

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
August 7, 2012**

**CALL TO ORDER**

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

Steve Wrightson of The Covello Group, Martin Falarski and Kevin Canada of URS Corporation, Leonard Charles of Leonard Charles and Associates, Ari Lauer of Bold & Polisner, and District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent), Carmela Chandrasekera (Associate Civil Engineer), and David Jackson (Associate Civil Engineer) were in the audience.

**MINUTES**

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

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

**GENERAL MANAGER'S REPORT**

**Oceana Marin HOA Meeting**

Chris DeGabriele reported that he attended the Oceana Marin HOA meeting on Saturday, July 21<sup>st</sup> and reviewed last year's financial performance and budget. He said he spoke to the homeowners regarding the sewer lining project and they requested to be notified when the project would start. Mr. DeGabriele stated that the homeowners suggested that a flyer be distributed should there be a disaster regarding a disrupted sewer line or water service. He informed the Board that the District prepared a flyer and sent it to the Oceana Marin HOA's who posted it on their website and will distribute it to the homeowners.

### ACWA Regulatory Summit Meeting

Mr. DeGabriele informed the Board that next Wednesday, August 15<sup>th</sup> he will be a panelist at the ACWA Regulatory Summit meeting in Rohnert Park. He stated that the panel will discuss how to deliver a message to customers to conserve water while rates are going up. Mr. DeGabriele said that he hopes to focus on how the North Marin Water District Board experienced a similar situation and how the District adopted a series of three annual rate increases.

### Las Gallinas Valley Sanitary District Dedication to Recycled Water

Mr. DeGabriele advised the Board that the date of the Las Gallinas Valley Sanitary District dedication of the Recycled Water South Facility will be September 25<sup>th</sup>. He stated the District will be partners in planning the dedication with LGVSD.

### Novato Sanitary District Dedication

Mr. DeGabriele also informed the Board that Novato Sanitary District will be setting a date for the dedication of the Recycled Water North Facility around the week of October 15<sup>th</sup> and will advise the Board when the final date is chosen.

### **OPEN TIME:**

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

### **STAFF/DIRECTORS REPORTS**

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

### Marin Sonoma Narrows B1 and B2 Project

Drew McIntyre advised the Board that Cal-Trans will receive Marin Sonoma Narrows (MSN) B1 project bids in the next couple of weeks. He stated that the B1 project includes the District's pipeline to be upsized from a 30" to a 42" from Redwood Landfill North to San Antonio Road. Mr. McIntyre said that MSN B2 will have a bid opening around the second week of August and involves installing a temporary bypass line around South Petaluma Blvd. He stated that he would keep the Board informed but the tentative schedule would be that both projects begin work by late spring/early summer 2013.

**PRELIMINARY FY 2011/12 FINANCIAL STATEMENT**

Mr. Bentley presented the Preliminary FY12 Financial Statement. He stated that the overall performance was better than anticipated on the revenue side and that the District sold more water than budgeted. He said that the District had a net loss of \$178,000, compared to a budgeted loss of \$468,000 for last fiscal year. Mr. Bentley said that the District added \$500,000 to revenue due to more water sales than budgeted but an offset on the expense side was that the District needed to purchase more water from Sonoma County Water Agency than budgeted due to the low rainfall last winter.

Mr. Bentley stated that Novato Water budgeted a \$545,000 net loss for the year, but came in at a \$217,000 loss due to higher to water sales volume. Mr. Bentley stated connection fee revenue came in at \$969,000 compared to a budget of \$570,000.

Mr. Bentley stated that the Recycled Water operation ended with a net loss of \$129,130. He said that the District sold 56.2 million gallons compared to a budgeted 60 million gallons. Mr. Bentley said that expenses exceeded budget by about \$9,000, but the District saved money on interest expense because of the time it took the State to send SRF loan monies.

Mr. Bentley reported that for West Marin Water, the net income was \$145,000, compared to a budgeted net income of \$177,000. He stated that the District budgeted 76 million gallons in water sales and sold 74.3 million gallons.

Mr. Bentley informed the Board that Oceana Marin stayed right on budget with no new customers. He stated that there was \$23,000 in net income versus \$29,000 budgeted. Expenses exceeded budget due to extra money spent on lift station repairs.

Mr. Bentley said that the Board will hear a report on the final FY 2012 Financial Statement after the audit is complete.

