

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 18, 2014

CALL TO ORDER

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, Rick Fraites, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young and Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Connie Fremeir and Ken Sinclair from Vali Cooper & Associates, Craig Pyle from Harris & Associates, and District employee Robert Clark (Operations/Maintenance Superintendent) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

North Bay Business Journal Meeting

Mr. DeGabriele stated that Drew McIntyre represented NMWD at the North Bay Business Journal Meeting last week with Krishna Kumar and Dietrich Stroeh discussing the Marin County water supply status.

AM Business Women Talk Meeting

Mr. DeGabriele informed the Board that he will be speaking to the AM Business Women's meeting this week to discuss the current water supply conditions.

Beverly James Retirement Party

Mr. DeGabriele informed the Board that Beverly James, the Novato Sanitary District Manager-Engineer, retirement party will be on Monday, March 31st from 5-8 p.m. at Trek Winery. He advised the Board to inform the District's Secretary should Board members want to attend.

Out of the Office

Mr. DeGabriele advised the Board that he will be out of town and out of the state from April 3rd through the 10th. He noted that he will miss the WAC/TAC meeting on April 7th but Director Rodoni would attend.

East Bay MUD

Mr. DeGabriele informed the Board that East Bay MUD has reached out to Marin Municipal Water District and the District regarding need for additional water supply in the future and potential cooperation. He noted that East Bay MUD wanted to include the District because of its Interconnection Agreement with MMWD. He informed the Board that he will keep them apprised and has requested Krishna Kumar from MMWD keep him informed of any conversations or meetings that occur with East Bay MUD.

OPEN TIME

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

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

Mr. McIntyre advised the Board that he filled in for Mr. DeGabriele at the North Bay Business Journal conference and informed the Board that it was a 30 minute presentation about water supply. He stated that at the end of the presentation there were three questions: one, about Marin Municipal's desal plant; two, what rate impacts will be with conservation and three, what plans are there to increase Marin County available storage.

Robert Clark, Operations/Maintenance Superintendent informed the Board that vandalism occurred at the Air Base Tank in Hamilton Monday night. He stated that the alarm went off and staff found gate locks removed along with hatches open on the tank. He noted that there didn't appear to be issues of big concern but staff called Novato police to make a report. Mr. Clark advised the Board that water quality staff took water samples for bacteria and Pablo Ramudo, Water Quality Supervisor, called Department of Public Health to explain the situation that occurred. Mr. Clark informed the Board that the decision was made to drain the tank completely.

Director Petterle asked if the tank was the old Marin Municipal tank. Mr. Clark responded yes.

Director Baker asked if the lock was a basic padlock. Mr. Clark responded yes and stated that staff is looking into putting a clam shell on the gate and tank lock hasps and have moved video cameras up to the tank site.

District Secretary, Katie Young, reminded the Board and officers to complete the Ethics Training and submit the training certificate by April 1st. She also informed the Board that she will be out of town for the next Board meeting and retiree Renee Roberts will be acting in her stead at the Board meeting on April 1st.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Board with the February Monthly Progress Report. He stated that water production is down for the month of February, most likely due to the outreach from the *WaterLine* notification, irrigation being turned off and the newspaper ads urging conservation. He informed the Board that in West Marin water production was the same as last year and that Recycled Water production continued. Mr. DeGabriele advised the Board that Stafford Lake received 7" of rainfall in February and is about 58% full.

Mr. DeGabriele provided water supply charts for Lake Sonoma and Lake Mendocino to the Board and staff. He noted that Lake Sonoma has an ample water supply with close to 180,000AF and is 73% full. He advised the Board that Lake Mendocino is in critical condition and it is likely that Sonoma County Water Agency will request another Temporary Urgency Change Order in June to maintain lower releases into the Russian River.

