manager to execute a contract amendment with CSW/Stuber-Stroeh in the amount of \$80,600 for additional design engineering services related to the MSN and Aqueduct Energy Efficiency Project.

**MSN/AEEP CONTRACT AMEDNMENT – WHITE/PRESCOTT**

Mr. McIntyre advised the Board that at the October 16, 2012 meeting, the Board authorized a General Services Agreement between the District and White & Prescott for miscellaneous engineering consulting services. He noted that currently the total expenditures used are \$8,520 out of \$10,000. Mr. McIntyre stated that although the contract amount has not been completely expended, additional authorized expenditures coupled with the Hamilton Elementary School Survey and Easement and on-going easements review for the MSN - Aqueduct Energy Efficiency Project staff is requesting an additional \$20K be added to the contract to cover the additional tasks.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried, the Board authorized the General Manager to execute an amendment to White & Prescott's General Consulting Services Agreement in the amount of \$20K.

### **FY14 INSURANCE PURCHASE**

David Bentley advised the Board that the District requested proposals for insurance coverage for the coming fiscal year from three brokers. He stated that Gallagher Insurance Services package proposal with pricing from Argonaut Insurance for property and liability coverage, and New York Marine for excess workers' compensation coverage was superior.

Mr. Bentley advised the Board that staff recommends increasing the property insurance deductible from \$10K to \$25K. He noted that property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Mr. Bentley stated that there was no real change in the errors and omissions and employment practices liability which contains a \$1M Public Officials and Employment Practices Liability Policy.

Mr. Bentley informed the Board that the District reinstated its certification to self-insure workers' compensation liability and purchased an excess workers' compensation policy that protects the District against loss exceeding \$750K. He stated that staff recommends using New York Marine for excess workers' compensation with a \$49K premium.

On motion of Director Petterle, seconded by Director Baker and unanimously carried, the Board approved \$121,153 to be included in FY 2013/14 Operations Budget for FY14 Insurance.

### **INFORMATION ITEMS**

#### **QUARTERLY PROGRESS REPORT – WATER QUALITY**

Pablo Ramudo, Water Quality Supervisor, provide the Board with the 3rd quarter progress report. He reminded the Board that the Stafford Treatment Plant started production on January 22nd and staff is continuing to monitor the chemistry of the water on a weekly basis, looking at algae and plankton in the Stafford Lake. He noted that total algae is down from last year and there is no taste and water odor issues. He stated that water served in both Novato and Pt. Reyes met Federal and State primary and secondary drinking water standards. Mr. Ramudo informed the Board that in 2012, District staff worked with the Grossi Dairy to restrict the spreading of manure close to the lake and this year nutrients and sediments entering the lake were down considerably, which shows tremendous promise. He advised the Board that operators were able to achieve from 51-54% removal of total organic carbon throughout the quarter and out of the 241 routine samples collected

in the Novato water system there were no coliform positive samples this quarter. He noted that chlorine residual concentrations throughout the distribution system were good.

Mr. Ramudo stated that the raw water quality at the Coast Guard Wells in Pt. Reyes was good throughout the quarter and that the levels of constituents associated with salt water intrusion fell slightly. He stated that the chloride was just above the historical baseline level. He informed the Board that at the Point Reyes Treatment Plant there was one sample with detectable iron in March, while manganese was not detectable throughout the quarter. He noted that of 23 routine samples collected there were no coliform positive samples. Mr. Ramudo commented that the sprayer systems being used in West Marin at the Inverness Park, and Paradise Ranch Estates Tank #2, are reducing the concentration of disinfection byproducts.

### **SECOND REVIEW – FY 2013/14 PROPOSED NOVATO WATER EQUIPMENT BUDGET**

Mr. Bentley provided the second review of the FY2013/14 proposed Novato Water Equipment Budget. He stated that there is \$231K proposed for next year and 75% of that is rolling stock, (four pickups and a fork lift). He noted that the amount budgeted is less than a year ago by \$1K. Mr. Bentley advised the Board that the budget will be brought back for a final review and approval at the public hearing scheduled for June 18, 2013.

Director Baker asked about the replacement of the phone system. He asked if it was old or malfunctioning.

Mr. Bentley stated that the replacement of the phone system is derived from the computer system. He noted that there are not a lot of problems but the system is out-dated. He informed the Board that there have been some complaints about the phone problems.

Director Baker asked if the phone system was digital now. Mr. Bentley answered that the phone system is a combined analog and digital system. He stated if the power goes out the phone system has lots of problems.

### **SECOND REVIEW – PROPOSED FY14 & FY15 NOVATO CAPITAL IMPROVEMENT PROJECTS BUDGET**

Mr. Bentley provided the Board with the second review of the proposed FY14 & FY15 Novato Capital Improvement Project Budget. He stated that staff has been reviewing numbers for the Aqueduct Energy Efficiency Project and advised the Board that approximately \$10.3M worth of expenditures will be paid out and the District will receive reimbursement from Caltrans in the future. Mr. Bentley advised the Board that staff plans to stay within the \$2.5M budget for capital improvements on a pay-go basis during the following three years to get a number of projects done that have not been completed such as the Atherton Tank recoating.