**PUBLIC HEARING/APPROVE: PT. REYES TREATMENT PLANT SOLIDS HANDLING FACILITIES PROJECT- CONSIDER ADOPTION OF MITIGATED NEGATIVE DECLARATION AND APPROVAL OF THE PROJECT**

Mr. McIntyre reminded the Board that at the June 5<sup>th</sup> meeting, the Board received the Administrative Draft of the Initial Study for the Point Reyes Treatment Plant Solids Handling Project and that on June 12th, District staff mailed out a Notice of Intent to file a Mitigated Negative Declaration with the County of Marin and other agencies, who were given a 30-day public review period. Mr. McIntyre informed the Board that the District received two comments, one from Cal-Trans, asking if the project would be hauling hazardous waste, and the second comment was from

Department of Fish and Game (DFG), with specific project comments. He advised the Board that the District will be moving forward upon Board approval with the next step which is outreach to obtain a County of Marin Local Coastal Permit.

Mr. McIntyre introduced Leonard Charles, Environmental Consultant, who informed the Board that the District received a letter from the DFG, and he recited their 10 comments that the District addressed in response to comments on the Mitigated Negative Declaration. Mr. Charles opined that DFG did not clearly understand the project.

Vice President Fraites opened the public hearing at 7:55 p.m. and hearing no comment, closed the public hearing.

On motion of Director Rodoni, seconded by Director Baker, and carried by those Directors present, the Board approved Resolution No. 12-19 entitled "Resolution of The Board of Directors of the North Marin Water District Authorizing the Adoption of a Mitigated Negative Declaration for the Pt. Reyes Water Treatment Plant Solids Handling Project, Making Findings Pursuant to the California Environmental Quality Act, and Directing the Filing of a Notice of Determination."

On motion of Director Schoonover, seconded by Director Rodoni, and carried by those Directors present, the Board approved the project including Mitigation Monitoring and Reporting Program.

On motion of Director Rodoni, seconded by Director Baker, and carried by those Directors present, the Board authorized staff to file the Notice of Determination with the Marin County Clerk.

### **CONSENT CALENDAR**

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

### **WATER SERVICE AGREEMENT – SAN RAMON ELEMENTARY SCHOOL FIRE SERVICE**

The San Ramon Elementary School Multi-Use Building Fire Service Project proposes to construct a new fire sprinkled multiuse building at the school site at 45 San Ramon Way. New water facilities required include one 6-inch fire service assembly to supply the new fire sprinklers and one existing fire hydrant relocation on San Ramon Way. The total cost of the project is \$77,645.

The Board approved Resolution No. 12-20 entitled "Authorization of Execution of Water Service Facilities Construction Agreement with Novato Unified School District."

**WATER SERVICE AGREEMENT- ASSIGNMENT OF WATER SERVICE AGREEMENT CANYON GREEN**

A Water Service Agreement for Canyon Green Subdivision with Green Valley Corporation was approved by the Board on June 19, 2012, and Green Valley Corporation entered into the agreement on July 19, 2012. Subsequently, on July 23, 2012, Green Valley Corporation sold the project to Camino Ramon Associates, LLC, and it is now necessary to assign the agreement to Camino Ramon Associates, LLC.

The Board approved Resolution No. 12-21 entitled "Authorization of Execution of Assignment High Pressure Water Service Facilities Construction Agreement with Green Valley Corporation and Camino Ramon Association, LLC."

**CONSENT-APPROVE- STAFFORD SOLAR ENERGY PROJECT DEDICATION**

The Stafford Solar Energy Project is scheduled to be completed by August 13<sup>th</sup>. The Board authorized the General Manager to set the date for the Stafford Solar Energy Project dedication for Friday, August 31, 2012 at 11 a.m.

**ACTION CALENDAR**

**APPROVE: CHANGE ORDER NO. 4- ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) FOR ENVIRONMENTAL SUPPORT SERVICES CONTRACT (RECYCLED WATER SOUTH SERVICE AREA)**

Drew McIntyre reminded the Board that Environmental Science Associates (ESA) has been performing compliance permitting for the Recycled Water North and South Service Area Project. He stated that the Board has already approved three change orders in the past for these projects. He said that the District is requesting Change Order No. 4 for \$38,900 for ESA to perform additional CEQA construction monitoring tasks for the Recycled Water South Service Area Project. Mr. McIntyre stated that the additional monitoring tasks will include monitoring protected areas from contractors and protecting wetland species, purple needle grass and red-legged frog habitat throughout the project site.

