

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
April 5, 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, and Steve Petterle. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. Director Dennis Rodoni was absent.

Novato Resident Ed Grundstrom and District employee Robert Clark (Operations/Maintenance Superintendent), and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

AYES:	Directors Baker, Fraites, Petterle, Schoonover
NOES:	None
ABSTAIN:	None
ABSENT:	Director Rodoni

**GENERAL MANAGER'S REPORT**

**ACWA Region 1**

Mr. DeGabriele reported that he is serving on the Association of California Water Agencies (ACWA) Nominating Committee for Region 1. He said that each of the ten regions in ACWA elects a Chair, Vice-Chair and three to five board members to represent the regions' interests in Sacramento. He said that the current representatives have consented to the nomination for next year: Paul Helliker as Chair, Aldaron Laird (Humboldt Bay Municipal Water District) as Vice-Chair, and Dennis Mayo (McKinleyville Community Services District), Jennifer Burke (City of Santa Rosa) and Judy Mirbegian (Hidden Valley Lake Community Services District) as Directors.

### ACWA Local Government Committee

Mr. DeGabriele informed the Board that he serves on the ACWA Local Government Committee. He said that he participated in a conference call this week on the subject of the Governor and state legislature's closer look at legislation to require consolidation of special districts. He stated that a legislative analyst report has suggested that special district consolidation in California needs to be considered. Mr. DeGabriele said that this has become a "hot topic" and another meeting has been scheduled for the first week in May.

### Supervisory Training

Mr. DeGabriele advised that department heads and supervisors participated in a supervisory training focusing on performance evaluation pitfalls, and consistency in sick leave use and discussions with employees.

### District Reorganization

The Manager stated that the District reorganization process is proceeding and that the Board will receive an update in May.

### SWRCB Workshop

The Manager stated that the State Water Resources Control Board will hold a workshop on its policy for frost protection in the Russian River Watershed on Wednesday, April 6, and it will be broadcast over the internet.

### SCWA Presentation

Mr. DeGabriele advised that David Manning, Principal Environmental Specialist from Sonoma County Water Agency, will attend the District's Board meeting on May 3 to provide an update on the Biological Opinion and Russian River Fisheries.

### WSCC Meeting

Mr. DeGabriele informed the Board that the Water Supply Coordination Council will meet next Monday, April 11 to discuss the Urban Water Management Plan, Agency finance planning and the Agency's Strategic Plan update. He stated that the meeting will include Efrén Carrillo, Chair of the Agency's Board of Directors and liaison to the Water Advisory Committee, Susan Gorin, WAC Chair, Mark Bramfitt, WAC Vice-Chair, Technical Advisory Committee Vice-Chair Krishna Kumar and himself, Chair of the TAC.

### **OPEN TIME**

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

Novato resident, Ed Grundstrom asked for clarification on the relationship between the proposed rate increase and the cost of recycled water, and who will bear the cost of the recycled water expansion project.

Mr. DeGabriele responded that the recycled water capital cost is funded from grant money and loans and new development will pay back the loan.

### **STAFF / DIRECTORS' REPORTS**

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

Director Fraitess requested that tonight's meeting be adjourned in the memory of Marin County Supervisor Charles McGlashan who passed away unexpectedly on March 27, 2011.

### **CONSENT CALENDAR**

On the motion of Director Petterle, seconded by Director Baker and carried by those Directors present, the following items were approved on the consent calendar:

#### **CONTRACT FOR DRAFTING SERVICES FY 10-11 – MICHAEL ABEREGG**

The Board approved a new agreement for drafting services for Michael Aberegg to provide miscellaneous drafting services to help staff meet workload demands with a not-to-exceed limit of \$20,000.

#### **BANKING SERVICES**

The Board authorized staff to solicit proposals for banking services for day-to-day banking services, credit card services and new security and deposit services that have become available. Only local banks located in Novato will be solicited.

#### **RECORDS RETENTION PROGRAM - DESTRUCTION OF RECORDS**

Documents scheduled for destruction in 2011 will be destroyed on April 22, 2011. The Board approved Resolution No. 11-04 entitled, "Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records."

**RESOLUTION RE CONSOLIDATION OF DISTRICT ELECTION AND FILING INFORMATION  
DISTRICT ELECTION, NOVEMBER 8, 2011**

The Board approved Resolution No. 11-05 entitled, "Resolution of the Governing Body of the North Marin Water District" requesting consolidation of the District's election on November 8, 2011 and requesting election services by the Marin County Clerk.

**ACTION CALENDAR**

**PROPOSITION 218 LETTER TO CUSTOMERS REGARDING PROPOSED RATE INCREASE**

David Bentley presented the draft letter to customers regarding the proposed rate increase and public hearing scheduled for May 24. He stated that the letter was reviewed by legal counsel and complies with Proposition 218 which states that customers must receive notice of rate increase in writing 45 days before the public hearing, and he asked that the Board submit their comments or editing suggestions tonight as the letter will go to the printer on Wednesday and will be mailed on Friday. He said that prior to the meeting, Director Schoonover suggested that the paragraph advising customers to visit the District's website to calculate the rate increase's effect on their individual water bill be highlighted.