Director Baker asked about the pipeline from the Stafford Treatment Plant towards Sutro and Novato Blvd. He asked if it has had any problems and about the materials.

Mr. McIntyre stated that it was budgeted in this year's budget to get an evaluation of that pipeline and it was not completed so it will be carried over into next year's budget.

Director Baker asked what the route of the pipe was. Mr. McIntyre stated that it runs by San Marin High School out to Stafford Lake on the south side of the pavement. Mr. McIntyre said that it is important the District start to monitor it and make sure to say ahead of serious deterioration.

Mr. Bentley advised the Board that the budget will be back for a final review and approval at the public hearing scheduled for June 18, 2013.

### **SECOND REVIEW- FY 2013/14 PROPOSED NOVATO OPERATIONS BUDGET**

Mr. Bentley provided the Board with the second review of the FY 2013/14 Proposed Novato Operations Budget. He noted that the budgeted operating expenditures decreased by \$5K since the Board's review at the last meeting. He stated that \$725K increase was added to the budget for the Recycled Water System Expansion which will require an additional advance of that amount from the Novato System to the Recycled Water System this fiscal year. Mr. Bentley informed the Board that another change in the budget was recognition of the \$200K Caltrans contribution towards expenditures on the Aqueduct Energy Efficiency Project.

Mr. Bentley stated that the system operations part went unchanged with an 11% rate increase effective June 1, 2013 and projected water sales to be 2.7BG. He informed the Board that the cost for labor and purchase of materials, services, and supplies are up 4% and staffing level of 50.5 full-time equivalent employees is in the proposed budget. Mr. Bentley did note that the Construction and Maintenance Superintendents are working with Mr. DeGabriele on staffing levels and the Board might see some changes in the next version of the budget. Mr. Bentley stated that there is a 3% cost of living increase factored into the budgeted labor cost.

Mr. Bentley advised the Board that the budget will be back for a final review and approval at the public hearing scheduled for June 18, 2013.

### **SECOND REVIEW – FY 2013/14 PROPOSED NOVATO RECYCLED WATER OPERATIONS BUDGET**

Mr. Bentley provided the Board with the second review of the FY 2013/14 proposed Novato Recycled Water Operations budget. He informed the Board that one of the changes that occurred since the initial budget review was a cost increase of \$725K, which results from an additional advance in the same amount from the Novato potable system this year, and corresponding increase in repayment to the Novato Potable System next fiscal year once Recycled Water expansion loan

and grant monies are received. Mr. Bentley stated in that the Recycled Water System budget projects demand of 130MG next fiscal year, as 28 new accounts are projected to begin drawing recycled water. He advised the Board that the Recycled Water customers will have the same increases of an 8% commodity rate and a 20% fixed service charge effective June 1, 2013.

**DISTRICT BOARD POLICIES REVIEW NUMBERS 37, 38, 39 & 40**

Mr. DeGabriele advised the Board that there are four more policies for the Board to review.

He requested that the Board review the policies and let him know of any changes or comments they may have.

Director Baker asked about policy number 38 – Use of NMWD Meeting Room Policy/ Conditions of Use, questioning how many request the District gets and about the insurance required.

Mr. Bentley stated that there hasn't been much request for the meeting room recently and that for those groups that do not have the proper insurance they can purchase liability insurance for the meeting.

Director Rodoni stated that he did not like the wording for the time allowed in policy number 40 – Grand Jury Response.

Mr. Bentley stated that he added that wording because the last request the District received there was no time allowed to show the response to the Board for approval. Director Rodoni suggested maintaining the existing wording and informing the Board when such a circumstance arises.

**NBWRA UPDATE**

Mr. McIntyre provided the Board with a summary of the May 20th North Bay Water Reuse Authority meeting. He stated that the 3rd revised Memorandum of Understanding is now effective after 6 of the 9 member agencies have signed it. He noted that the MOU is extended from 3 years to 5 years. He advised the Board that there is a schedule for the District and Novato Sanitary District's central recycled water project is scheduled to begin in FY17. Mr. McIntyre informed the Board that Ginger Bryant, NBWRA Federal Legislative consultant, has had discussions with the U.S. Bureau of Reclamation regarding the Phase 1 funding. He stated that she is putting pressure on the Bureau to provide remaining Phase 1 funds immediately. Mr. McIntyre advised the Board that Phase 2 will most likely be funded by loans using low interest rate and he will return to the Board with more updates in the future.

Director Schoonover stated that he believes Ginger Bryant has been very successful and is a good fit for Washington D.C.

**MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, Fluoridation Advisory Committee Meeting #1, and LAFCO – Result of Election by Ballot.

President Fraites commended Mr. DeGabriele for participating on the Fluoridation Advisory Committee.

**CLOSED SESSION**

President Fraites adjourned the Board into closed session at 8:48 p.m. in accordance with Government Code Section 54956.8, Conference with Real Property Negotiator (Chris DeGabriele & David Bentley) regarding 42 Spinosa Way, Novato, CA.

**OPEN SESSION**

Upon returning to regular session at 9:02 p.m., President Fraites stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

**ADJOURNMENT**

President Fraites adjourned the meeting at 9:03 p.m.

Submitted by



Katie Young  
District Secretary