

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 17, 2013**

CALL TO ORDER

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

Craig Pyle, Harris & Associates, District employees Carmela Chandrasekera (Associate Engineer), Dianne Landeros (HR/Accounting Supervisor), Nancy Williamson (Sr. Accountant), 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 by those present, the Board approved the minutes from the previous meeting as presented by the following vote:

AYES: Director Baker, Petterle, Rodoni and Schoonover

NOES: None

ABSTAIN: None

ABSENT: President Fraites

GENERAL MANAGER'S REPORT

Hostile Customer

Mr. DeGabriele informed the Board that in early August the front office received a threatening call from a customer. He stated that the office staff did everything appropriately with locking the door, calling the police and having a police escort to turn the water back on. He noted that Robert Clark requested counsel from Novato Police Department who conducted a Violence in the Workplace training on September 5th.

Recycled Water Subcommittee Meeting

Mr. DeGabriele informed the Board that Novato Sanitary District has requested a meeting with the Recycled Water Subcommittee which consists of Directors Baker and Schoonover, Drew McIntyre and himself on September 24th.

Auxiliary Dwelling Units

Mr. DeGabriele stated that last Friday the District received a letter from the Novato Mayor formally encouraging a reduction in auxiliary dwelling units. He noted that he would put the letter on a later agenda to receive direction from the Board.

General Manager Vacation

Mr. DeGabriele advised the Board that he will be out of the office and state next Wednesday, September 25th through September 30th and that David Bentley would be the acting General Manager during that time.

OPEN TIME

Vice 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

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

Dam Inspection

Drew McIntyre informed the Board that the District had the annual Dam Inspection by the Division of Safety of Dams Inspector. He noted that at the end of the inspection a report is provided. He stated that the inspector was very pleased with the dam and Mr. McIntyre gave kudos to the maintenance and construction crew for keeping the area clean and all of the operating valves labeled, along with the concrete apron repair.

Gas Line Break

Doug Moore advised the Board that last week the District received bad press in the paper regarding a gas line break caused by one of the construction crews. He stated that the crew was working on DeLong Ave installing a pipeline and hit a gas line that ruptured. He stated that it was an unmarked line that PG&E failed to identify.

Mr. DeGabriele stated that he did notify the reporter and Novato Fire Protection issued a press release notifying that the gas line was not properly marked.

15 Gustafson Court

David Bentley advised the Board that an auction date has been scheduled for October 3rd for 15 Gustafson for the 2nd deed of trust.

Cost of Living Increase

David Bentley shared with the Board a memo distributed to employees regarding the annual cost of living increase, stating that employees would receive a 3.36% increase effective October 1st.

North Bay Watershed Association Meeting

Director Baker informed the Board that he attended the North Bay Watershed Association meeting two weeks ago and saw a phenomenal presentation on the Bay Delta.

MONTHLY PROGRESS REPORTS

Mr. DeGabriele provided the Board with the Monthly Progress Report for August. He stated that water production in Novato and West Marin is down slightly from one year ago and that water production at Stafford Treatment Plant is right on the mark compared to August one year ago and up considerably year to date. He noted that the Recycled Water production is also up considerably year to date as a result of the Recycled Water Expansion Project. Mr. DeGabriele informed the Board that in Oceana Marin the pond levels are in good shape. He stated that the District has lost days due to a field service representative's injury requiring surgery. He informed the Board that eight polybutylene services had been replaced and that the Summary of Complaints and Service Orders were up 5% due to 35 taste and odor complaints. Mr. DeGabriele informed the Board that the treatment plant had been shut down and since that time, the granular activated carbon has been replaced and the algae bloom has subsided.

David Bentley provided the Board with the Monthly Report of Investments and stated that at the end of August the cash balance was \$14.9M. He noted that the District is finally receiving money from the state and grant loan funds. He stated that the weighted average Portfolio rate was 0.34%.

CONSENT CALENDAR

On the motion of Director Petterle seconded by Director Schoonover and unanimously carried by those present, the board approved the following item on the consent calendar by the following vote:

AYES: Director Baker, Petterle, Rodoni and Schoonover

NOES: None

ABSTAIN: None

ABSENT: President Fraites

CALPERS RESOLUTION TO REDUCE DISTRICT CONTRIBUTION

On December 28, 2012, the NMWD Employee Association approved a labor agreement with the District. Section 12 of the Memorandum of Understanding provides that effective October 1, 2013 and each subsequent October 1 through the year 2016, employees will contribute an additional 1.6% of their salary toward the retirement benefits, until employees are paying a total of 8% toward the cost of CalPERS retirement benefits.

The CalPERS resolution to changes the District paid employee contribution to 4.8%.

