

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 2, 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, and Stephen Petterle. 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. Director John Schoonover was absent.

Noll & Tam Architects Scott Salge and Chris Noll, Novato Residents Emily Morris, Sue Kessler, Bob Abeling, Joni DeGabriele & Mikki McIntyre, District employees Stacie Goodpaster (Sr. Chemist) Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were 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: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

GENERAL MANAGER'S REPORT

EPA Recycled Water

Mr. DeGabriele advised the Board that last week EPA staff was visiting the District to film District staff and facilities for a drought case study they are preparing. He stated that they filmed at the District and at Novato Sanitary District.

Director Baker asked if any other entities were filmed. Mr. DeGabriele stated that they were going to film an entity in Maine.

SCWA Board of Directors

Mr. DeGabriele informed the Board that he received a presentation from the Sonoma County Water Agency's Board of Directors for his years of service and contributions to water contractors in Sonoma County.

OPEN TIME

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

Mr. Bob Abeling expressed his gratitude toward General Manager Chris DeGabriele and stated that he specifically follows water districts and knows that North Marin Water District is a "damn good one".

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:

Mr. Clark informed the Board that he received a notice from the City of Novato regarding a potential May start date for SMART Train quiet zone operation in Novato.

Director Petterle asked if the District was responsible for quiet zone signs and Mr. Clark responded that SMART is responsible for posting those signs.

Mr. McIntyre advised the Board that he, Mr. DeGabriele and Robert Clark met with Ralph and Jim Grossi last Friday at Marindale Ranch to visit new slide locations and to discuss options for mitigating sediment transport into Stafford Lake.

Mr. McIntyre stated that this Thursday he and Robert Clark were going to meet with Marin County Parks Planner Jon Campo at Stafford Lake to discuss options for connector trails to Stafford Lake Park off Center road.

Mr. McIntyre informed the Board that on Wednesday, May 10th, he will meet with Supervisor Rodoni and staff to review the property transfer status at Pt. Reyes Coast Guard Housing and remind County Planners about the District's desire to obtain additional property for water treatment facilities.

Mr. DeGabriele introduced his wife Joni DeGabriele.

CONSENT CALENDAR

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

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

GHD CONSULTING ENGINEERING SERVICE AGREEMENT – PRE TANK 4A

The Board authorized the General Manager to execute an agreement with GHD of Santa Rosa, CA. for the PRE Tank 4A replacement project for a not to exceed fee of \$97,500, plus a contingency of \$5K. North Marin Water District's PRE #4A Tank Replacement project consists of constructing a new approximately 80,000 gallon above grade potable water concrete storage tank in Paradise Ranch Estates (PRE), next to the existing 50,000 gallon PRE Tank #4B.

PRUNUSKE CHATHAM, INC – CONSULTING ENGINEERING SERVICES AGREEMENT – FEASIBILITY ANALYSIS FOR PIPE CROSSING REPAIRS AT RUSH CREEK AND NOVATO CREEK, AND BANK REPAIRS AT LEVERONI CREEK

The Board authorized the General Manager to execute an agreement with Prunuske Chatham, Inc. for Feasibility Analysis of the Rush Creek and Novato Creek pipe crossing repairs and the Leveroni Creek bank repair feasibility analysis for a not to exceed fee of \$65,000 plus a contingency of \$6,000. The purpose of the feasibility analysis is to help NMWD identify the best repair options considering environmental benefits, regulatory restrictions, and cost.

RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER CUSTOMERS

The rate increase proposed for West Marin Water customers will generate 5% (\$40,000 annually) in additional revenue. Consistent with the structure of the increase proposed for Novato customers, both the commodity rate and the bimonthly service charge component of the water bill are proposed to increase 5% effective July 1, 2017.

A 10% rate increase (an \$8 increase to \$86 per month) effective July 1, 2017 is proposed for Oceana Marin sewer service. The increase would generate \$22,000 annually to begin to accumulate funds to pay for projects identified in the 2016 Oceana Marin Master Plan Update.

The Board approved the proposed rate increase letters. Legal counsel is reviewing the letters to assure compliance with the notification requirements of California law.