On motion of Director Baker, seconded by Director Schoonover, and carried by those Directors present, the Board authorized the General Manager to execute Change Order No. 4 to ESA to perform additional CEQA construction monitoring tasks for the Recycled Water South Service Area project in the amount of \$38,900.

**APPROVE: OCEANA MARIN CIPP SEWER LINING PROJECT: AWARDED CONSTRUCTION CONTRACT**

Mr. McIntyre informed the Board that the District is ready to move forward with the cured-in-place pipe (CIPP) sewer lining project in Oceana Marin which encompasses three cross-county sewer lines and includes pre-cleaning, pre-televising, repair of defects found and a second cleaning and televising prior to lining. He stated that the CIPP lining of three easement sewers serve Kameha Way, Kona Lane and Waikiki Lane.

Mr. McIntyre reminded the Board that in June, the Board approved bid advertisement for the sewer lining project and the District received bids from five contractors. He said that the bids ranged from \$146,000 to \$300,000; the lowest bid was from Case Excavating of Clearlake, CA. Mr. McIntyre stated that Nute Engineering performed a bid analysis and that staff reviewed the bid for conformity, Class A license and bid bonds. He informed the Board that the response from Nute Engineering affirms that Case Excavating meets experience requirements and has good references.

Director Baker stated he is concerned that the Case Excavating bid is much lower than the other bids. He asked for reassurance from Mr. McIntyre that the low bidder's references have been checked thoroughly.

Mr. McIntyre stated that he has had discussions with Nute Engineering regarding Case Excavating and Nute stated that there have been no claims filed against their license and references from other agencies were good. Mr. McIntyre said that if the low bidder's references check out and the bid is deemed responsive and responsible, the contract must be awarded to the contractor or all bids are rejected.

Director Rodoni asked if the work could be managed in-house. Mr. McIntyre said that staff proposes to amend Nute Engineering's existing General Services Agreement contract by \$10,000 to authorize design and support services during construction and that the project duration will be short and should be completed within 12 weeks.

On motion of Director Rodoni, seconded by Director Schoonover, and carried by those Directors present, the Board awarded the contract to Case Excavating and authorized the General Manager to execute an agreement with Case Excavating.

## ***INFORMATION ITEMS***

### **CONSTRUCTION MANAGER REPORT #3- RECYCLED WATER PROJECT NORTH SERVICE AREA (ORAL REPORT)**

Drew McIntyre introduced Steve Wrightson, Construction Manager for The Covello Group who gave an overview of the previously completed segments of the Recycled Water Project- North Service Area including Segment 1, Segment 3 and the Plum Street Tank Rehabilitation. Mr. Wrightson stated that Segment 2 is scheduled to be completed around August 24<sup>th</sup>. He said that there have been some challenges along the way with contaminated soil on Redwood and Olive Avenue, high ground water and a broken horizontal directional drilling drill rod. Mr. Wrightson informed the Board that there has been 8.6% in change orders forecast totaling \$122, 406 in estimated additional costs.

Director Baker asked if the engineer had reviewed the borings to determine the pavement thickness on Olive Avenue prior to construction. Drew McIntyre answered that there has been periodic core sampling along the alignment.

Vice President Fraites requested that the affected roads be repaved soon. Mr. Wrightson stated that the crew will go out and look at the temporary road pavement and that final repaving will be completed once the project is complete.

Mr. McIntyre informed the Board that The Covello Group will not have the final amount on change orders or cost of the project until the final segment is complete and the Segment 2 Ranger Construction contract is closed out. He stated that the Board should have that information in early September.

### **CONSTRUCTION MANAGER REPORT #1- RECYCLED WATER PROJECT SOUTH SERVICE AREA (ORAL REPORT)**

Drew McIntyre introduced Martin Falarski and Kevin Canada, Resident Engineer and Construction Manager of URS Corporation, for the Recycled South Service Area project. Kevin Canada advised the Board that there are three phases in the South Service Area Project and are working with Miller Pacific Engineering, CSI (tank inspection and welding), ESA, Nute Engineering and CSW/Stuber-Sroeh to complete the project. He stated that Drew McIntyre and Dave Jackson have been extremely proactive and very helpful throughout the process.