The Board authorized Vice President Rodoni to execute Resolution 13-13 entitled: "Resolution of the Board of Directors of North Marin Water District Resolution For Employer Paid Member Contributions.

ACTION CALENDAR

GHD CONTRACT AMENDMENT

Drew McIntyre reminded the Board of the amendments made on the agreement with GHD (formerly Winzler & Kelly) regarding the District's Aqueduct Energy Efficiency Project (AEEP) in the past. He stated an additional \$70,000 is needed for ongoing support services related to the AEEP and Caltrans' Marin Sonoma Narrows Project. Mr. McIntyre stated that the ongoing services would include assisting with the environmental peer review and oversight during the construction phase of the project.

On motion of Director Schoonover, seconded by Director Baker and unanimously carried by those present, the Board authorized the General Manager to execute Amendment No. 4 to increase GHD's fee by \$70,000 for ongoing support services related to the District's Aqueduct Energy Efficiency Project and Caltrans' Marin Sonoma Narrows Project by the following vote:

AYES: Director Baker, Petterle, Rodoni and Schoonover

NOES: None

ABSTAIN: None

ABSENT: President Fraites

CUSTOMER BILL LANGUAGE REVIEW

David Bentley advised the Board that the District's contractor is prepared to reorder the bill stock and stated that staff requests that the Board review the Service Charge definition on the bill (Note A) and recommends maintaining the current language.

On motion of Director Baker, seconded by Director Petterle and unanimously carried by those present, the Board approved maintaining the current language pertaining to the Service Charge on customer bill stock by the following vote:

AYES: Director Baker, Petterle, Rodoni and Schoonover

NOES: None

ABSTAIN: None

ABSENT: President Fraites

DUPLICATE MEDICAL COVERAGE –EMPLOYEE APPEAL

David Bentley provided the Board with an overview of the duplicate medical coverage policy and the changes that occurred in the past. He stated that in 2005 the language of the policy indicated that employees must provide acceptable proof of alternative insurance for themselves and all dependents to use the cafeteria plan contribution for purposes other than supplemental medical insurance. Mr. Bentley reminded the Board that in 2010 staff apprised the Board that there were six employees receiving cash compensation via the District's cafeteria plan that did not qualify to receive a cash payout pursuant to District policy. He stated that the six employees appealed to the Board, requesting that the policy be revised to allow them to continue receiving the cash payout. He noted that the Board directed management to allow the cash payout to the six employees to continue until the next salary and benefit negotiations. Mr. Bentley advised the Board that when negotiations concluded it was late December 2012 and the open enrollment period had passed for employees to sign up for new coverage. He stated that two employees continued to receive a cash payout without alternative insurance coverage for all dependents. He noted that those two employees appealed to the General Manager who granted an extension, allowing them to keep the cash payout for an additional year and that after that time the two employees could appeal to the Board if they so desired.

Vice President Rodoni asked if there was any interest during negotiations regarding this matter. Mr. Bentley stated that he advised the Employee Association that the payemtn to the two remaining employees would cease at the end of the negotiations.

Vice President Rodoni invited members of the audience to address the Board.

Dianne Landeros stated that she was extremely uncomfortable speaking to the Board regarding this matter due to her position at the District as the HR Supervisor and is not a part of the Employee Association. She stated that her entire family is not covered by the District insurance and labeled the group that this occurs to as the “hybrid” group. She stated that she feels that the “hybrid” group who receives the money neither saves, nor costs the District extra money. She provided the Board with an analysis of District Option for Health Insurance Coverage and summarized her opinion on the District’s contribution to this group of people. Mrs. Landeros presented the Board with two options to consider:

1. To allow all employees to choose the “hybrid” option best suited to their situation at minimal cost to the District.
2. To allow all employees to choose the “hybrid” option best suited to their situation, and pay the District payroll taxes with no cost or savings to the District.

Nancy Williamson expressed her feelings regarding the situation of the employees and that situations change and the subject of this item was never brought up in negotiations. She stated that it would be a financial hardship as the cash compensation helps offset the extra costs of the medical insurance.

Carmela Chandrasekera informed the Board that although she is not a part of the “hybrid” group now, she will be in the next couple of months because her husband’s job cannot cover spouses. She stated that she is a good example of how the group is constantly changing and that there is no real cost to the District to continue this “hybrid” group. Mrs. Chandrasekera stated that it was unfair to employees that there was no discussion with the Employee Association and that changing this policy will not hurt the District but the employees.

Stacie Goodpaster stated that most of the Employee Association was unaware of this item that was presented to the Board. She said that it was not brought to any employees attention during negotiations and that this item should be removed from the agenda and the Board should not be changing policies without consulting with the Employee Association.

Director Baker stated that the District was not following the policy and made accommodations for those in need but that he could not support continuing to go against the policy that was made in 2005.

