

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 16, 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 employee Robert Clark (Operations/Maintenance Superintendent) was in the audience.

MINUTES

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

AYES: Directors Baker, Fraites, Rodoni, Schoonover

NOES: None

ABSENT: None

ABSTAIN: Director Petterle

GENERAL MANAGER'S REPORT

Lagunitas Creek Water Rights

Mr. DeGabriele reported that he received word from the State Board regarding the Petitions for Change on Lagunitas Creek Water Rights. He said that State Board staff believes that the Gallagher Well point of diversion could be administratively handled; however, they are struggling with how to perfect Permit 19724 (for 292 acre feet per year) in a license because the District has always reported both permits (19724 and 19725) together. He stated that the District wants Permit 19725 to be dedicated to instream flow, and that he will keep the Board apprised of the State Board's decision.

Estuary Management Project

Mr. DeGabriele informed the Board that he attended the Sonoma County Board of Supervisors meeting today wherein the Final Environmental Impact Report for the Estuary Management Project was unanimously adopted. He advised that it is a requirement of the

Biological Opinion to maintain a closed lagoon and estuary from May 15 to October 15 every year. He said that there is concern from residents of Jenner about potential flooding and concern about water quality along the lower Russian River. Mr. DeGabriele stated that this is a controversial issue; the Agency must pursue compliance with the Biological Opinion, otherwise the Agency would not have a permit and could no longer operate the Russian River system or make water diversions.

Sonoma County Supervisor Valerie Brown

Mr. DeGabriele commented on The Press Democrat article stating that Valerie Brown would not be running for re-election for the Sonoma County Board of Supervisors.

Directors Re-appointed

The General Manager congratulated Directors Baker, Petterle and Rodoni on their appointment to the Board as there are no other candidates, and advised that the cost of an election has been avoided.

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 Main Break

Mr. McIntyre provided an update on the South Novato Boulevard Main Break Repair Project. He said the pipe bursting is on schedule for Thursday, and that the 12-inch pipe is being fused 300 feet per day today and Wednesday. He said most of the difficult work has been completed and that work was performed at night last week to avoid the heavy daytime traffic at the intersection of South Novato Boulevard and Rowland Boulevard.

Recycled Water North Service Area Segment 3 Bid Opening

Mr. McIntyre advised that bids were opened this afternoon for Segment 3 of the Recycled Water North Service Area Project. He said that there were six bidders, and the bids ranged from \$1.5M to \$2.2M; the engineer's estimate was \$1.7M. He advised that staff will review all bids and will report back to the Board with staff's recommendation.

MONTHLY PROGRESS REPORT

Mr. DeGabriele presented the July Progress Report and advised that this is the first month of Fiscal Year 11/12. He said that water production in Novato is down slightly from a year ago and water sales are also down. He stated that Stafford Treatment Plant production is in good shape – up 6% from one year ago, recycled water production is down slightly and West Marin water production is down 7%. Mr. DeGabriele opined that the reduction in production for Novato, West Marin and Recycled Water is attributed to the cool weather. He said that Stafford Lake level and storage is similar to last year.

Mr. DeGabriele reported that staff worked 143 days without a lost time accident or injury; Water Smart Home Surveys and rebates for the high efficiency toilets and washing machines continue to be popular. He said that staff will report any reduction in rebate requests due to the reduction of rebate amounts.

Mr. Bentley provided a report on the Monthly Investments ending July 31, and advised that the portfolio's balance was \$3.9M, down approximately \$500,000 from the end of June. He said that Novato water is fronting the money pending receipt of grant and loan monies for the recycled water project. He said the average earnings on the portfolio is 0.7% in July.

CONSENT CALENDAR

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

ACWA REGION 1 BOARD ELECTION

The Board authorized the General Manager to concur with Region 1 Nominating Committee's recommended slate and authorized the Board President to sign the Region 1 Board Ballot.

