

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 2, 2015**

CALL TO ORDER

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

Novato Resident Mike Joly and District employee Eileen Blue (Engineering Secretary) were in the audience.

MINUTES

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

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

NOES: None

GENERAL MANAGER'S REPORT

Marin County Board of Supervisors

Mr. DeGabriele informed the Board that he was unable to be present today for the presentation with Krishna Kumar of Marin Municipal Water District to Marin County Board of Supervisors regarding the 2015 drought restrictions. He noted that the open time at the Board of Supervisors meeting went so long that he would have missed the opportunity to speak to the Novato Chamber of Commerce Government Affairs Committee.

He advised the Board that the reason the open time at the Board of Supervisors meeting went so long was because citizens were speaking against the use of Glyphosate on Marin Open Space at Ring Mountain. He noted that the use of Glyphosate on Marin Municipal Water District lands has been very controversial. Mr. DeGabriele informed the Board that the District is hiring a contractor to remove invasive poison oak near the dam spillway downstream of Stafford Lake watershed and will spray using a biodegradable citrus oil product.

Director Fraitess requested a report on how the "citrus product" works at weed control along the Stafford Lake spillway area. Director Petterle recommended to apply the "citrus product" to poison oak in August.

Novato Chamber of Commerce Government Affairs Committee

Mr. DeGabriele advised the Board that his presentation to the Novato Chamber Government Affairs Committee was similar to the presentation he provided to the Novato City Council at the end of April and that he covered water supply conditions, the drought and Recycled Water Expansion.

CLAM Meeting

Mr. DeGabriele advised the Board that he and Director Rodoni will meet with CLAM representatives next week about the District's interest in the Point Reyes Station USCG Housing Facility. He stated that CLAM has been working with the County of Marin to acquire the property for affordable housing in West Marin, which is anticipated now that federal legislation has been passed to convey the property to County of Marin for use as affordable housing.

OPEN TIME

President Baker 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 Baker 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 the District has received an application for change of use in the South Petaluma Blvd area. He stated that Rineharts/Card Lock Gas is proposing a self-storage facility. He informed the Board that District staff will follow policies to notice Sonoma/Marin LAFCo's, both counties and both cities, and limit water use/services to that now in place.

Mr. McIntyre also advised the Board that the irregular service to Yee and Fontes in the South Petaluma Blvd area is ready to move to a regular service now that SMART easements have been perfected.

Finally, Mr. McIntyre informed the Board that the Michael Baker International contract for Stafford Dam Emergency Operations Plan continues and that a training exercise on dam failure is scheduled for June 25th and that Novato and Marin County agencies will participate.

District Secretary Katie Young introduced Engineering Secretary Eileen Blue who will be the Acting District Secretary at the June 16th meeting. Mrs. Young also requested the Board inform her of interest in attending the ACWA Region 1 Marin Water Forum on July 24th and that she would register all that desire to attend.

CONSENT CALENDAR

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

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

NOES: None

2014 CONSUMER CONFIDENCE REPORT – NOVATO

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the District's sources of water and treatment regimes in Novato, as well as general information about water and its constituents.

This year customers will receive a bill insert informing them that the report is available on our website and that a paper copy will be mailed to them upon request.

The Board authorized the General Manager to approve final text and design for the 2014 Consumer Confidence Report for Novato and related bill insert.

2014 CONSUMER CONFIDENCE REPORT – POINT REYES

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the District's sources of water and treatment regimes in West Marin, as well as general information about water and its constituents.

This year customers will receive a bill insert informing them that the report is available on our website and that a paper copy will be mailed to them upon request.

The Board authorized the General Manager to approve final text and design for the 2014 Consumer Confidence Report for Point Reyes and related bill insert.

ACTION CALENDAR

LUMP SUM PAYMENT OPTION OF CALPERS FY16 UNFUNDED LIABILITY

Mr. Bentley advised the Board that the District has the opportunity to prepay the annual CalPERS unfunded pension liability in a lump-sum with a discount. He stated that the District's discounted annual lump sum prepayment option for FY16 is \$400,174. He informed the Board that in the past the District has made monthly payments on the unfunded pension liability and would pay \$14,735 if continued to pay monthly and if paid in a lump sum the total would be an estimated

savings of \$13,849. Mr. Bentley advised that the lump sum payment to CalPERS for the unfunded pension liability will be made at the end of July.