Mr. Canada stated that Phase 1A is from Las Gallinas Valley Sanitary District to Bolling Circle. He stated that during the bid phase, Drew McIntyre had the foresight to address unstable soil conditions and advised the contractor that they will have to take care of it at their own cost. He

informed the Board that some of the complications of this project included suspension of work due to nesting ravens and nesting swallows under Willow Creek Bridge, although work was allowed to proceed. Mr. Canada informed the Board that the anticipated completion date of Phase 1A is September 20th with a total estimated cost of \$884,488.

Mr. Canada advised the Board that Phase 1B is installation of a 12" PVC pipe. He stated that there has been underground utility interferences and unanticipated soil conditions along with environmental compliance regarding nesting birds, owls and purple needle grass which caused a two month suspension of the project on Reservoir Hill. He advised the Board that there were over 1600 notices and door hangers distributed to residents that might be affected by the traffic control, dust and other construction. Mr. Canada stated that there have been residential complaints regarding a broken water main wherein residents lost water and electricity. Mr. Canada stated that the anticipated completion date of Phase 1B is September 7<sup>th</sup> with a total cost of \$2,542,500.

Mr. Canada informed the Board that Phase 2 would be advertised and bid upon this month.

#### **TEMPORARY STAFFING**

Mr. DeGabriele informed the Board that reduction in temporary staffing hours in this year's Operations Budget was anticipated to be accomplished by transferring two Treatment Plant Operations on a short term basis to Construction and Maintenance crews. He stated that due to unforeseen circumstances only one employee was able to transition over, and he has authorized the Construction/Maintenance Superintendent to hire a temporary laborer. He informed the Board that the construction crews have had a tremendous amount of service repairs, and they have done a phenomenal job with the staff they have.

#### **SWRCB ACCEPTANCE AND ENVIRONMENTAL REVIEW PROCESS FOR LICENSE 4324B**

#### **PETITION FOR CHANGE**

Mr. DeGabriele advised the Board on the status of the Petition for Change for License 4324B with the State. He reminded the Board that the District submitted the Petition for Change in December 2010; the State is recommending that the District does not convert Permit 19725 to a license but rather continue utilization as a permit. Mr. DeGabriele stated the District will dedicate Permit 19724 to instream flow and add a point of diversion at Gallagher to License 4324B and Permit 19725. He said that the State Board is still trying to figure out how to informally notice Department of Fish and Game and the previous protestants, Tomales Bay Association, Trout Unlimited and Marin Sierra Group.



Mr. DeGabriele stated that the District is internally developing a hydrologic plan to meet the Department of Fish and Game's requirements to confirm or deny whether the Gallagher Well has impact on the stream flow. He informed the Board that he will be meeting with a hydrogeologist to find someone that has a working relationship with the Department of Fish and Game.

Director Baker asked if there was a significant difference of maintaining Permit 19725 rather than converted to a License.

Mr. DeGabriele said that on the upside it will remain at the existing diversion limits of 292 acre/ft year and if licensed it would be at a lower amount.

### **WAC/TAC MEETING- AUGUST 6, 2012**

Mr. DeGabriele informed the Board that there was a good presentation by City of Cotati on their Water Smart Program which tailored outreach to customers regarding conservation. He stated that the outreach resulted in 5% water savings for Cotati. Mr. DeGabriele said that there was a report on last year's water sales and that revenue was slightly higher.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, Employer Assisted Housing Policy and Water Research Foundation Certificate.

The Board also received the following news articles: Marin agencies dealing with musty-tasting tap water and SCWA Press Release-Watershed Pubic Education Television Series Debuts

Chris DeGabriele informed the Board regarding the news article "Marin agencies dealing with musty-tasting tap water" that the District now has the issue under control.

### **CLOSED SESSION**

Vice President Fraites adjourned the Board into closed session at 9:12 p.m. in accordance with Government Code Section 54956.8; Conference with Real Property Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; regarding 15 Gustafson Court, Novato, CA.

### **OPEN SESSION**

Upon returning to regular session at 9:41p.m Vice President Fraites stated that during the closed sessions the Board had discussed the issue and provided direction to staff regarding 15 Gustafson Court, Novato CA.

**ADJOURNMENT**

Vice President Fraites adjourned the meeting at 9:42 p.m.

Submitted by

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

Katie Young  
Acting District Secretary