RESPONSE TO CONSUMER INQUIRY – SONOMA COUNTY WATER AGENCY, POSSIBLE MERGER

The Board authorized the President to sign the letter of reply to the consumer regarding Sonoma County Water possible merger.

APPROVE PRESS RELEASE REGARDING NMWD MANAGEMENT CHANGES

The Board approved a press release informing the local newspapers of Drew McIntyre's appointment as the North Marin Water District General Manager and advising that Rocky Vogler has succeeded Drew as Chief Engineer at North Marin.

ACTION CALENDAR

ADDITIONAL BILL ADJUSTMENT – EMILY MORRIS

Mr. Bentley advised the Board that Ms. Morris received a \$183 water bill in December followed by a \$400 bill in February. He noted that her typical December and February bills run around \$85 and she received a \$238 bill adjustment under Board policy, leaving her to pay \$345, which is \$175 more than she would typically pay for the four month period. He stated that Ms. Morris would like the Board to grant an additional adjustment. Mr. Bentley provided the Board with the history of Ms. Morris' water issues.

Ms. Morris addressed the Board stating that she followed all the proper steps in trying to figure out where the leak was located and never found a solution. She stated that she discussed the bill with her landlord but they would not take care of any of the bill.

President Petterle asked Ms. Morris if she was responsible for the water bill. Ms. Morris responded yes.

Director Fraites asked if she maintained the landscaping and irrigation or the landlord. Ms. Morris responded that the landlord did.

Ms. Morris advised the Board that she turned off her irrigation and checked for leaks with the SCWA representative along with her landlord and found no leaks. The Board expressed concern that when she started her irrigation back up there would be another leak.

Mr. Bentley provided the Board with three options:

- 1) No further adjustment;
- 2) Grant an additional \$175 adjustment, reducing the amount to the normal \$170 charge for the four month period.
- 3) Split the difference - grant a further adjustment of \$87.50 (\$175/2);

The Board held a discussion and there was a consensus that option 3 would be appropriate.

On motion of Director Fraites, seconded by Director Joly, the Board approved to split the difference and grant a further adjustment of \$87.50 (\$175/2) by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

Ms. Morris and Mr. Abeling left the Board meeting.

PRESENTATION FROM ARCHITECT NOLL & TAM AND APPROVE HEADQUARTER MASTER PLAN

Mr. DeGabriele reminded the Board that at the November 15, 2016 meeting the Board authorized a general services consulting agreement with Noll & Tam Architects to conduct the space planning and concept proposal (Master Plan) for the District's headquarters upgrade. He stated that Noll & Tam held a kick off meeting with NMWD staff on January 27, 2017 to clarify the project goals and conducted an assessment of the operations, site and gathered information on existing facilities. He advised the Board that surveys were solicited from the various departments on space planning needs and programming. Mr. DeGabriele informed the Board that Noll & Tam reviewed the information gathered with District staff on February 24, then evaluated the site constraints and zoning and prepared five conceptual plans based on this input. He stated that staff reviewed the conceptual plans with Noll & Tam on March 31 and narrowed them to two options. Noll & Tam then refined the two plans after consultation with staff for presentation to the Board tonight. Mr. DeGabriele advised the Board that staff participating in the project throughout the process included himself, Assistant General Manager Drew McIntyre, Auditor-Controller David Bentley, Chief Engineer Rocky Vogler, District Secretary Katie Young, Operations/Maintenance Superintendent Robert Clark, Construction/Maintenance Superintendent Tony Arendell and Water Quality Supervisor Pablo Ramudo.

Mr. DeGabriele advised the Board to receive the master plan presentation from Noll & Tam and provide guidance on the selection of the preferred alternative. He stated that staff members mentioned previously have weighed in and unanimously prefer Option A - Renovation & Addition. He noted that once the preferred option is identified by the Board, Noll & Tam will finalize the Master Plan and staff will begin working on financing.

There was a lengthy discussion about each option provided by Noll & Tam.

Director Baker inquired if it was mandatory to vote on an option tonight. President Petterle stated that the Board did not have to approve an option tonight but that the presented options are only conceptual at this time.