Vice President Rodoni stated that in 2010 it was understood that no new additions would be added to the payout and that employees should have brought up this matter in the negotiations. He said that everyone knew about the issue and it is not the District's fault.

Director Petterle stated that he was unclear of the situation and asked if there was any discussion during negotiations. Mr. Bentley replied that it was brought up as a statement of fact that the program was going to end for those employees that did not have all dependents on an alternative plan.

Director Petterle stated that he was interested in seeing what other agencies are doing with health insurance.

Director Schoonover suggested that the Board table this item for the next meeting and to receive more information on the matter.

Mr. DeGabriele stated that other agencies will be different and might cover some employees, all employees or not have a buyback program at all. He stated that this policy was made as an incentive to employees to find coverage outside of the District and to help save the District money.

Vice President Rodoni stated that he would like more information on the matter and also reiterated that no new employees may be added to this policy.

Robert Clark stated that he highly disagreed with Vice President Rodoni's statement about not adding new employees to the policy and that this item needs to be discussed with the Employee Association.

David Bentley stated that he would be happy to bring back the issue at a later date but that open enrollment ends October 11th so the decision would need to be made soon.

Vice President Rodoni stated that the Board will have the issue resolved before the end of open enrollment at the next meeting or call a special meeting for it.

INFORMATION ITEMS

HIRING OF TWO TEMPORARY EMPLOYEES

Doug Moore informed the Board about the procedures taken to hire two new temporary laborers. He stated that he and foremen Joe Corda and Tony Arendell put together a system to interview the applicants. He advised the Board that the job was posted on the District website and Craigslist. He noted that they received 25 applicants and interviewed 14. Mr. Moore stated that after the first interview nine applicants were called back for a skills test which consisted of jack hammering, digging a trench, a driving skills test and other means to help figure out their physical

capabilities on a job site. Mr. Moore advised the Board that they hired two temporary laborers, Shawn Kane and Forrest Krupin.

PRESENTATION ON SUNSET PARKWAY MAIN REPLACEMENT

Doug Moore provided the Board with an overview of the Sunset Parkway 12" cast-iron pipeline replacement with a PowerPoint presentation.

MSN B1 (AEEP REACH E) – PROGRESS REPORT NO. 2 (HARRIS & ASSOCIATES)

Craig Pyle, pipeline inspector with Harris & Associates, provided an update on the Aqueduct Energy Efficiency project 42" aqueduct installation. He informed the Board of several delays including: Delay #1 arose due to a killdeer bird guarding her eggs at Deer Creek crossing causing the contractor to defer work for about 4 weeks; Delay #2 was caused by swallows nesting in the cattle crossing by the jack hammering point and the biologist thought it was too much noise so the workers were limited to working for an hour, then shut down for 15 minutes, and then start the work again; Delay #3 occurred when lowering the 42-inch line valve at the cattle crossing because the contractor did not get all of the submittals in on time; and Delay #4 was that the alignment of the pipeline had to be moved due to not enough room for excavation.

Drew McIntyre informed the Board that when the pipe gets backfilled, Craig goes inside the pipe to monitor it and inspect the entire pipe. Craig stated that he has inspected about 8,900 feet.

Director Baker asked what he is looking for. Craig replied that he is looking for deflections and cracks.

Director Rodoni asked if there would be extra costs with the delays shown. Craig stated that the extra costs would be minimal.

COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE CITY OF NOVATO HOUSING ELEMENT UPDATE AUGUST 2013

Mr. DeGabriele informed the Board that he reviewed the City of Novato's Housing Element Update and draft environmental impact report and only had one comment and provided the Board with his response to the report.

TAC MEETING – SEPTEMBER 9, 2013

Mr. DeGabriele stated that the Technical Advisory Committee meeting was brief but the TAC did approve sending the comments on the fluoridation preliminary design report to the Sonoma County Health Services. He stated that Lake Mendocino still remains above critical storage level and

it does not look that water contractors will have to call for conservation above what is already being done.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Water Research Foundation Letter, and Press Release – Change of Guard at Marin LAFCO.

The Board also received the following news articles: First Chinook salmon of year returns to Russian River, Brown on the North Redwood Corridor, Russian River Coho Salmon Monitoring Program: Landowner Recognition, Novato gas line break forces downtown street closure, Locals save historic Olema butcher shop, Olema fire quickly stamped out, Bear Republic Brewing Co., Cloverdale strike deal to boost city's water supply, Discovery of young coho salmon in Russian River tributary heralded, Editorial: Ross Valley's problem a lesson to other district boards, and Court clears way for Marin desal plant, but water district has no plans to pursue project.

ADJOURNMENT

Vice President Rodoni adjourned the meeting at 9:20 p.m.

Submitted by

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

Katie Young
District Secretary