OUT-OF-STATE TRAVEL FOR STACIE GOODPASTER

The Board authorized Stacie Goodpaster to travel out-of-state to attend the AWWA Fall Conference being held in Reno, Nevada, October 16th through the 20th. Ms. Goodpaster currently serves as Vice Chairwoman of the Laboratory Analyst Certification Committee of the California-Nevada Section.

INFORMATION ITEMS

FISCAL YEAR IMPROVEMENT PROJECTS - YEAR END REPORT – ENGINEERING DEPARTMENT

Mr. McIntyre provided the year-end report for the Fiscal Year 10/11 Improvements Projects and noted that the focus this year has been on the Recycled Water Projects for North and South Service Areas and the Crest Tank No. 2 project.

Mr. McIntyre stated that the Novato Improvements Project budget was \$5.6M and the actual expenditure was \$3.5M which includes the Recycled Water Projects. He said that if the Solar Energy Project was subtracted from the budget, the actual Improvements Project expenditures would have exceeded the approved budget by approximately 8%. He said projects were 94% complete in Novato, and in West Marin, the Improvements Project expenditures were down because the Oceana Marin cross-country sewer line replacement project was not completed. Mr. McIntyre advised that additional work on the Paradise Ranch Estates Tank No. 4 and Tank Seismic Upgrades were halted so that funds will be available for the significant capital expense of the Point Reyes Treatment Plant Solids Handling Project.

Mr. McIntyre provided a PowerPoint presentation of the highlights of the Fiscal Year 10/11 Improvements Project. He said that the number of improvement projects totaled 51; 57% were under the lead of the Engineering Department and 44 projects are 100% complete. He stated that eight projects were deferred, including the Local Water Supply Enhancement Study, the Solar Energy Project, PRE Tank 4A and Tank Seismic Upgrades; ten projects were added (including South Novato Boulevard Main Break Repair and Recycled Water Expansion – South Service Area) and five projects were carried over, including the Stafford Treatment Plant Chlorine Dioxide Generator replacement.

Mr. McIntyre stated that Crest Tank No. 2 was a significant capital improvements project and finished approximately \$150,000 under budget and provides additional storage for the Crest Zone which feeds the eastern part of Novato. He showed photos of the tank and noted the anchor bolts founded in rock which makes the new Crest Tank No. 2 seismically stable. Director Rodoni asked if the Crest Tank No. 1 will be seismically retrofitted. Mr. McIntyre stated that it is staff's position that because of the multiple-tank system, only one tank will most likely be needed to withstand a seismic event. He said that the last storage study in the Master Plan based upon criteria for sizing of storage for operational capacity, fire flow and emergency storage, identified 800,000 gallons needed in the Crest Zone. He said that with both tanks on line, there is a total of one million gallons of storage capacity, two days of emergency storage are available and addresses the identified deficiency in storage in the Crest Zone.

Mr. McIntyre provided brief overview of other Improvement Projects completed during Fiscal Year 10/11 including the Bathymetric Study of Stafford Lake, Bel Marin Keyes Looping Project, and Stafford Dam Apron Repairs. He complimented to the District construction crew for their quality work on the dam apron repairs and said that this project will be on-going as needed repairs continue to be identified.

Mr. McIntyre stated that in summary, of 41 Novato Improvement Projects, 35% were completed at or below budget and about 62% of the Improvements Project budget was expended. He further stated that of the ten West Marin Improvement Projects, all were completed at or below budget and 41% of the West Marin Improvements Projects budget was expended.

FY 11 OPERATIONS/MAINTENANCE -YEAR END REPORT

Mr. Clark provided the Operations/Maintenance year-end report. He reported that the Stafford Treatment Plant has lost two treatment operators this past year leaving a lean staff, and consequently, some maintenance tasks have been deferred. He advised that a temporary Treatment Plant Operator from West Marin was hired which will enable the regular staff to perform maintenance tasks this winter. Mr. Clark stated that Stafford production began early this year and averaged 3.3MGD which is much higher than typical past production in this quarter. He further stated that the Novato Sanitary District agreed to provide a variance on the discharge limit to the sanitary sewer, thus increasing the discharge of water treatment residual water and allowing more water to be produced in April and May.