Mr. DeGabriele stated that it was his final meeting and he would like to leave Mr. McIntyre and staff members with a path going forward. He stated that the building has had a great useful life and could have another 50 more years.

President Petterle pointed out that the current building is not ADA accessible and he would like to see that occur.

Director Fraites stated that he likes Option A and believe it demonstrates that the District is trying to be frugal by not completely tearing the building down.

On motion of Director Baker, seconded by Director Joly, it was motioned to postpone the approval of an option by the following vote:

AYES: Director Baker

NOES: Director Fraites, Joly and Petterle

ABSENT: Director Schoonover

Motion not granted.

On motion of Director Fraites, seconded by Director Joly, the Board approved Noll & Tam Architects Option A - Renovation & Addition by the following vote:

AYES: Director Fraites, Joly, and Petterle

NOES: Director Baker

ABSENT: Director Schoonover

APPROVE GENERAL MANAGER APPOINTMENT

Mr. DeGabriele requested that the Board appoint Drew McIntyre as the new General Manager of the North Marin Water District. He stated that he is very familiar with the District, staff and the Board and believes he will do an outstanding job as the new General Manager. Mr. DeGabriele recommended that Mr. McIntyre be appointed General Manager effective May 3, 2017.

Director Joly stated that the District is blessed to have had such a qualified General Manager.

Director Petterle stated that the Board has been fortunate to have Mr. DeGabriele.

On motion of Director Fraites, seconded by Director Joly, the Board appointed Drew McIntyre as General Manager of the North Marin Water District effective May 3, 2017 by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

Mr. McIntyre thanked the Board and stated that he is very excited and humbled about being the General Manager, and that he has been very lucky to have Mr. DeGabriele as a mentor and thanked him for his time and effort helping him better prepare for this job.

APPROVE GENERAL MANAGER EMPLOYMENT CONDITIONS RESOLUTION

On motion of Director Baker, seconded by Director Fraites, the Board authorized Resolution 17-11 entitled: "North Marin Water District Conditions of Employment - General Manager" by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

RW - CENTRAL – WEST – INCREASE CONSTRUCTION CONTINGENCY (GHILOTTI CONSTRUCTION)

Mr. Vogler reminded the Board that at the September 2, 2016 meeting the Board approved award of a contract to Ghilotti Construction Company for \$5.8M for construction of the Recycled Water Expansion Central Service Area - West project. He noted that at the time of Board approval a construction contingency of \$400K was also authorized. Mr. Vogler advised the Board that through the end of April 2017, approved changed orders total \$189,198 for the West project.

Mr. Vogler informed the Board that the District's Construction Manager, The Covello Group, expects that additional change orders will exceed the 7% authorization limit within the next couple of months and recommends increasing the construction contingency ceiling limit to \$600K.

On motion of Director Baker, seconded by Director Fraites, the Board approved a construction contingency cost ceiling increase from \$400,000 to \$600,000 by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

NBWRA UPDATE AND APPROVAL OF RECONCILIATION AND REASSESSMENT

Mr. McIntyre advised the Board that NBWRA has a provision which states that member agencies shall be afforded the opportunity to receive reimbursement for previously allocated costs not based on benefits received during the term of the MOU. He stated that the NBWRA Board approved tabulation requires that the District make a payment to Sonoma County Water Agency, NBWRA's administrative agency, of \$173,000. He noted that this payment is needed to true-up allocation costs associated with increasing the Districts Title XVI grant allocation from \$4.6M to \$5.9M. Mr. McIntyre stated that this additional grant allocation has already been reported to the Board at a previous meeting when summarizing overall grants and loans allocated to NMWD's Recycled Water Central Service Area Expansion project.

On motion of Director Baker, seconded by Director Fraites, the Board approved \$173,000 reassessment payment to Sonoma County Water Agency by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

INFORMATION ITEMS

QUARTERLY PROGRESS REPORT – WATER CONSERVATION

Ryan Grisso, Water Conservation Coordinator provided the Board with the 3rd Quarter Water Conservation progress report. He stated that Water Smart Home Surveys were higher this quarter, most likely due to the misread meters but that water awareness was achieved with this issue. He informed the Board that Retrofit on Resale Certificates are up but the toilet rebates and Cash for Grass are down.

