

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 18, 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, Chief Engineer Rocky Vogler and Auditor-Controller David Bentley.

District employees Pablo Ramudo (Water Quality Supervisor), 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, Petterle, and Schoonover

NOES: None

ABSENT: Director Joly

GENERAL MANAGER'S REPORT

Director Joly arrived to the meeting.

Baker's Dozen

Mr. DeGabriele advised the Board that he, Director Fraites and Mr. McIntyre met with the Baker's Dozen group on April 5th.

Inverness Public Utilities District

Mr. DeGabriele informed the Board that he and Mr. McIntyre met with IPUD General Manager Ken Eichstaedt on April 6th to review the idea of regularizing our boundaries in that area.

City of Santa Rosa Water Department

Mr. DeGabriele advised the Board that he met with the new City of Santa Rosa Water Department Director Ben Horenstein on April 13. He stated that he's a very bright guy, comes from EBMUD and will do a fine job at Santa Rosa.

Grossi Ranch

Mr. DeGabriele informed the Board that he, Mr. McIntyre, Robert Clark and Pablo Ramudo met with Dominic Grossi on Monday to receive his comments on the SRT report regarding Stafford Treatment Plant's taste and odor control. He noted that staff will update the report, give Mr. Grossi another opportunity to see proposed changes and bring back to the Board for review and approval.

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 items were discussed:

Mrs. Young reminded the Board of Friday's open house. She stated that there have been 110 RSVP's received and demonstrations, food and the General Manager's retirement recognition are on the agenda.

Mrs. Young previewed a promotional Marin Clean Energy video featuring Board President Steve Petterle.

Mr. McIntyre advised the he, Mr. DeGabriele and Director Fraites met with Congressman Huffman who advised he is proposing a facilitated process to develop a consensus with stakeholders of the Potter Valley Hydroelectric Project to present to FERC. He stated that PG&E has recently initiated the Potter Valley Hydroelectric Project relicensing process with FERC.

QUARTERLY FINANCIAL STATEMENT

Mr. Bentley reviewed the 3rd Quarter Financial Statement. He stated that combined the District shows an operating loss of \$533K. He predicts the District should break even this FY but will not make the budgeted \$600K net income. Mr. Bentley expressed concern with an apparent 15% water loss as we are on track to produce 2.7BG but sell only 2.3BG.

MONTHLY PROGRESS

Mr. DeGabriele reviewed the Monthly Progress Report for March. He stated that water Production is up 12% compared to a year ago and up 20% for the period from June through March. March water production is down 20% compared to this same period in 2013. He noted that at the end of March, Stafford Lake was still spilling and Novato had received 39" of rainfall. Mr. DeGabriele advised the Board that on the Russian River, Lake Mendocino holds over 92,000AF and Lake Sonoma over 252,000AF. He stated that the customer service compliant numbers are right on track with the exception on an increase in water quality complaints due to Stafford Treatment Plant startup.

Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments, during March the cash balance decreased by \$929,000 due primarily to payment of \$838,000 for the RW Central project and the weighted average portfolio is earning 0.95%.

CONSENT CALENDAR

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

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

NOES: None

BINFORD STORAGE WATER SERVICE AGREEMENT

The Board approved a water service agreement for The Binford Road Self Storage Project. Proposed water facilities for this project include: approximately 940 feet of 12-inch PVC pipe, 340 feet of 12-inch PVC pipe, 140 feet of 6-inch PVC pipe, one 6-inch above grade fire service, and 4 commercial fire hydrants. The project will connect to the existing system at one location fronting the property on Binford Road. The Board approved Resolution 17-5 entitled "Authorization of Execution of High Pressure Water Facilities Construction Agreement with Binford Road Self-Storage – Phase 1."

REGULATION 52- METER READING

The Board approved revisions to Regulation 52- Meter Reading. As the District moves to gallon meter registers from cubic foot registers with the AMI project, it is appropriate to remove the District Regulation 52 reference to "cubic feet". The Board approved Resolution 17-06 entitled "Revision of North Marin Water District Regulation 52-Meter Reading."

CONSOLIDATIONS OF ELECTIONS (SONOMA COUNTY)

The Board adopted Resolution 17-07 entitled “Resolution Requesting The Board Of Supervisors Of Sonoma County To Authorize Consolidation Of Future North Marin Water District Board Member Elections With November Statewide General Elections During Even Numbered Years.”

RECORD RETENTION PROGRAM – DESTRUCTION OF RECORDS

The District's Policy for the Retention of Documents and Destruction of Specified Documents was approved by the Board in 2002 and revised in 2003. The Policy states that once a year, on or about April 21, the documents designated as eligible will be destroyed in an appropriate manner. This year, destruction of records is scheduled for April 19, 2017. The Board approved Resolution 17-08 entitled: “Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records.”

ACTION CALENDAR

BILL ADJUSTMENT POLICY

Mr. Bentley advised the Board that a customer stated that the District’s bill adjustment policy was difficult to understand and that it should be simplified. He stated that the policy was reviewed in 2013 and had been in effect since 1967. He advised the Board that there is no proposed change in the policy but the language has been revised to improve readability. Mr. Bentley stated that there is now an equation as well to illustrate how the credit is calculated.

Director Baker requested staff to come back at a future meeting with information on how other local water agencies handle bill adjustments.