Mr. DeGabriele advised the Board that staff continues to hold a good safety performance working 263 days without lost time. He stated that the water conservation program participation has picked up considerably with more High Efficiency Toilet rebates, Water Smart Home Surveys, and Cash for Grass rebates. He informed the Board that the first ultra high efficiency toilet distribution event occurred on March 6th and 70 toilets were given away. He noted that next Thursday another 130 toilets are scheduled to be distributed. Mr. DeGabriele stated that the last toilet giveaway will be on a Saturday in April. Mr. DeGabriele informed the Board that the District is participating in an event with the Sonoma Marin Saving Water Partnership on April 23rd called Drought Drive Up. He advised the Board that it will be held at Vintage Oaks and customers can drive up and receive free items to reduce water usage such as hose nozzles, shower bucket, shower heads, etc. Mr. DeGabriele also advised the Board that staff will be participating in the Tour of Novato event, a fundraiser for schools, held on May 3rd to do more conservation outreach.

Director Baker asked if the toilets were different models from the toilets the District distributed previously and if staff has received any feedback from customers regarding the toilets.

Mr. DeGabriele stated that at the last toilet giveaway the District provided Caroma 1.2 gallons per flush dual flush toilets and this year the District is providing a Niagara-Stealth 0.8 gpf toilet and it has been well received.

Mr. DeGabriele advised the Board that the Summary of Complaints and Service Orders were up this month due to high bill complaints.

President Rodoni asked what rainfall at Kent Lake was measuring. Mr. DeGabriele stated that as of yesterday Kent Lake is at 23.6" and that it is likely West Marin will have a dry year.

David Bentley presented the Monthly Report of Investments to the Board. He stated that at the end of the month the District cash balance was \$16.6M. He noted that Recycled Water SRF loan funds totaling \$440K were received during the month of February. Mr. Bentley stated that the weighted average Portfolio rate of investment return was 0.33%.

CONSENT CALENDAR

On the motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the following items were approved on the consent calendar:

WATER AGREEMENT – MT. BURDELL PLACE, 1112 4TH STREET

The Mount Burdell Place project subdivides an existing 0.69-acre parcel into 10 lots for single-family homes. The project is located at 1112 4th street and this agreement will provide water service to ten new residences and an irrigation service. New Zone 1 water facilities include 320 feet of 6-inch PVC main, 120 feet of 1-inch copper, one residential fire hydrant and eleven 1-inch meters. The Board approved Resolution 14-4 entitled, "Authorization of Execution of Water Service Facilities Construction Agreement with Habitat for Humanity Greater San Francisco Inc."

APRIL 2014 VEHICLE/EQUIPMENT AUCTION

Staff has identified vehicles and miscellaneous equipment that are no longer in use and may still have value at auction. Staff plans to sell the surplus equipment through 1st Capitol Auction, a bonded resale agent located in Vallejo. The Board authorized staff to send equipment to auction with 1st Capitol Auction for disposal of the surplus equipment.

BOARD PLANNING WORKSHOP SUMMARY

The Board approved the Board of Directors Planning Workshop Summary dated January 14, 2014.

ACTION CALENDAR

DROUGHT SURCHARGE

Mr. Bentley is requesting that the Board include information on a proposed drought surcharge in the rate hearing notices that are coming up in the Novato and the West Marin Service Areas. He informed the Board that the rate hearing for Novato is scheduled on May 20th and on June 24th in Point Reyes Station. Mr. Bentley advised the Board that the District's legal counsel reviewed the drought surcharge concept. He advised the Board that it does not look like Novato will have mandatory water use restrictions this year, but West Marin customer could have them. Mr. Bentley stated that the proposed drought surcharge would apply only when mandatory water restrictions are in place and that it protects customers with low water use. He stated that the proposed drought surcharge would only apply to Novato residential customers who use more than 300 gallons per day and to those in West Marin using more than 150 gallons per day. Mr. Bentley advised the Board that the drought surcharge should be a component of the Water Shortage Contingency Plan and rate should be codified in Regulation 54, where it can be reviewed annually along with other rates and charges. Mr. Bentley stated that if mandatory restrictions are in place the District's revenue will go down because of reduced water sales and additional costs for purchased water. Mr. Bentley stated that in Novato the proposed residential surcharge rate is \$1.00 per 1,000 gallons for use over 300 gallons per day. He stated with this proposed surcharge, the District would recover the \$1.1M calculated drought induced cost. Mr. Bentley advised the Board that in West Marin the proposed residential surcharge rate is \$2.50 per 1,000 gallons for use over 150 gallons per day.