Mr. DeGabriele reminded the Board that the District “stole” Ryan from his work at Sonoma County Water Agency in 2006 and stated that he has done a great job at the District and Mr. DeGabriele wanted to publically acknowledge that Mr. Grisso is so well respected and very personable. He noted that he was talking with Mr. Grisso’s old supervisor today at the Water Agency’s Board meeting and stated that he never lets Mr. DeGabriele forget that the District “stole” Mr. Grisso. Mr. DeGabriele stated that North Marin Water District is better for it and that the District is extremely fortunate to have Mr. Grisso on the District team.

QUARTERLY PROGRESS REPORT - ENGINEERING

Mr. Vogler provided the Board with the 3rd Quarter Progress report for the Engineering Department. He stated that in the Novato water system the budget has a large discrepancy with the AMI Project not spending as much of the budget as proposed and the office renovation being pushed back as well. He stated that approximately 55% of the projects have been completed to-date. He stated that in Novato one project will be carried over into FY18, the recycled water project is on track and in West Marin all but one project are expected to be completed within the original budget. Mr. Vogler stated that the overall District project hours in Engineering is 2,700, 67% of the budget.

INITIAL REVIEW – FY 2017/18 PROPOSED NOVATO OPERATIONS BUDGET

Mr. Bentley provided the Board with the initial review of the FY17/18 Proposed Novato Operations Budget. He stated that the Operations budget is \$28.4M with \$10M in Capital Improvement Projects and debt services of 5% proposed water rate increase. He stated that the projection for water sales is 2.3BG and even with the rate increase the total budgeted revenue is down 1%. Mr. Bentley stated there is a slight staffing decrease with a position being eliminated (Assistant General Manager) and adding a 0.3 full time equivalent adjustment for moving the part-time Engineering Services Representative and Engineering Secretary positions to full-time. He noted that there will be a retirement of an Engineering Technician this year. Mr. Bentley has in the budget a 3.5% Cost of Living in October and an increase of \$386K in purchased water from SCWA (increased 6.8%).

Mr. Bentley advised the Board that this is the initial review with a second review at the next Board meeting and a final review and approval at the Board meeting on June 20th.

INITIAL REVIEW – FY 2017/18 NOVATO RECYCLED WATER SYSTEM BUDGET

Mr. Bentley provided the initial review of the FY17/18 Novato Recycled Water System Budget. He stated that projection for water sales in FY18 are 160MG with the Central Service Area Expansion bringing in 40 customers next spring. He stated that operating expenses are budgeted at \$34K and a proposed rate increase of 5% is suggested. Mr. Bentley stated that the biggest budget item in Recycled Water is the completion of the Central Service Area Expansion project.

Mr. Bentley advised the Board that this is the initial review with a second review at the next Board meeting and a final review and approval at the Board meeting on June 20th.

WAC/TAC MEETING – MAY 1, 2017

Mr. DeGabriele stated that he and Mr. McIntyre and Director Baker attended the WAC/TAC meeting on Monday. He stated that there were conversations regarding the Potter Valley Relicensing Project.

Director Baker informed the Board that Mr. DeGabriele received a lot of recognition from his colleagues and elected officials for his great contributions.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Self-Insured Workers' Comp – 3rd Quarter Status Report, FY17 – 3rd Quarter Labor Cost Report, Press Release – Rohnert Park Jake Mackenzie Receives Leadership Award from the North Coast Resource Partnership.

The Board received the following news articles: Sewer rate hike in Tomales would help pay off debt.

The Board also received the following miscellaneous items at the meeting: County Boards Approve Formation of New Groundwater Sustainability Agencies.

ADJOURNMENT

Director Joly stated that Mr. DeGabriele has done a fabulous job as General Manager and there was a standing ovation for Mr. DeGabriele's last District Board meeting.

President Petterle adjourned the meeting at 9:18 p.m.

Submitted by



Katie Young
District Secretary