

**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
June 6, 2017

**CALL TO ORDER**

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler. Director John Schoonover was absent.

J.D. Brosnon, The Covello Group, District employees Pablo Ramudo (Water Quality Supervisor), Robert Clark (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

Director Fraites asked that the Board consider adjourning the meeting in memory of the passing of Dietrich Stroeh, long time Novato Resident and water professional. On motion of Director Fraites seconded by Director Baker, the Board made approved adjourning the meeting in memory of the passing of Dietrich Stroeh a.k.a. Mr. Water by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

**MINUTES**

On motion of Director Baker, seconded by Director Fraites the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

## **GENERAL MANAGER'S REPORT**

### **Grossi Ranch**

Mr. McIntyre advised the Board that on May 19<sup>th</sup> he and Robert Clark went back to the Grossi Marindale Ranch with Scott Stephens of Miller Pacific Engineering Group to meet with Ralph and Jim Grossi. He stated that the visit was to go to the erosion sites and have Miller Pacific propose a modification plan for implementation this summer to reduce erosion and sediment transfer into the lake.

### **North Bay Water Reuse Authority Meeting**

Mr. McIntyre informed the Board that he and Director Baker and Rocky Vogler attended the meeting on May 22<sup>nd</sup> and will provide the Board with an update at a future meeting.

### **Potter Valley Project Relicensing**

Mr. McIntyre advised that on June 1<sup>st</sup> the Federal Energy Regulatory Commission, FERC, issued a scoping document related to PVP relicensing and he will be attending another meeting in Ukiah on June 28<sup>th</sup>. He noted that comments on the document are due by August 4<sup>th</sup>.

## **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 the following items were discussed:

Mrs. Young advised the Board that she will not be at the next Board meeting on June 20<sup>th</sup> and Engineering Secretary Eileen Mulliner will be here in her stead. She reminded the Board that the Pt. Reyes Board meeting is on June 27<sup>th</sup> at 7pm at the Dance Palace and Mr. McIntyre will provide Board members with a ride if they would like. She advised the Board that she will send a reminder email.

Director Baker provided staff and the other Board members with an update on Director John Schoonover's health.

## **CONSENT CALENDAR**

On the motion of Director Fraites, seconded by Director Baker the Board approved the following items on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

**GROUP LIFE INSURANCE**

The District's benefit package includes a life insurance policy for regular employees with a benefit equal to their annual salary. The group life benefit also includes an accidental death and dismemberment policy (AD&D) that offers double indemnity in the event of accidental death and defined lump sum payments if there is loss of sight or appendage. The Board authorized the Auditor-Controller to renew the contract with Mutual of Omaha for the District's Group Life and Accidental Death and Dismemberment Insurance at a rate of \$2,28 per \$1,000 of payroll for a one-year period commencing August 1,2017 .

**RENEW AGREEMENT WITH WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATOR**

Six years ago the District returned to self-insuring its workers' compensation liability, and employed Athens Administrators of Concord, CA to provide third-party administration (TPA) claims service for \$1,000 per month for a three-year period. The Board authorized the Auditor-Controller to renew the TPA agreement with Athens Administrators for a three-year period for a flat fee of \$1,000 per month.

**FY18 INSURANCE PURCHASE**

The District requested proposals for insurance coverage for the coming fiscal year from two brokers: 1) Gallagher Insurance Services in San Francisco, who has won our business for the past five years; and 2) Special District Risk Management Authority (SDRMA), who advised that they cannot provide insurance outside of their pooled programs. The Board approved the purchase of insurance for \$138,351 - included in the FY2017/18 Operations Budget.

**HAMILTON COTTAGES WATER SERVICE AGREEMENT**

The Board approved a Water Service Agreement with Hamilton Cottages. The Hamilton Cottages project proposes to construct 16 single family homes for seniors upon a 1.5-acre vacant parcel located on the south side of Hamilton Parkway across from Bristol Lane. New water facilities required include 700 feet of 6-inch PVC main, 2 new commercial fire hydrants, sixteen (16) 1-inch meters, one (1) 2-inch meter with a reduced pressure back flow preventer and 1 .5-inch and 1-inch recycled water meters, All lots will receive normal pressure Zone 1 water service. Total water demand is 19 equivalent dwelling units.

**AMENDMENT CONTRACT WITH LEONARD CHARLES AND ASSOCIATES (CEQA DOCUMENTATION FOR PRE #4A WATER TANK REPLACEMENT)**

The Board authorized the General Manager to amend the agreement with Leonard Charles & Associates in the additional amount of \$8,210 for the PRE #4A Tank Replacement project CEQA documentation.