On motion of Director Baker, seconded by Director Schoonover, the Board approved Revision to Bill Adjustment Policy #2 by the following vote:

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

NOES: None

RESOLUTION OF APPRECIATION FOR GENERAL MANAGER – CHRIS DEGABRIELE

Mr. McIntyre requested that Board approve the Resolution of Appreciation for General Manager Chris DeGabriele after 26 years of service for the Novato Marin Water District.

On motion of Director Schoonover, seconded by Director Fraitess, the Board adopted Resolution 17-09 entitled: “North Marin Water District Resolution of Appreciation To Chris DeGabriele” by the following vote:

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

NOES: None

WEST MARIN WATER SYSTEM FINANCIAL PLAN UPDATE

Mr. Bentley reviewed the West Marin Water System Financial Plan and advised the Board that staff is prepared to draft a letter to West Marin Water customers for Board review noticing a public hearing in Point Reyes Station on June 27 to consider a 5 % increase in the cost of water.

Mr. Bentley advised that there are three major projects in the future, replacement of the Paradise Ranch Estates Tank, construction of the solids handling and future treatment plant rehabilitation projects at Point Reyes.

On motion of Director Fraitess, seconded by Director Baker, the Board directed staff to draft a letter to West Marin Water customers for Board review noticing a public hearing in Point Reyes Station on June 27 to consider a 5% increase in the cost of water by the following vote:

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

NOES: None

OCEANA MARIN SEWER SYSTEM FINANCIAL PLAN UPDATE

Mr. Bentley reviewed the Oceana Marin Sewer Financial Plan and advised the Board that staff is prepared to draft a letter to Oceana Marin Sewer customers for Board review noticing a public hearing in Point Reyes Station on June 27 to consider a 10 % increase in the sewer service charge. He stated that in January 2016 the updated master plan from Nute Engineering identified \$3.1M for future improvement projects.

Director Joly asked if the customers will be able to see the data as to why there might be a 10% increase. Mr. Bentley responded that the agenda packet is posted in which they can review.

Mr. McIntyre advised that he has been going to bi-annual homeowner association meetings with Mr. DeGabriele for a couple years now and have repeatedly discussed the need for continued rate increases.

Director Baker asked what the rate of development is in Oceana Marin. Mr. Bentley responded approximately one new connection per year.

On motion of Director Baker, seconded by Director Joly, the Board authorized staff todraft a letter to Oceana Marin Sewer customers for Board review noticing a public hearing In Point Reyes Station on June 27 to consider a 10% increase in the sewer service charge by the following vote:

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

NOES: None

MARIN COUNTRY CLUB RECYCLED WATER SERVICE AGREEMENT AMENDMENT NO. 1

Mr. McIntyre advised the Board that the original Marin Country Club Recycled Water service agreement was approved using estimated construction costs and state/federal grants and loans. He noted that it is appropriate to amend the agreement now that bids have been opened more definitive construction costs are known and agreements with state/federal agencies for grants and loans have been executed.

On motion of Director Baker, seconded by Director Fraites, the Board authorized Amendment No. 1 to the Marin County Country Club Recycled Water Service Agreement and approved Resolution 17-10 entitled: "Resolution No. 17-Authorization Of Execution Of Amendment No. 1 To Recycled Water Service Agreement With Marin Contry Club, Inc" by the following vote:

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

NOES: None

INFORMATION ITEMS

INITIAL REVIEW – FY 18 & FY 19 CAPITAL IMPROVEMENT PROJECTS BUDGET

Mr. Bentley provided the Board with the initial review of the Fiscal Year 18 & 19 Capital Improvement Project Budget. He noted that additional reviews will be held on May 16th, with a public hearing and approval scheduled for June 20th for the Novato Water and Recycled Water Improvement Districts. He advised the Board that for West Marin District's additional reviews will be held on June 6th, with a public hearing planned in Pt. Reyes Station on June 27th.

Mr. Bentley stated that a total of 32 projects are proposed for FY18 with the major projects being the Recycled Water Expansion project, the Radio Read Meter Retrofit and the Office Renovation.

INITIAL REVIEW – PROPOSED FY 17/18 EQUIPMENT BUDGET

Mr. Bentley provided the Board with the initial review of the Fiscal Year 17 & 18 Equipment Budget. He noted that additional reviews will be held on May 16th, with a public hearing and approval scheduled for June 20th.

Mr. Bentley stated that the equipment budget is \$210K and includes \$105K for replacement of labs metals analyzer, \$63K for a hybrid SUV and half ton pick-up.

CALIFORNIA DROUGHT STATE OF EMERGENCY TERMINATED

Mr. DeGabriele reported that Governor Brown has terminated the Drought State of Emergency enacted in January 2014 and rescinded orders in previous proclamations requiring mandatory water use restrictions other than the common water waste provisions.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Copy of Rate Increase Letter, and Robert B Maddow: Anne’s New Paradigm for Sound Water and Natural Resources Policy— Creative Thinking Needed.

The Board received the following news articles: Fate of flows in Russian and Eel rivers rests in big fight over small hydroelectric project, Gov. Jerry Brown declares California drought over, but urges conservation, 109-year-old Potter Valley Project the controversial link between Russian and Eel rivers, Sonoma County Water rates will likely raise despite drought-busting rainfall, and Water Transmission Budget includes funds for pipeline replacement and tank maintenance.

The Board also received the following miscellaneous items at the meeting: How vulnerable is Marin to sea level rise? And the following news article: Upcoming documentary focuses on Eel River salmon, dams, pot and more.

ADJOURNMENT

President Petterle adjourned the meeting at 8:17 p.m.

Submitted by



Katie Young
District Secretary