

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 7, 2017**

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, Stephen Petterle, and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Assistant General Manager Drew McIntyre (joined the meeting at 7:50 p.m.), Chief Engineer Rocky Vogler and Auditor-Controller David Bentley.

District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

NOES: None

GENERAL MANAGER'S REPORT

Mr. McIntyre absence

Mr. DeGabriele advised the Board that Mr. McIntyre will be arriving late to the meeting tonight as he is giving a presentation on the Recycled Water Central Project at the Novato Unified School District Board Meeting.

Potter Valley Project Relicensing Meeting

Mr. DeGabriele informed the Board that he and Mr. McIntyre will be attending PG&E's PVP Relicensing Kickoff meeting in Ukiah this Thursday. He stated that the meeting purpose is to acquaint interested parties with FERC's integrated licensing process including key milestones and opportunities for stakeholder participation.

Public Policy Facilitating Committee

Mr. DeGabriele advised the Board that the PPFC meeting is next Monday morning at the Sonoma County Board of Supervisors chambers. He noted that President Petterle is the District's Board liaison to attend this meeting.

Russian River Confluence

Mr. DeGabriele informed the Board that on March 24th the Russian River Confluence is scheduled and suggested that it may be good for the WAC representative to attend this all day meeting in Forestville to become more familiar with the Sonoma County Water Agency's elected officials, James Gore and Lynda Hopkins.

OPEN TIME

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

Mr. Bentley updated the Board on the AMI pilot project which is now underway. He advised that the 26 collectors and antennas are now installed and communications programming is going on now. He stated that they already replaced 52 meters and will retrofit 148 meters by the end of next week. Director Joly's meter will be added to the pilot project scope.

CONSENT CALENDAR

On the motion of Director Schoonover, seconded by Director Fraites the Board approved the following items on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

NOES: None

WATER SERVICE AGREEMENT- NOVATO VILLAGE

The Board approved the Novato Village Senior Apartments water service agreement which involves building a two-story 48-unit apartment complex for senior aged residents on a 1.65 acre parcel. The project is located at 801 State Access Road. In addition to providing potable water service to new apartments and common use building spaces, recycled water will be provided for common area landscaping.

New required Zone 1 water facilities include 100 feet of 6-inch PVC main, one new commercial fire hydrant, one 6-inch fire service, one 1-inch domestic meter with a 2-inch lateral and one 1-inch recycled water irrigation meter. The existing 1-inch meter with 1.5-inch lateral will supplement domestic water for this project.

The project will receive Zone 1 normal pressure water service. Water demand is 25 equivalent dwelling units (48 apartments @ 0.39 EDU each, 2 EDUs for common spaces, plus 4 EDUs for irrigation). Total new water demand is 24 EDUs since one EDU will be credited to the project for the existing service. Since this project includes housing units affordable to lower income households, payment of initial charges for up to nine (9) units may be eligible to be deferred pursuant to Regulation 1c (5).

The Board approved Resolution 17-2 entitled: "Authorization Of Execution Of Water Service Facilities Construction Agreement With Novato Village L.P."

WATER SERVICE AGREEMENT- 35 LEVERONI CT.

The Board approved the water service agreement with BioMarin (35 Leveroni Court) which consists of renovations of the existing building located at 35 Leveroni Court and installing new production facilities. This work includes the installation of a 3-inch meter for commercial use.

New water facilities required include 10 feet of 4-inch PVC main and one 3-inch domestic service. The existing 1-inch water service will be dedicated to irrigation use. These facilities will receive normal pressure water from Zone 1.

The Board approved Resolution 17-3 entitled: "Authorization Of Execution Of Water Service Facilities Construction Agreement With Biomarin Pharmaceutical Inc."

ADVERTISEMENT FOR RW WEST – HWY 101 CROSSING

The Board approved advertisement for the Recycled Water Central Expansion West – HWY 101 Crossing project which will install a 16-inch carrier pipeline within a 24-inch casing pipe under Highway 101, and will tie-in to recycled water pipelines installed in streets on the east and west sides of Highway 101.

The Highway 101 Crossing project includes installation of approximately 340 ft. of 16-inch restrained joint PVC carrier pipe, within a 24-inch steel casing under Highway 101, installed by a guided bore method. The Project connects recycled water pipelines from Vintage Way near In-N-Out Burger on the east side to Redwood Blvd south of Scottsdale Pond on the west side.

The Highway 101 crossing was previously designed to be installed using the Horizontal Directional Drill (HDD) methodology as part of the West pipeline project. During bid phase for the Central West project, the Highway 101 crossing portion of the project was removed since bidders raised concerns related to settlement and potential inability to control drilling fluids associated with the HDD method. The HDD methodology has now been replaced with guided bore technology. Guided boring is a multi-stage method of accurately installing the recycled water main and steel

casing to a precise line and grade by using a laser guidance system and augers. The current Engineer's Estimate is \$850,000.