Director Baker asked if people who are already trying to conserve but have a bigger household or larger gardens, can appeal that they have a hardship. Mr. Bentley stated that the threshold is not designed to vary based on household size.

President Rodoni stated that in the Water Shortage Contingency Plan enables that a customer can appeal to the General Manager for hardship.

President Rodoni asked how the threshold is calculated. Mr. DeGabriele stated that the per capita consumption per day times the average number in the household was used for Novato and 50% of that used for West Marin since annual West Marin consumption for a typical cost is about on-half of that in Novato.

Director Fraites stated that everyone needs to cut back and let their lawns die. He stated that the District may face the same issues next year, and advocated that the surcharge be enacted now.

Mr. Bentley stated that the proposal tonight is to authorize staff to include consideration of the drought surcharge in the rate hearing notice but this doesn't obligate the Board to adopt it. He

stated that once adopted the surcharge would only become effective if mandatory water use restrictions were enacted. He informed the Board that Novato would most likely not have mandatory water use restrictions, but depending on rainfall at Kent Lake, there may be a 25% mandatory cut back required in West Marin on July 1st.

President Rodoni expressed concern about the per capita consumption in West Marin. He stated that there is a mixture of part-time and full-time residents in West Marin and he believes that the threshold should be raised to 200 gallons per day.

Mr. DeGabriele stated that he doesn't see an issue with keeping the surcharge at \$2.50 and using 200 gallons per day as the threshold in West Marin. He stated that he does not know how much water NMWD will need to purchase from Marin Municipal, but there likely will be some need to purchase water in order to mitigate salinity intrusion.

President Rodoni stated that the District needs to do customer outreach to get the word out about the surcharge. Mr. DeGabriele stated that customers will receive two notifications, one in the West Marin *WaterLine* in April and another in the West Marin Water Rate Increase letter that will be issued in May. President Rodoni suggested putting an ad in the local paper about avoiding surcharge rates.

Director Schoonover stated that he believes customers won't feel the effect of the drought surcharge until it's on their bill and then they will start conserving.

On motion of Director Petterle, seconded by Director Schoonover and unanimously carried, the Board authorized staff to incorporate a Drought Surcharge into the rate increase notice to be mailed to customers, and to consider adoption of said Surcharge at the upcoming rate hearings in Novato and West Marin.

AEEP REACHES A-D/CALTRANS' MARIN SONOMA NARROWS B3 – CONSTRUCTION MANAGEMENT SERVICES

Mr. McIntyre informed the Board that staff requested Construction Management proposals for the Aqueduct Energy Efficiency Reaches A-D/CalTrans' Marin Sonoma Narrows B3 Project. He noted that 26 requests for proposals were mailed out to Bay Area firms and four firms submitted proposals for the project: Vali Cooper & Associates, Harris and Associates, The Covello Group, and Alta Engineering. Mr. McIntyre informed the Board that there was a three person interview team and the consultants were ranked on a point system with Vali Cooper & Associates receiving the highest rank. He stated that Connie Fremeir and Construction Manager Ken Sinclair from Vali Cooper were in the audience and he believes they will do a fine job. Mr. McIntyre informed the Board that Mr. Sinclair has 25 years of experience, especially with large diameter pressure pipelines. He noted that

Connie Fremeir, has been working with CalTrans on the Marin Sonoma Narrows Project and has been part of the District's interface with Transportation Authority in Marin and believes that Vali Cooper & Associates has a good background and history of the project.

Mr. McIntyre stated that the final scope of work and fee schedule was included in the agenda packet and that the scope of work includes sub consultants who are familiar with the project and will be working on the environmental compliance inspections. Mr. McIntyre stated that Miller Pacific Engineering will do the quality assurance materials testing and welding inspection. He informed the Board that the Construction Management services fee is 10.6% of the total construction cost of \$12.3M. He noted that 68% of the contract cost will be reimbursement by CalTrans.

Mr. McIntyre asked that the Board authorize the Construction Management services with a not to exceed limit of \$1.298M plus a contingency of \$100,000.

Director Fraites asked if pre-construction site photos are typically done. Mr. McIntyre stated that the Construction Manager makes sure to keep a record of existing conditions and documentation.

