

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 17, 2018**

CALL TO ORDER

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District labor negotiation attorney, Christopher Boucher (Wiley Price and Radulovich), District employees, Robert Clark (Maintenance/Operations Superintendent), Tony Arendell (Construction Supervisor) and Jeff Corda (Sr. Water Dist. & TP Operator) were also in attendance.

MINUTES

On motion of Director Baker, seconded by Director Petterle the Board approved the minutes from the June 26, 2018 meeting as presented by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

During the General Manager's report, Mr. McIntyre stated that on July 9th he attended a community input meeting at Marin Country Club regarding their project to remove accumulated sediment and rehabilitate existing dam and weir structures on their property within the Arroyo de San Jose waterway. He stated that the District can learn from MCCs project as to what regulatory requirements could be expected in the future with a North Marin Water District project at Stafford Dam that encompassed water right changes and/or improvements such as sediment removal. In addition, Mr. McIntyre reported that he made outreach to the Oceana Marin HOA regarding their semiannual meeting that was held on Saturday July 14 and was told that North Marin Water District was not on the agenda due to a desire by the members to reduce utility update reports to once a year. Mr. McIntyre also reported that he went to the sixth West Marin PRCG Housing Working Group meeting on Friday, July 13th and that current plans are to release an RFP to find a partner

developer this fall with county purchase of the property sometime in 2019. Mr. McIntyre announced that the next NBWRA meeting will be on July 23rd, at the Novato City Hall, and he will also attend the Agency's Water Supply Coordination Council meeting later in the day in Santa Rosa and the WAC/TAC meeting on August 6th. Mr. McIntyre also advised the Board that he will be on vacation the week of July 30th and that Rocky Vogler will be in charge during his absence.

OPEN TIME

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

Mr. Vogler discussed progress on the Ridge Road Pipeline Replacement project. He stated that the pipeline is now fully constructed and operational, however there will be some additional paving work done to correct areas in which the paving was deficient. Director Baker asked if during the bid review process we take subcontractor's experience into consideration. Mr. Vogler replied that the paving subcontractor performing the work was not listed on the Bid form so the District assumed the prime contractor was going to self-perform the paving work. Director Joly stated that he was pleased that staff was staying on top of the situation.

MONTHLY PROGRESS REPORT

Mr. McIntyre reviewed the Monthly Progress Report for June. He stated that Novato's fiscal year end potable water production was up 6% and West Marin was up 23%. He reminded the Board that staff continues to investigate why the production trend in West Marin is significantly higher than water sales. Mr. McIntyre reported that Stafford Treatment Plant production is down 15% when compared to last year due to lack of rainfall filling the lake but that overall there is ample water supply with SCWA Lake Mendocino at 95% capacity, Lake Sonoma at 88% capacity and Stafford Lake at 57% capacity. With respect to recycled water, he reported that the District continues to add more recycled water customers and production is up 8% over last year. He also stated that the District has accrued 247 days without a lost time accident, overall complaints and service order numbers were down 1% compared to last year, and that some of the increase in the number of June service orders were attributed to the AMI register replacements. Mr. McIntyre commented that the Customer Service Questionnaire had an overall high rating, and the questionnaire return rate increased from 35% to 40% over last quarter.

Ms. Blue summarized the Monthly Report of Investments. At June 30, 2018, 25% of the District's Portfolio was invested in California's Local Agency Investment Fund, 31% in Time

Certificates of Deposit, 20% in Federal Agency Securities, 17% in US Treasury Notes, 6% in the Marin County Treasury and 1% retained locally for operating purposes.

CONSENT CALENDAR

On the motion of Director Petterle, and seconded by Director Grossi the Board approved the following items on the consent calendar by the following vote:

AYES: Director Baker, Fraitas, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

WATER AGREEMENT – 405 GAGE LANE, NOVATO- MAIERO

The Board approved the Water Service Agreement for 405 Gage Lane. The project proposes to construct a single family home and a barn upon a 45-acre parcel located on the end of Gage Lane. The project will consist of two residences: one new single family residence and one existing single family residence.

AMEND CONSULTING ENGINEERING SERVICES AGREEMENT KENNEDY/JENKS CONSULTANTS

The Board approved to amend the Consulting Engineering Services Agreement for Kennedy/Jenks Consultants. The amended agreement will provide ongoing assistance to the District with preparation of the 2018 Water Master Plan Update for the Novato Service Area. The primary work performed by Kennedy/Jenks Consulting includes: demand analysis, evaluation of storage and pumping, preparation of hydraulic model, hydraulic evaluation and a capital improvement plan.