ACTION CALENDAR

CONSIDER REQUEST FOR ADDITIONAL BILL ADJUSTMENT – LEE

Mr. Bentley explained to the Board that Mr. Lee, on Hune Court (off Center Road), has requested an additional adjustment for his December water bill. He stated that Mr. Lee received a \$577 bill for use of 102,000 gallons, a significant increase from the 38,000 gallons used during the same period in 2015. He further stated that he received a \$192 bill adjustment as calculated under the District Board Policy. Mr. Bentley advised the Board that prior to mailing the December bill; staff double-checked the meter reading, and checked it again in January at Mr. Lee's request. He noted that staff believes the water was consumed, but notes that the two prior meter reads, on August 16 and October 21, showed one-third (1/3) less use than those same 2015 billing periods, and both were read by the former meter reader who admitted to estimating reads. Mr. Bentley informed the Board that staff suspects that water use shown on both the August and the October 2016 bills was understated. He advised the Board that combining the mid-June through mid-December use in total (6 months), the 2016 use was 153,000 gallons compared to 108,000 gallons for the same period in 2015. Mr. Bentley stated that after incorporating the \$192 bill adjustment already granted, Mr. Lee is currently being charged for 117,000 gallons.

Mr. Bentley advised the Board that staff proposes three options to consider: 1) Let the bill stand as adjusted under Board Policy; 2) Grant an additional \$48 credit based on the 9,000 gallon difference between the 2016 use and 2015 use, (i.e., to pay for the same amount of water used in 2015); or 3) Split the difference between options 1 and 2, and grant an additional \$24 credit.

Director Schoonover stated that he believes \$24 is a fair amount and that staff has made some compromise on the bill adjustment.

Director Baker opined that option 3 is a good effort to compromise and not a big amount.

On motion of Director Baker and seconded by Director Fraites, the Board approved staff's recommendation, Option 3- to split the difference between options 1 and 2, and grant an additional \$24 credit by the following vote:

AYES: Director Baker, Fraites, and Schoonover

NOES: Director Joly and Petterle

President Petterle advised that he preferred option 2 since it is not a lot of money and the issue seems to have been related to the estimated meter read problem.

CONSOLIDATION OF ELECTIONS

Mr. DeGabriele reminded the Board that at the February 21st Board meeting, they received information on Senate Bill No. 415 - The California Voter Participation Rights Act which was designed with the intent to remedy low voter turnout during local "off-cycle" (odd year) elections. He stated that at that meeting, the Board was informed that in conversations with legal counsel and with the Marin County Elections Department, it was suggested not to rush to consolidate elections but develop and submit a plan by January 1, 2018 to synchronize the elections of the District with the statewide elections by the year 2022.

Mr. DeGabriele advised the Board that this past week the Marin County Elections Department Registrar of Voters advised that many school districts and special districts are acting quickly and moving from the November 2017 election to November 2018 and as a result the cost for the November 2017 election is likely to increase by a factor of approximately two.

Mr. DeGabriele recommended to avoid such a cost increase that the Board consider adopting a resolution to move District elections now planned in November 2017 to November 2018 and to move the 2019 elections to November 2020. He stated that the resolution requires approval by the Marin County Board of Supervisors and it must be submitted no later than 240 days prior to the date of the currently scheduled District election (no later than March 10, 2017). He noted that if approved the District is responsible for reimbursing the County for the expense of mailing the Notice of Approval of Change and Election Date as required by Election Code Section 10404.

Director Baker asked what the cost of an election would be. Mr. Bentley responded at least six figures.

On motion of Director Baker, seconded by Director Schoonover, the Board approved Resolution 17-4 entitled: "Resolution Requesting The Board Of Supervisors Of Marin County To Authorize Consolidation Of Future North Marin Water District Board Member Elections With The November Statewide General Elections During Even Numbered Years" by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

NOES: None

MARIN LAFCO – CALL FOR ELECTION FOR SPECIAL DISTRICT SEAT ON LAFCO

Mr. DeGabriele reminded the Board that Marin LAFCO requested District consent to receiving email notices of election and has provided the ballot forms to vote for the Local Agency Formation Commission (LAFCO) Special District Representative regular member. He noted that

ballots require "ranked" voting (1st, 2nd and 3rd choices) to enable an instant run-off and must be returned by April 24, 2017. He advised the Board that Craig Murray was up for re-election.

Director Baker opined that Craig Murray from Las Gallinas Valley Sanitary District was a LAFCo commissioner and asks a lot of good questions and is really sharp, active locally and attends statewide functions.