Director Fraites asked if CalTrans was responsible for environmental mitigation and if the District is doing what CalTrans recommends. Mr. McIntyre stated that there are three permits needed and one of the permits is in the District's name. He stated that the District is responsible for making sure all mitigation measures are implemented.

Vali Cooper & Associates Project Manager, Connie Fremeir, thanked Mr. McIntyre and Mr. DeGabriele for the opportunity to provide Construction Management services for the project.

President Rodoni expressed his respect for construction management but asked staff to look at the amount of money the District is spending and see if the District is able to perform Construction management in house on future projects.

On motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the Board authorized the General Manager to execute an agreement between Vali Cooper & Associates and the District for Construction Management services on a time and expense basis with a not-to-exceed limit of \$1,298,095 plus a contingency of \$100,000.

NMWD AEEP/MSN B3 TREE REMOVAL PROJECT – INCREASE IN CONTRACT CONTINGENCY TO THE PROFESSIONAL TREE CARE COMPANY

Mr. McIntyre reminded the Board that at the last meeting he informed the Board that additional tree cutting work was needed for the AEEP/MSN B3 tree removal project. He stated that CalTrans is requesting 19 more trees be removed. He informed the Board that the contract with The

Professional Tree Care Company was approved in January with a 10% contingency and staff is requesting that the contingency increase to 35%. Mr. McIntyre advised the Board that he did receive confirmation from CalTrans that they will pay 100% of the additional change order cost.

On motion of Director Fraites, seconded by Director Baker and unanimously carried the Board approved an increase in the contingency to the Professional Tree Care Company's contract from 10% to 35%.

INFORMATION ITEMS

MSN B1 (AEEP REACH E) – FINAL REPORT (HARRIS AND ASSOCIATES)

Craig Pyle from Harris and Associates provided the Board with the final progress report for the MSN B1 (AEEP Reach E) project. He showed the Board a variety of pictures explaining valve stops and the process to tie in the new pipe. Mr. Pyle stated that Ghilloti Construction is about 99% finished, the only thing left is to take out the existing 200ft of pipe on the north side of the overpass.

Director Baker asked if the pipe that the District is saving was reusable. Mr. Pyle said the pipe was put in a little over 8 years ago and would still be able to be used.

Director Petterle asked when the freeway project is supposed to be completed. Mr. Pyle responded that CalTrans expects this segment to be completed by summer of 2015.

President Rodoni asked if the valve stop added sediment to the water. Mr. Pyle stated that there is so little by the time it reached the tap it would not be noticeable. Mr. Clark stated that staff flushed sections of the pipe and the water came out clean.

Mr. McIntyre presented Mr. Pyle with a collage of pictures from the MSN B1 Project and thanked him for all his hard work and dedication. He wished him well in his retirement and congratulated him.

NBWA MEETING – MARCH 7, 2014

Director Fraites informed the Board that at the North Bay Watershed Association Meeting on March 7th the major discussion was the NBWA 2014-15 Budget. He stated that a guest speaker gave a presentation on a project in Mill Valley to help reduce pollution at Boyle Park.

NBWRA – MARCH 12, 2014

Director Baker informed the Board that he and representatives from Novato Sanitary District attended a North Bay Water Reuse Authority meeting on March 12th in Sacramento. He stated that they met with Senator Evans, Assembly member Levine, Senator Wolk, and Assemblywoman Yamada all who had a fair idea of the NBWRA projects that are being embarked on. He stated that

there was good questions asked and that there were legislative proposals occurring and that more funding needs to occur.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, and Reimbursement Program 2013.

The Board received the following news articles: Petaluma joins call for water conservation, Man's effect on Russian River's mouth studied, Drought: Time to change Lake Mendocino rules?, Nicasio weighs supplemental tank, and Sanitary District appoints new manager.

The Board also received the following news articles at the meeting: Legislation introduced to include Coyote Valley Dam restoration and NBWA Meeting – March 7, 2014 minutes.

ADJOURNMENT

President Rodoni adjourned the meeting at 8:56 p.m.

Submitted by

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

Katie Young
District Secretary