INFORMATION ITEMS

2017 NOVATO CREEK STEELHEAD HABITAT ASSESSMENT STUDY – ICF INTERNATIONAL CONSULTING

Mr. McIntyre presented the 2017 Novato Creek Steelhead Habitat Assessment study prepared by ICF Consultants. He stated that in January 2016, the Board authorized staff to send comments on the October 2015 National Marine Fisheries Service Coastal Multi-Species Recovery Plan. The District's comment was that Novato Creek upstream of Stafford Dam provides highly degraded steelhead spawning and rearing habitat questioning the value in performing any fish passage feasibility study. He stated that since 2016, the District has worked with consultants to conduct assessments of steelhead habitat suitability within Novato Creek above Stafford Dam and

that the 2017 Novato Creek Steam Habitat Assessments study combines the work performed between 2015 and 217 and completes the contractual obligations by ICF. The outcome of the study was that the Upper Novato Creek is generally dry, with little to no stream flow suitable for over-summering steelhead. Therefore, the upper watershed appears to be unable to support steelhead in number identified in the 2015 Recovery Plan. Mr. McIntyre advised the Board that the District will make outreach to local staff from both California Department of Fish and Wildlife and National Marin Fisheries Service to review the study and that this work will provide a valuable baseline information when working with state and federal permitting agencies on future water rights and/or improvement projects at Stafford Dam. Director Joly wanted to know the cost of the study, and if there was a sensitivity analysis on how wet it needs to be since it was a wet year during the study. Mr. McIntyre replied that study costs were approximately \$40,000 and that the study period encompassed both wet and normal year conditions.

NEW WATER-USE EFFICIENCY LEGISLATION (SB606 & AB1668) UPDATE

Mr. McIntyre updated the Board on the new water-use efficiency legislation (SB 606 and AB 1668). He commented that after many months of discussion within the legislature, Governor Brown signed the long term efficiency bills into law. Mr. McIntyre stated that North Marin Water District along with the Association of California Water Agencies and many member agencies advocated for key amendment to these bills, and although not many of them were accepted, the legislation has improved compared to the initial drafts. Mr. McIntyre advised that Board that there are no immediate impacts to NMWD customers at this time but water agencies will be working the State Water Board over the next several years to define how the new laws will be implemented. He said that by 2022, NMWD must set new water conservation targets and begin implementation the following year and that the overall framework includes a standard for indoor residential water use of 55 gallons per day per person; a standard for outdoor residential water uses; and a standard for water loss in the distribution system. Director Baker asked a question about how the outdoor target irrigation for landscaping on residential properties will be determined and a discussion followed. Director Joly asked if the 55 gallons per person day indoor water use target is the average use for our customers. Mr. McIntyre responded that staff is looking into this criteria in more detail and will report back at a future meeting. Director Petterle asked about what the requirements will be for agricultural use, and would like information on this.

NBWA MEETING – JULY 13, 2018

Directors Fraites and Baker attended the NBWA Meeting on July 13. Director Fraites stated that Michael George who is the Delta Watermaster was the main speaker and that he has experience working with various complicated water issues. He added that Mr. George has been

Delta Watermaster since 2015, and will be serving a second term in this capacity working on Delta water issues. Director Baker stated that Mr. George was a fascinating speaker and that earlier in his career he was in investment banking.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements Dated June 28, July 5 and July 12, 2018 , Public Outreach Update- 4th of July Parade, FY18 4th Quarter Labor Cost Report, Self-Insured Worker's Comp – 4th Quarter Status Report, Salinity Noitce-7/10/2018. During this time Mr. McIntyre thanked District employee's Ryan Grisso, Monica Juarez, Jeff Watkins, and Jessica Swenson for doing a great job at Novato's Fourth of July Parade and stated that is was good exposure for the District. He added that the duck giveaway was so well received they ran out, and it was noted that they will need a lot more than 500 ducks next time.

The Board also received the following news articles: New Groundwater Woes, and Regulations, in California Wine Country, Study of workforce housing planned by city, schools, Wildfire-watch camera network being planned, Employee contracts: \$20M over three years, Novato officials work to solve housing woes, California sea –level report sounds alarm on erosion.

CLOSED SESSION

President Fraites adjourned the Board into closed session at 6:43 p.m. in accordance with Government Code Section 54957 Conference with Labor Negotiators (Christopher Boucher, Drew McIntyre and Julie Blue) to Provide Direction.

CLOSED SESSION

In accordance as allowed under with Government Code Section 54956.8 Conference with Real Property Negotiators. Property: Recycled Water Agreement between North Marin Water District and Marin Country club: District Negotiators: General Manager and Counsel; Negotiating Party; Marin Country Club; under negotiation: Price and Terms.

Upon returning to open session, President Fraites reported no action was taken during both closed session items.

ADJOURNMENT

President Fraites adjourned the meeting at 7:35 p.m.

Submitted by



Theresa Kehoe
District Secretary