On motion of Director Schoonover, seconded by Director Baker the Board voted for Marin LAFCo Special District Regular Member in following ranking: 1. Craig Murray, Las Gallinas Valley Sanitary District (incumbent regular member); 2. Lew Kious, Almonte Sanitary District (incumbent alternate member) and 3. Todd Gates, Alto Sanitary District by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

NOES: None

COMMENTS TO MARIN LAFCO ON DRAFT AMENDMENTS TO POLICIES FOR OUTSIDE SERVICE EXTENSIONS

Mr. DeGabriele advised the Board that Marin LAFCo is proposing amendments to their Policies Regarding Outside Service Extensions. He stated that Marin LAFCo proposes to add a new implementation Definition, 10d) "Transfer" shall mean the wholesale delivery of non-potable or non-treated water. He noted that if adopted, this definition would provide Marin LAFCo authority to make new or extended outside retail recycled water service subject to their review. He advised the Board that the legislative statute which Marin LAFCo references in triggering these policy amendments, makes no such definition and explicitly exempts "the transfer of non-potable or non-treated water."

Mr. DeGabriele is requesting that the Board authorize the General Manager send a letter opposing this proposed "transfer" definition letter.

On motion of Director Fraites, seconded by Director Baker, the Board authorized sending the letter to Marin LAFCo opposing the proposed Policy Amendment by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

NOES: None

INFORMATION ITEMS

NOVATO POTABLE WATER SYSTEM FINANCIAL PLAN UPDATE

Mr. Bentley provided the Board with the financial "dashboard" which summarizes the District's financial plan for the next five years, through fiscal year 2022. He stated that given the assumptions incorporated, the rate increase plan herein recommended will provide a cash reserve balance of 89% of annual operating expense at the close of fiscal year 2022. He noted that this is

consistent with the District's goal of building a cash reserve balance equal to 90% of annual operating expense. Mr. Bentley recommended a 5% rate increase to all customers structured as a 5% commodity rate increase and 5% bimonthly service charge increase.

Director Fraites stated that staff needs to try and explain rate increase as simple as possible for customers and try to get the message across that SCWA is raising District rates and development is not occurring in Novato.

President Petterle stated that no one likes a rate increase but 5%, equivalent to \$2.75 per month for the typical Novato single family customer isn't that high of a rate increase.

Mr. Bentley advised that after receiving Board input staff would come back at the following meeting with a draft letter to customers pertaining to the proposed 5% rate increase.

Mr. McIntyre arrived at the meeting. He stated that he provided a 20 minute presentation to the Novato Unified School District Board regarding the Recycled Water Central Project.

TAC MEETING – MARCH 6, 2017

Mr. DeGabriele provided the Board with a summary of the March 6th TAC meeting. He stated that Lake Sonoma currently holds 120% of its water supply pool (266,715AF) and Lake Mendocino is at 121% of water supply pool (81,348AF). He informed the Board that the Russian River Confluence is scheduled for March 24th at Shone Farm with a reception following. He noted that the Confluence meeting is intended to fulfill Director Gore's "One Watershed, One Vision" perspective, outlining what the Russian River watershed currently is and what it could be.

NBWA MEETING – MARCH 3, 2017

Director Fraites informed the Board that at the North Bay Water Association Meeting on March 3rd there was much discussion about federal funding for the Bay Area Restoration Authority, that the NBWA conference will be held in Petaluma next spring and the letter to the SWRCB supporting additional Fresh Water Flows to San Francisco Bay was approved.

GOVERNOR BROWN'S FOUR-POINT PLAN

Mr. McIntyre advised the Board that since the Orville Dam Emergency the state's renewed focus is on all state dams. He stated that the District had the foresight to approve preparation of an Emergency Action Plan (EAP) and updated flood inundation map for Stafford Dam (prepared by Michael Baker International at a cost of ~\$97,000) and the EAP assists the District in determining and communicating emergency response, provides technical information about the dam and identifies mitigating actions to take during an emergency. He noted that the document was accepted by the Board in October 2015 and subsequently submitted to the State Division of Safety of Dams.

Mr. McIntyre advised the Board that the District has annual dam inspections and spillway repairs were made by one of the District's on-call construction contractors, Team Ghilotti during spring 2016.

Director Baker requested pictures of portions of the dam to refresh the Board's memory.

GM RESIGNATION AND RETIREMENT FROM NMWD

Mr. DeGabriele officially gave his retirement notice set for May 2, 2017 after the Board meeting that night. He suggested there be an Open House along with retirement recognition in the next couple months including demonstrations such as the hot tap and water conservation demonstrations. He stated that food would be served and it would give him a chance to say goodbye.

Director Schoonover stated that it has been a great 26 years with Mr. DeGabriele at the District. All the Directors agreed.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements and GFOA Certificate of Achievement for Excellence in Financial Reporting.

The Board received the following news articles: Public Meeting on Local Fish Habitat Restoration Projects, Russian River Confluence Slated to Develop Long-Term Action Plan, and Sonoma County to spearhead plan to restore Laguna de Santa Rosa watershed.

ADJOURNMENT

President Petterle adjourned the meeting at 8:12 p.m.

Submitted by



Katie Young
District Secretary