

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 15, 2011**

CALL TO ORDER

President Schoonover 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, Steve Petterle, and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

District employees Robert Clark (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent), Brad Stompe (Distribution and Treatment Plant Supervisor) and Pablo Ramudo (Water Quality Supervisor) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Certificate of Appreciation

Mr. DeGabriele stated that the District received a Certificate of Appreciation from Gilead House, a shelter for women and their families, that was constructed on 7th Street across from the Novato Unified School District.

ACWA Conference

Mr. DeGabriele informed the Board that he will be attending the Association of California Water Agencies Conference in Anaheim from November 29 through December 2; David Bentley will be Acting General Manager in his absence.

OPEN TIME:

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

South Novato Boulevard Paving

Doug Moore reported that paving on South Novato Boulevard is scheduled for Wednesday and Thursday nights of this week.

Drew McIntyre informed the Board that the paving project will cost \$36,000.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the Monthly Progress Report for October and reported that water production in Novato is down 4% compared to last year; however production through the first quarter is similar to this period for the last three years. He said that West Marin production is down 8% from one year ago; water production at Stafford Treatment Plant is similar to 2007 and 2008 and production will continue through December. Mr. DeGabriele said that there was no recycled water production in October.

Mr. DeGabriele noted that Stafford Lake statistics are identical with last year including rainfall amount. He said that in Oceana Marin, there is good freeboard in the treatment and storage ponds going into the winter months. He advised that in Safety and Liability, there was no lost time accidents or injuries in October. Mr. DeGabriele said that the Summary of Complaints and Service Orders shows that complaints are down 13% due to lower high bill complaints; bill adjustments are on par with a year ago and total bill adjustments are \$8,000 less than one year ago.

Mr. Bentley stated that this year to date, there is a \$677,000 increase in cash (not including the \$8M loan for the Aqueduct Energy Efficiency Project). He pointed out that on the Monthly Report of Investments, the interest bearing loan to Black Point Partners shows that they have paid back \$1M and that they continue to pay on time.

ACTION CALENDAR

LETTER TO CITY OF PETALUMA RE WATER SERVICE - PETALUMA BLVD SOUTH INDUSTRIAL AREA

Mr. DeGabriele presented a draft letter to the City of Petaluma that proposes to discuss transfer of service responsibilities in the South Petaluma Boulevard Industrial Area. He said that this is the third or fourth attempt to generate discussion with the City of Petaluma and that a formal letter may have a better chance for response from the City Manager or Petaluma City Council. He said that it makes sense for the District to make the attempt to turn over service responsibilities to the City of Petaluma as this area is in their sphere of influence.

Director Baker suggested that the language in the letter be revised to show that the District is "reluctant" to provide water service to future development in that area.

Mr. DeGabriele said that he would strike the words, “ready, willing and able” from the letter.

Director Fraites stated that there may be potential for growth in the South Petaluma Boulevard Industrial Area because of the Dutra project and asked would the transfer of responsibility to City of Petaluma eliminate the District’s ability to collect connection fees which would generate more revenue?

Mr. DeGabriele replied yes and that the current annual revenue from water service in that area is approximately \$6,000. He said that connection fees are dependent on what would be developed; the Dutra project does not add any connection fees.

Mr. McIntyre stated that the District has not considered providing any additional water services in the South Petaluma Boulevard Industrial Area. Mr. DeGabriele advised that the District’s practice has been that when a new water service is requested along the aqueduct in Sonoma County, the request is first denied by the District. He stated that the applicant is advised to get land use approval and coordinate with City of Petaluma, County of Sonoma, Sonoma County LAFCO, Marin County LAFCO and City of Novato before seeking water service from the District.

There was further discussion on possible future development in the South Petaluma Boulevard Industrial Area.

On motion of Director Baker, seconded by Director Rodoni, and carried by the following vote, the Board authorized the General Manager to send the letter to the City of Petaluma as amended:

AYES: Directors Baker, Petterle, Rodoni, Schoonover

NOES: Director Fraites

ABSTAIN: None

ABSENT: None

CEQA CONSULTING SERVICES CONTRACT POINT REYES TREATMENT PLANT SOLIDS HANDLING FACILITY) - LEONARD CHARLES & ASSOCIATES

Mr. McIntyre stated that Hydrosience Engineers is the design consultant for the Point Reyes Treatment Plant Solids Handling Facility and that the project is at the 35% design stage. He said that it is appropriate at this stage in the design to move forward with the permitting phase. He advised that normally, the District would be exempt from local zoning and ordinances for the water treatment facilities, but this facility is within the Local Coastal Plan and the District will not have an exemption. Mr. McIntyre said it is important to get the permitting and environmental clearance

completed at this time and that staff is recommending that Leonard Charles & Associates be hired to prepare the CEQA documentation, noting that Leonard Charles & Associates has a good track record with the District. He said this job is below the District \$30,000 threshold for issuing a Request for Proposals.