Mr. Clark said that Stafford Lake water quality has been outstanding because of the increased reservoir spillover and natural flushing of the lake from winter and spring rains. He reported that the Granulated Activated Carbon (GAC) in filter beds 3 and 4 were replaced; and if the production level continues, it will be necessary to budget for the replacement of two GAC filter material each year. He stated that for the fiscal year, Novato consumption was up from one year ago, recycled water production is still below the average production as a result of the Stone Tree Golf Course not requiring irrigation until late spring; and West Marin consumption is a bit higher but trending down from a five year average.

Mr. Clark said that the Point Reyes wells reduced production is being studied to determine the causes and all options will be explored and there may be a need to drill an additional well. He informed the Board that the Oceana Marin force main pump flow has averaged nearly 17,000 gallons per day with a peak on Memorial Day of 36,200 gallons, and there was 5.2 feet of freeboard in the treatment and storage ponds at the end of June. Mr. Clark advised that District staff will

assist Phillips and Associates in training their field operators to ensure their testing results become more consistent.

Mr. Clark advised the Board that Eric Kurfirst earned his Cross Connection Specialist certification and has taken on responsibilities for the Cross Connection Control Program after the retirement of Jim Diggs. He further advised that additional backflow administrative tasks will be assumed by Sue Kessler and Pablo Ramudo.

Mr. Clark summarized the activities of the Buildings & Grounds, Fleet, and Electrical/Mechanical groups for the past fiscal year.

FOURTH QUARTER FY 10/11 REPORT – WATER QUALITY

Robert Clark presented the Fourth Quarter FY 10/11 Water Quality Report and stated that water served to the communities of Novato and Point Reyes met all federal and state primary and secondary water quality standards during the fourth quarter of FY 10/11. He said that there were high numbers of algae were identified in the Stafford Lake raw water, and the high volume of spillover and flushing of nutrients out of the lake resulted in a 15% reduction of total organic carbon. He stated that total organic carbon removal at the treatment plant ranged from 55 to 56% well above the required 35%. Mr. Clark said that there were taste and odor complaints in the spring, but factors were mitigated by lowering the intake level at the tower, slowing the flow into the plant and replacing Granular Activated Carbon in two of the GAC filters. He reported that there were no coliform positive samples this quarter and chlorine residual concentrations throughout the distribution system were adequate.

Mr. Clark stated that in Point Reyes, water quality parameters have been affected by salinity intrusion. Sodium concentration levels range from 38 to 50 mg/L. He advised that the decrease in capacity from the Coast Guard wells has prevented tide avoidance pumping. He said that staff is evaluating the situation and will bring back results and recommendations to the Board. Mr. Clark stated that the Point Reyes Treatment Plant is running optimally with good iron and manganese levels and there are no coliform samples in the distribution system. He described an experimental treatment system in the Inverness Park tank to reduce the disinfection byproducts during periods when salinity levels are high in raw water. He said results will be reported to the Board at a later date.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Letter Re Local Coastal Program Amendments, SCWA Water supply public tours scheduled, Photo of NFPD Board and NMWD employee Mike Baccei and Press Release – NMWD awarded GFOA Award.

The Board received the following news articles: Commission hears reports on block water and pikeminnow programs at Potter Valley Project, Novato students learn algebra on the job, Sonoma County's electricity-from-ocean-waves project canceled and River estuary report set for final approval.

CLOSED SESSION

President Schoonover adjourned the Board into closed session for:

Conference with Legal Counsel – Pending Litigation Pursuant to Subdivision (a) of Government Code Section 54956.9 – (Wayne vs NMWD).

In accordance with Government Code Section 54957.6; Conference with Labor Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; Employee Organization – North Marin Water District Employee Association.

In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

OPEN SESSION

Upon returning to regular session at 9:02 p.m., President Schoonover stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

ADJOURNMENT

President Schoonover adjourned the meeting at 9:03 p.m.

Submitted by

Renee Roberts
District Secretary