**DISPOSAL OF SURPLUS EQUIPMENT**

The Board authorized staff to send equipment including a 2005 Ford Ranger pickup, 2008 F350 and a 2000 Bobcat to auction with 1st Capitol Auction for disposal of the surplus equipment.

**ACTION CALENDAR**

**RECYCLED WATER EXPANSION PROJECT CENTRAL SERVICE AREA – HIGHWAY 101 CROSSING: REJECT BID PROTEST AND AWARD CONSTRUCTION CONTRACT (ANVIL BUILDERS)**

Mr. Vogler advised the Board that the Recycled Water Expansion Project Central Service Area – Highway 101 Crossing received two bids. He stated that Anvil Builders was the low bidder at \$746K and Ghilotti Construction submitted a bid of \$791K. He advised the Board that The Covello Group reviewed the bids and found Anvil Builders bid to be responsive.

Mr. Vogler advised the Board that staff received a bid protest from Ghilotti Construction. He stated that the protest letter asserted that Anvil's bid was non-responsive on various grounds, and that Ghilotti's was therefore the lowest responsive bidder. He informed the Board that The Covello Group reviewed the bid protest and the protest was forwarded to District legal counsel Carl Nelson who reviewed the plans and specs of the project and the bid documents and found no merit to the protest. Mr. Vogler recommended the Board reject the bid protest from Ghilotti Construction.

Director Joly asked if staff receives a lot of bid protests. Mr. Vogler responded that the District periodically receives bid protests but that in this particular case there was nothing of merit.

Director Baker expressed concern regarding Anvil Builders experience. Mr. Vogler advised that the construction manager called all of the references and is confident in their work.

President Petterle suggested staff look into the City of San Francisco's project delivery process and the concept of design and build which can provide a higher quality project at a lower price.

Mr. McIntyre reminded the Board that for the bulk of the work for this project is the trenchless pipeline installation under HWY101 and the subcontractor, Pacific Boring, is the same firm that completed all the HWY101 trenchless work on the Aqueduct Energy Efficiency Project and has completed many other trenchless projects all over California.

Director Joly inquired about the 12% difference in the engineers estimate vs the contractor. Mr. Vogler responded that the percentage was reasonable and that both bids were lower than the engineer's estimate.

On motion of Director Fraites, seconded by Director Baker the Board rejected Ghilotti Construction's bid protest of Anvil Builders and approved award of the contract to Anvil Builders, authorizing the General Manager to execute an agreement with Anvil Builders by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

### **RESPONSE LETTER TO MARIN LAFCO SPHERE OF INFLUENCE UPDATE**

Mr. McIntyre provided the Board with a draft response letter to the Marin LAFCo regarding the 2017 Draft Sphere of Influence Update. In addition to some miscellaneous comments and clarifications, the draft letter also provides specific comments on the designated State Route 1 (just North of Point Reyes Station service territory) and Old Dillon Beach Community Sphere of Influence expansions. He stated that the LAFCo report reaffirms that non-jurisdictional lands included in an expanded Sphere of Influence does not provide any guarantees that the territory will be annexed or provided outside service agreements. Mr. McIntyre advised the Board that most of the seven customers outside of the service area have water service agreements but not all.

President Petterle asked how the areas along the Petaluma River and outside of the District boundary play into the Sphere of Influence. Mr. McIntyre responded that LAFCo has shown an interest in that area as well and it is included in the update.

On motion of Director Baker, seconded by Director Fraites, the Board authorized sending the comment letter to Marin LAFCo regarding the draft Sphere of Influence Update by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

## **INFORMATION ITEMS**

### **RECYCLED WATER CENTRAL CONSTRUCTION MANAGEMENT PROGRESS REPORT NO. 2 (COVELLO)**

JD Brosnan provided the Board with the Progress Report No. 2 for the Recycled Water Central Construction Project. He stated that even with the rain delays the project is still on track to be completed on time.

Director Joly inquired about the gas pipeline that was hit during the project. Mr. Brosnan responded that Mountain Cascade nicked the gas line with an excavator. He stated that the gas leak was repaired as quickly as possible.

Director Baker asked if any claims might be submitted for this incident. Mr. Brosnan stated that no claims have been filed to date but there may be claims of damages and Mountain Cascade will be responsible for those costs.

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

Pablo Ramudo provided the Board with the 3rd Quarter Water Quality progress report. He advised that Stafford Treatment Plant started production for the season on March 15th. Total organic carbon (TOC) removal remained above the 25% requirement of the Enhanced Surface Water Treatment Rule. He noted that the TOC concentration was very low in the raw water at 3 mg/L. He stated that of the 245 routine samples collected for compliance with the Total Coliform Rule, there were no coliform positive samples this quarter and chlorine residual concentrations throughout the distribution system were good. Mr. Ramudo advised the Board that this year the District performed a limited flushing program that started in February and continued through March. He stated that this year Zone 2 and upper zones were flushed as well as dead ends. He noted that Zone 1 was flushed last year and remained relatively free of sediments.