On motion of Director Fraites, seconded by Director Petterle, the Board approved the lump sum prepayment option of the unfunded liability by the following vote:

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

NOES: None

MARIN COUNTY CLUB RECYCLED WATER SERVICE AGREEMENT

Mr. McIntyre provided the Board with the Recycled Water Service Agreement with Marin Country Club. He stated that some of the key elements of the agreement are: 1) The agreement specifies that low pressure recycled water will be delivered via a District meter located near the intersection of Ignacio Blvd and Country Club Drive; 2) Marin Country Club is responsible for all on-site retrofit costs; 3) Marin Country Club is to pay 60% of planning, design and construction costs for the Ignacio Service Area Extension; 4) Should the Ignacio Service Area Extension pipeline not be constructed Marin Country Club shall pay 50% of actual District costs; and 5) if Marin Country Club elects to finance its pro-rata share of the total cost as part of the District's State Revolving Fund loan, a Deed of Trust naming the District as a beneficiary must be provided.

Mr. McIntyre advised the Board that the agreement has various termination clauses: 1) if permits and design are not completed; 2) if the total project costs are too high; and 3) should a low interest rate SRF loan not be obtained for the project.

Director Rodoni questioned whether the District has reviewed the financial capability of Marin Country Club to make the payments called out in the proposed Recycled Water Service Agreement.

Mr. DeGabriele proposed that the District request Legal Counsel to review Marin Country Club's financial records and assured the Board that a Deed of Trust will be executed to guarantee payment. The Board consensus agreed with this approach.

President Baker asked whether the District had an easement for the Recycled Water pipeline through the Inn Marin property. Mr. McIntyre responded that the District does not yet have an easement; however Inn Marin is interested in obtaining recycled water for their irrigation needs and will cooperate in granting an easement.

On motion of Director Petterle, seconded by Director Rodoni, the Board authorized the Marin Country Club Recycled Water Service Agreement by the following vote:

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

NOES: None

2015-16 GENERAL SERVICES AGREEMENT – GHD, INC.

Mr. McIntyre advised the Board that the amount of required engineering work related to recycled water expansion, aqueduct relocation and other planned District Capital Improvement Project work continues to necessitate outsourcing of various engineering services on an as-needed basis. He stated that GHD (formerly Winzler & Kelly), is going to provide outsourcing support for engineering services including assistance related to the analysis of the recently failing Pt. Reyes Well No. 2.

Mr. McIntyre advised the Board that Mark Soldati has retired from GHD but he continues to keep in contact with him and should he come out of retirement that the District would propose continuing the long standing working relationship with him.

On motion of Director Schoonover, seconded by Director Fraites, the Board authorized the General Manager to execute a General Consulting Services Agreement between NMWD and GHD with a not-to-exceed limit of \$30,000 by the following vote:

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

NOES: None

INFORMATION ITEMS

NMWD CONTRACT WITH MCLELLAN FOR PAVING JOBS

Mr. DeGabriele advised the Board that the District has maintained a trench restoration paving contract with W.K. McLellan & Company since 2007 and they have always provided good service and have not raised their fees for the District work since the initial contract was awarded. He informed the Board that McLellan has informed the District that they can no longer provide their services for the 2007 contracted price and that the District will need to solicit bids for a new paving contract.

Director Rodoni suggested that the District check on the increase prices from McLellan and if it is reasonable compared to the indexed increase, then the District should consider a negotiated contract increase rather than rebidding the work.

Mr. DeGabriele stated that the District has worked with McLellan for a long time and there are not a lot of viable alternative companies and that a negotiated increase will be sought.