On motion of Director Baker and seconded by Director Fraiters, and unanimously carried, the Board authorized the General Manager to execute an agreement with Leonard Charles & Associates in the amount of \$16,925 for the Point Reyes Treatment Plant Solids Handling Facilities CEQA documentation.

DATE OF SPECIAL MEETING – PLANNING WORKSHOP

Mr. DeGabriele stated that he had proposed that the Board of Directors Planning Workshop be held at the regular meeting on January 3, 2012 but that the Board preferred to have a special meeting in which to hold the Planning Workshop. He said that the proposed dates are Saturday, January 7, Tuesday evening, January 10 and Wednesday, January 11 during the day.

On motion of Director Petterle, seconded by Director Fraiters, the Board selected Tuesday, January 10, 2012 at 6 p.m. as the date and time to hold a Special Meeting to conduct the Board of Directors Planning Workshop.

INFORMATION ITEMS

FIRST QUARTERLY FY 11/12 – WATER QUALITY REPORT & BACTERIOLOGICAL QUALITY MONITORING

Pablo Ramudo provided the Water Quality Report for the first quarter of Fiscal Year 12. He reported that Stafford Lake experienced water quality problems at the end of August because the water at the bottom of the lake became nearly devoid of oxygen. He explained that the result of this anoxic condition is difficulty in removing metals during the treatment process which creates turbidity and color problems. He described the methods taken to try to mitigate the problem and return the lake chemistry back to normal conditions. Mr. Ramudo suggested that controlling the nutrients entering the lake from the nearby dairy operation may be the best solution to eliminating factors leading to the anoxic conditions. He said that the amount of manure spread over the watershed does not have a chance to absorb into the soil, and that after the first rain there is a large amount of nutrient runoff into the lake. Mr. Ramudo stated that once control of the amount of nutrients going into the lake is achieved, there should be fewer problems in the summer when plant production is maximized. He said that Mr. Clark has attempted to set up a meeting with Dominic Grossi to discuss the Grossi Dairy waste management responsibilities and the impact that nutrient runoff has on the quality of the lake water.

There was a lengthy discussion on the Grossi Dairy's waste management operations, nutrients effect on lake water quality and ways to mitigate the problem.

Director Rodoni suggested that the District encourage the dairy to spread its manure in alternate sites to avoid the over-fertilization of the land near the lake.

Mr. Ramudo continued his report and addressed the Point Reyes water system. He said that there is now salinity intrusion at the wells; sodium level is above 50 mg/l, and the public is being notified via the Point Reyes Light. He said that the loss in production capacity of the Well #3 is making attempts to minimize salinity intrusion in the aquifer through off-tide pumping difficult. Mr. Ramudo advised that Well #2 has also lowered its production capacity. He said that staff has been monitoring for bromide for the past two years, and this is the first Water Quality Quarterly Report that he has included bromide. He advised that bromide is related to salinity intrusion and is responsible for the higher than normal disinfection byproducts (DBP) in the distribution system and the higher than normal DBPs is why the Point Reyes system is under increased monitoring by the Department of Public Health. He opined that in the second quarter, there will be very high concentrations of DBPs in the Point Reyes distribution system.

Mr. Ramudo updated the Board on the laboratory arrangement with Novato Sanitary District. He said the District is currently able to share its resources with NSD without using overtime.

WATER CONSERVATION QUARTERLY UPDATE (JULY-SEPTEMBER 2011)

Mr. McIntyre presented the Water Conservation Quarterly Update and informed the Board that Ryan Grisso will be present for the midyear report. He said that during this quarter, Water Smart Home Surveys have increased, likely from outreach of Water Conservation staff at the Novato Farmer's Market. He said that the reduction in rebate amounts may be the reason for the decrease in toilet and washing machine rebates. Mr. McIntyre advised that Prop 84 grant funds in the amount of \$180,000 was allocated to the District and will be used to increase the rebate amount for toilets, washing machines, Cash for Grass and other rebate programs.

STAFFORD LAKE FISH SURVEY

Brad Stompe provided a presentation of the results of the fish survey of Stafford Lake conducted in August with the assistance of the Sonoma County Water Agency electroshock boat and crew. Mr. Stompe said that he had heard complaints from fishermen that the bass population has decreased and the survey confirmed this. He reported that bass is the primary game fish in the lake; and although the population of catchable size fish has decreased, there is a large number of small bass present that should provide for good fishing in about two years. He stated that the redear sunfish and bluegill populations have decreased with an alarming decline in young redear

sunfish when compared to the 2007 survey. Mr. Stompe said that the rapid increase in crappie may be affecting the redear and bluegill population. He said that four catfish were counted in the survey but that catfish stay close to the bottom and are not represented in this type of sampling.