Mr. Ramudo stated that in Pt. Reyes raw water quality was good throughout the quarter and that water quality parameters affected by salt water fell slightly throughout the quarter. He informed the Board that Gallagher well was used as a source of water only during the first two weeks of January. He noted that the raw water quality was good throughout the quarter; however this well also showed the presence of coliform bacteria so the District was able to use the Coast Guard Wells during this time. He advised the Board that extensive testing of the potable water produced at the Point Reyes Treatment Plant and distributed throughout the entire system showed that there were no coliform bacteria present and disinfection remained optimal.

## **INITIAL REVIEW FY18- WEST MARIN WATER AND OCEANA MARIN SEWER BUDGETS**

Mr. Bentley provided the Board with the initial review of both the West Marin Water and Oceana Marin Sewer Budgets. Proposed for the West Marin Water System customers is a 5% rate increase. He noted that the proposed for the Oceana Marin Sewer System customers is a 10% rate increase. Mr. Bentley reminded the Board that the Oceana Marin Sewer connection fee was increased last year with a 2-phased approach and the fee increased from \$15,200 to \$22,600 effective September 1, 2016, and will increase to \$30,000 effective July 1, 2017.

Mr. Bentley advised the Board that in West Marin, annual 5% increases are included in the 5-year financial plan for FY19 and beyond to help pay for \$5.85 million in Capital Improvement Projects scheduled over the next five years as the District moves forward with replacement of the tank that was destroyed in the Vision Fire, an additional well at the Gallagher site, addition of a Treatment Plant Solids Handling Facility, Replacement of PRE Tank #1, and Upgrade of the Treatment Plant. He stated that in Oceana Marin, the Nute 2015 Master Plan update presented to the Board in January 2016 identified \$3.1 million in needed improvements to the system and annual 10% increases are included in the 5-year financial plan to help pay for CIP program.

Mr. Bentley informed the Board that the Rate Comparison surveys completed showed that in West Marin the District is still at the bottom of the list in terms of cost, but in Oceana Marin the District has one of the highest rates, noting that its expensive to run a small sewer system.

Mr. Bentley informed the Board that there will be a second review of the West Marin and Oceana Marin Budgets at the next meeting with approval of the budgets at the meeting in Pt. Reyes Station on June 27<sup>th</sup>.

Mr. McIntyre advised the Board that he attends the Oceana Marin Homeowners meeting two times a year and at the last two meeting he has reviewed the Nute 2015 Master Plan to keep the customers aware of the need for continued rate increases.

## **NBWA MEETING – JUNE 2, 2017**

Director Fraites provided a summary of the North Bay Water Association meeting held on June 2<sup>nd</sup>. He stated that there were two excellent presentations given on replantation of oak trees in the rural areas and climate change.

## **WAC/TAC MEETING – JUNE 5, 2017**

Mr. McIntyre provided a summary of the Water Advisory Committee Meeting held on June 5<sup>th</sup>. He stated that the reservoirs are in great condition for water supply and that on May 19<sup>th</sup> the Water Agency received the Temporary Urgency Change Petition, an annual request which mandates reduction in flow in the upper and lower Russian River from May 1<sup>st</sup> to October 15<sup>th</sup>.

Mr. McIntyre stated that the Water Agencies Fish Flow EIR received 450 comments and the final report will most likely be available in early 2018.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, Draft EIR State Route 1 Lagunitas Creek Bridge Project Letter, Closing Bills Erroneous Amounts, and Marin Retirement Health Care Benefits.

The Board also received the following news articles: Annual Water Hike continues to fund large projects, Editorial: Pension plan needs to choose reality over risk, Marin Voice: Are Marin voters running out of generosity toward tax increases?, Marin watchdog growls over public sector retiree health costs, Kent Lake water flow study to look at fish impact, MMWD sets water rate hike for July 1; second hike subject to hearing, Local register concerns about bridge project, Marin IJ Editorial: MMWD needs to keep its promise on 2019 rates, and President of bridge board dies at 80.

### **CLOSED SESSION**

President Petterle adjourned the Board into closed session at 8:36 p.m. In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

### **OPEN SESSION**

Upon returning to regular session at 8:52 p.m., President Petterle stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

### **ADJOURNMENT**

President Petterle adjourned the meeting in memory of Dietrich Stroeh at 8:53 p.m.

Submitted by



Katie Young  
District Secretary