INITIAL REVIEW – FY16 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGET

Mr. Bentley provided the Board with the initial review of the FY16 West Marin Water and Oceana Marin Sewer budgets. He stated that in West Marin there is a proposed increase of 5% for the typical residential customer, comprised of a 6.5% commodity rate increase and no increase in the bimonthly service charge, which stands at \$30 bimonthly. He stated that the proposed rate increase in Oceana Marin sewer is a 5% rate increase, which would total \$31 annually for the typical customer and will be collected on the Property Tax roll. He noted that the increase in sewer service charge must be adopted by ordinance, which requires readings at two Board meeting and publication in a newspaper of general circulation twice. He advised the Board that a summary of the ordinance will be published in the Point Reyes Light on June 11 and June 25.

Mr. Bentley advised the Board that some of the major projects in West Marin are the upsizing of 900 feet of 4-inch pipeline to 8-inch from Bear Valley Tanks to Fox Drive to improve water quality and fire flow to the Bear Valley Service Area (\$100K), replacement of the green sand filter media in the Pt. Reyes Treatment Plant (\$75K), and \$50K to commence work on the replacement of the PRE Tank burned in the Mt. Vision Fire.

Mr. Bentley informed the Board that the major project in the Oceana Marin Sewer System is to continued infiltration repair work to prevent rainwater from leaking into the collection system (\$40K).

Mr. Bentley advised the Board that the West Marin Water System Five-Year Financial Plan shows the \$500K PRE Tank 4A replacement completed in FY17 and the \$1.25M upgrade of the treatment plant is also scheduled to comment in FY17. He stated that in Oceana Marin sewer there is \$40,000 in continued work on infiltration repair for each year, \$100K commencing in FY16 for design and installation of an 8th disposal trench and \$340K is included for lining the settling and treatment ponds in FY19.

Mr. Bentley informed the Board that there will be a second review of the budget at the next Board meeting on June 16th and a public hearing on June 30th in Pt. Reyes. He stated that if the proposed rate increases are approved they will go into effect the following day on July 1, 2015.

TAC MEETING – JUNE 1, 2015

Mr. DeGabriele provided a summary of the June 1, 2015 Technical Advisory Committee Meeting. He stated that there was a report from the Water Agency on the water supply conditions and the Temporary Urgency Change Order. He advised the Board that Lake Mendocino currently holds 57,500AF and Lake Sonoma holds 207,000AF.

Mr. DeGabriele advised the Board that Lake Pillsbury currently holds about 35,000AF at the end of May and will not receive any further runoff since there is no snow on Snow Mountain. He stated that PG&E made a request to FERC to reduce in stream flows and releases from the lake and is attempting to maintain at least 10,000AF in the lake by the start of the rainy season and he believes that the FERC action will reduce diversion through the Potter Valley Project and into Lake Mendocino.

Mr. DeGabriele further advised that as a region the Water Contractor production for April is down 28% from April 2013 compared to the State Water Resources Control Board conservation standard of 19%.

Mr. DeGabriele stated that a report on the Biological Opinion was given and that it is not likely the rubber dam will be erected this season due to the new fish screen and ladder project at the diversion facility which will be completed this year.

NBWA MEETING – JUNE 5, 2015

Director Baker advised the Board and staff that he will be attending the North Bay Water Association Meeting on Friday, June 5th.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, California New Paid Sick Leave Law, ACWA – Responding to Unprecedented Drought Challenges, Ltr. Response to Customer, and Bayworks Officers FY15-16.

The Board received the following news articles: Novato to face drought restrictions starting June 1, Feds OK plan to keep more water in Lake Pillsbury reservoir, Water District reduce fluoride levels in water, Water District rates to increase 3 percent, Marin IJ Editorial: Water restrictions demand care and caution, and Coast Guard bill passes House.

Mr. DeGabriele advised the Board that a document with the Bayworks Officers were listed in the miscellaneous section and stated that District employee, Dianne Landeros is on the Executive committee for Bayworks and also serves as Treasurer.

The Board also received the following miscellaneous items at the meeting:

ADJOURNMENT

President Baker adjourned the meeting at 7:49 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is written in a cursive style with a large, stylized "Y" at the end.

Katie Young
District Secretary