SERVICE CONNECTION CREDIT

Mr. DeGabriele stated that at the last meeting Director Rodoni asked that the policy for crediting service connections be revisited. He said that in 2005, the Board reviewed the policy at Director Rodoni's request and the Board did not make any determination at that time. He stated that an adjustment to the practice could be considered, but it is necessary to determine what other agencies are doing, what is legal and what can the District administer. He said it is important that when working with applicants to insure that the District is on solid footing when existing service is credited for something that is equivalent to the water usage but may not be equivalent to the dollar value of the current water usage. He said staff will continue researching this issue as well as consult with legal counsel.

Director Rodoni stated that he appreciated staff looking into this. He said that there may be different components of the water connection fees that may or may not have been in force when the original meter was installed.

WAC/TAC MEETING NOVEMBER 7, 2011

Mr. DeGabriele provided a report of the highlights of the WAC/TAC meeting held on November 7. He advised that the WAC was asked to provide comments by November 21 on the Draft Water Supply Strategies Action Plan Update which will then be forwarded to the SCWA Board of Directors in December. He addressed the WAC/TAC discussion on the Management of Russian River to Protect Fisheries and Meet Water Demands, especially about the independent science review panel on flows in the Russian River above the confluence of Dry Creek. He said that the Friends of the Eel River is interested in the SCWA hydrologic model. Mr. DeGabriele said that the hydrologic model is intended to be independent and science-based, not influenced by parties that have a stake in the operation of the Russian River.

Mr. DeGabriele expressed his disappointment in how SCWA is disclosing information on their Draft Long Range Financial Plan. He stated that SCWA is not preparing an update to the 2001 Long Range Financial Plan and that after reviewing the draft plan in detail, the new plan is extremely complicated. He said that he has many questions and he looks forward for the opportunity to get clarification. He said the challenge will be how to have the information disclosed so that it is available to all concerned. Mr. DeGabriele stated that he and Krishna Kumar will work with SCWA to look at the plan in detail and correct any errors.

The last item that Mr. DeGabriele addressed was the SCWA Allocation Model and Rate Study. He advised that Brown and Caldwell is updating the allocation model and will prepare a summer/peak demand allocation model that should be available by the summer.

PETITION FOR CHANGE – NMWD LAGUNITAS CREEK WATER RIGHTS

Mr. DeGabriele informed the Board that he has worked with District legal counsel concerning the Lagunitas Creek Water Rights Petition for Change and his revised proposal has been sent to the State Water Resources Control Board for review. He said that the change in effect is that the District would claim 36 acre feet per year under the pre-1914 right of diversion, also have 148 acre feet per year that was acquired from the Giacomini Ranch and license the remainder under the existing Permit 19725. He added that the left over acre feet would be dedicated for instream for fishery purposes in Lagunitas Creek. He said that once the proposal is accepted, it will take a couple of years to license the permitted rights due to a backlog of licensing applications before the State Board.

PT. REYES WELL PRODUCTION STATUS

Robert Clark stated that he was in Point Reyes today with Weeks Drilling and the pilot boring was drilled down to 60 feet, core samples were collected, and the data will be logged and used to design the casing and build the replacement well. He said the new well will be constructed using the bucket method to minimize the impact to the existing wells. He said necessary engineering information was also received today for the County of Marin replacement well permit application.

Mr. Clark described the location of the wells using the map he provided in the agenda packet and said that all three wells are within thirty feet of each other on the downstream side of the main pipeline going up to the treatment plant. He said that the replacement well will be just upstream so that the well can be in the same gravel bed as well No. 2. He said that based on the preliminary results received today, the geologist was confident that another well can be developed that will produce 300 gpm, the same amount as was produced by the original Well #3.

Mr. Clark advised that the District requested emergency funding from the Department of Public Health, but because there has been no violation of water quality standards, the District does not qualify for emergency funding. He said that DPH will require data through the rainy season to prove that the replacement well is not under the influence of surface water.

Mr. Clark advised that the District entered into a contract with Winzler & Kelly for \$16,000 to design the well and evaluation of the soils. He said a contract with Weeks Drilling was executed to drill the pilot well that was performed today. Mr. Clark said that it will be necessary to go outside of

the area for a well driller that uses the bucket method. He reviewed the costs associated with the project that is estimated at \$80,000 and he stated that the well is planned to be in operation by the end of May 2012.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Letter from Paul S. Mamalakis, Payee Field Left Blank on Disbursement Lists, Automatic Payment Service/Email Bill Update and FY 12/13 CalPERS Employer Rate.

The Board received the following news articles: Thompson Co-Sponsors Bill That Would Lead to Dam Removal from Klamath River and Salinity Notice.

CLOSED SESSION

President Schoonover adjourned the Board into closed session at 9:10 p.m. for: Conference with Real Property Negotiator (Chris DeGabriele) regarding terms of Intertie Agreement between North Marin Water District and Marin Municipal Water District (Government Code Section 54956.8).

OPEN SESSION

Upon returning to regular session at 9:30 p.m., President Schoonover stated that during the closed sessions the Board had discussed the issues and no reportable action had been taken.

ADJOURNMENT

President Schoonover adjourned the meeting at 9:31 p.m.

Submitted by

Renee Roberts
District Secretary