Director Fraites suggested that the letter address the economic downturn and its effect on growth and development projections. Director Petterle suggested that the first and second paragraphs be reversed and that the letter state the dollar amount in planned projects that have been deferred. Director Baker said that he will submit his minor changes to staff by Wednesday morning.

Mr. Bentley demonstrated the calculation tool that will be available for customers on the District's website to determine the effect the proposed rate increase will have on their individual water bill for the next three years.

On motion of Director Petterle, seconded by Director Fraites, and carried by those Directors present, the Board approved mailing the Proposition 218 letter as modified.

**SELF-INSURING WORKERS' COMPENSATION**

Mr. Bentley stated that the District had previously self-insured for four years, and that for the past three years, Travelers Insurance has been providing workers' compensation insurance to the District with steady premium increases each year. He said that the District should be prepared to self-insure should the premium be raised again this year; and he explained that to self-insure, the District is required to re-employ a third-party administrator and purchase an excess policy to protect the District against claims up to \$750,000. Mr. Bentley advised that in the event that the District decides to move forward with self-insuring workers compensation, it is

necessary that the Board approve a resolution authorizing the Director of the California Department of Industrial Relations to issue a Certificate of Consent to Self-Insure workers' compensation liabilities. He advised that there is no fee and no obligation to self-insure.

On motion of Director Baker, seconded by Director Fraites and carried by those Directors present, the Board approved Resolution No. 11-06 entitled, "A Resolution Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self Insure Workers' Compensation Liabilities."

### **18" GATE VALVE REPLACEMENT – SAN MARIN & SAN CARLOS**

Doug Moore informed the Board that it is necessary to replace an 18" gate valve on San Carlos and San Marin Drive that is broken in the "off" position and cannot be operated. He said that District crews have worked six days to prepare the area for the replacement and that excavation upstream at the 26" steel water main is needed in order to install a temporary plug. He said that the temporary plug will stop water flow and prevent approximately 200 customers from being out of water during the repair. He advised that the small number of customers who will be affected will receive advance notice of the water outage. Mr. Moore informed the Board that it is necessary to hire an outside contractor to install the temporary plug since the District does not have the equipment to perform the installation. He stated that three quotes were received to perform the temporary plug installation and that Tap Masters from Concord, CA was the low bidder at \$18,000.

On motion of Director Baker, seconded by Director Petterle and unanimously carried by those Directors present, the Board approved Improvement Projects Budget addition in the amount of \$70,000 to replace the 18" gate valve.

### **INFORMATION ITEMS**

#### **POLYBUTYLENE PIPE PRODUCT LIABILITY CLAIM CLOSE**

David Bentley provided the Board with a wrap-up report and financial breakdown of expenses and cost recovery for the settlement of the Polybutylene (PB) Pipe Product liability claim with Shell Oil.

Director Baker commented that it was a very complicated case that went on for years and the District was finally awarded a settlement. He said that after reviewing Mr. Bentley's analysis of the financial costs, the amount of the award was disappointing especially since it is expected that additional monies will be expended to replace the remaining PB pipe in the years to come. He thanked Mr. Bentley for his extensive report.

**NORTH BAY WATERSHED ASSOCIATION MEETING – 4/1/11**

Mr. DeGabriele provided the agenda and information items for the North Bay Watershed Association meeting held on April 1, 2011. He said that the budget was approved and a letter of support for legislation sponsored by Jared Huffman entitled “Septic and Sewer Improvement Financing” was also approved.

**TAC MEETING – 4/4/11**

Mr. DeGabriele provided a brief report on the Technical Advisory Committee meeting held on April 4, 2011 and stated that the TAC approved the Letter Agreement for establishing a Regional Alliance to comply with SBx7-7, the Water Conservation Act of 2009. He said that each contractor has been asked to present the Letter Agreement to their board or council for authority to enter into the Letter Agreement. He stated that the committee received a review of the Russian River water storage and said that Lake Mendocino storage is ample for the summer season and the level is the same as one year ago, Lake Sonoma is full and is 5,000 acre feet above last year’s level, and Stafford Lake continues to spill and the plant is operating and producing water.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, LAFCO Results of Election by Mail Ballot, Postage Rate Increase, STP Increased Production.

The Board also received the following news articles: State’s Drought Officially Declared Over, Feds Want \$2 Million in Flood Funds Returned, Local Leaders Attend Pacifica Recycled Water Project Ground-Breaking Ceremony, Meeting Wednesday to Discuss RV Water Rights, Supervisor Charles McGlashan Dies at 49 After Ski Weekend at Tahoe, Sanitary Board to Honor Retiring Member, Coho Return to the Russian River, Sonoma County May Launch Public Power Agency and Board Approves Energy Policy and Community Choice Aggregation Program Feasibility Study.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 8:29 p.m. in memory of Charles McGlashan.

Submitted by

Renee Roberts  
District Secretary