

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 2, 2016**

CALL TO ORDER

President Schoonover 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, 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 Jolly, District employees Jeff Corda (Employee Association Chairman, Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

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

NOES: None

GENERAL MANAGER'S REPORT

Division of Drinking Water Fees

Mr. DeGabriele advised the Board that he and Pablo Ramudo are participating in an ACWA working group on Division of Drinking Water Fees and will have the final conference call tomorrow.

Novato Flood Control

Mr. DeGabriele advised the Board that Novato Flood Control Advisory Board will hear a presentation on the Novato Watershed modeling of alternatives on Thursday evening and a public meeting will be held February 22nd.

CSMART Meeting

Mr. DeGabriele informed the Board that he will be attending a CSMART meeting next Wednesday with the primary focus on adaptation strategies for West Marin communities and assets including the water supply system.

Marin LAFCO Meeting

Mr. DeGabriele advised the Board that he will attend the Marin LAFCo meeting on February 11th regarding the comprehensive water study and his understanding is that the recommendation to study community sewer systems in West Marin has been dropped.

OPEN TIME

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

Robert Clark advised the Board that he had been invited by Dominic & George Grossi Dairy to meet with them and the San Francisco Bay Regional Water Quality Control Board staff after a citizen complaint about ranch operations. He informed the Board that Mr. Grossi advised the Regional Water Quality Board that the ranch is discussing a move to organic dairy, which would result in a reduction of herd by 50%. Mr. Clark has told Mr. Grossi that their practices must change because too much nutrient is applied to the watershed land and ends up in Stafford Lake, which is out of compliance with their self-monitored ranch management plan and that next year, when water quality testing data must be submitted with their self-monitoring reports, it won't pass muster.

Director Rodoni advised the Board that he saw with his own eyes manure spreading in late November 2015, two days in advance of a rainfall event, and opined that he would not support any more funds to support Grossi operations without the manure moving off the Stafford Lake watershed.

Tony Arendell reported that there was a main line leak in front of San Marin High school on January 28th. He stated that crews were working on another leak at that time and were able to respond immediately at 5am, working throughout the day to access the 8-ft main service. Mr. Arendell applauded his crews work.

Drew McIntyre advised that the remaining Aqueduct Energy Efficiency Project pipeline segment, approximately 500 lineal feet of 8 inch distribution main south of the Kastania gas station, has been installed by Ghilotti Construction, the AEEP contractor. He stated that the District's construction manager will provide a final report to the Board at a March meeting.

Mr. McIntyre informed the Board that he will be absent from the February 16th Board meeting.

David Bentley advised that legislation to transfer the U.S. Coast Guard Pt. Reyes Station Housing Facility to the County of Marin has been passed in Congress and a celebration will be held on-site on Friday, February 5th. Director Rodoni will attend and represent the District.

Mrs. Young reminded the Board and elected officials about the special meeting on February 9th. She stated that Ethics Training would be from 3pm to 5pm from District legal counsel Doug Coty and Mike Nelson and at 6pm the Board Planning Workshop would commence. She also advised the Board that she will be distributing the Fair Political Practice Commission Form 700 at the next meeting for each Board member and elected official to complete.

Director Baker informed the Board that he will be absent at the next regularly scheduled Board meeting on February 16th.

CONSENT CALENDAR

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

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

NOES: None

PROPOSED FY16/17 BUDGET REVIEW SCHEDULE

The Board approved the FY16/17 Budget Review Schedule.

PROPOSED FY16/17 RATE HEARING SCHEDULE

The Board approved the FY16/17 Rate Hearing Schedule.

ACTION CALENDAR

AWARD CONTRACTS FOR ON-CALL CONSTRUCTION AND REPAIR SERVICES – TEAM GHILOTTI AND GHILOTTI CONSTRUCTION

Mr. McIntyre reminded the Board that staff was authorized to proceed with solicitation of proposals for on-call construction services in April 2015. He stated that the services are to provide District staff with flexibility to hire private contractors in the event of an emergency and to accommodate more efficient completion of small District projects. He noted that the District's traditional advertise-bid-award procedure for hiring contractors will continue to be utilized for most projects. Mr. McIntyre stated that staff recommends entering into contracts with the two highest ranked contractors for individual contracts not to exceed \$150,000. He noted that proposals from Team Ghilotti and Ghilotti Construction were ranked the highest.

Jeff Corda, Chairman of the NMWD's Employee Association, read a prepared statement on Employee Association concerns about privatization, regarding Board consideration of the contracts.

Director Baker replied that he was sympathetic to the arguments made by the Employee Association and that the intent is not to by-pass District employee staff or take work away, but to respond with supplementary man-power and equipment when an emergency or project workload requires such assistance. Director Rodoni requested that staff come back with status report at mid-point of the contract term.

Director Fraites and Schoonover stated that the contracts were not for primary source but for emergency purposes and for when District crews are unable to perform the work.

On motion of Director Rodoni, seconded by Director Baker, the Board authorized the General Manager to execute agreements with Team Ghilotti and Ghilotti Construction for on-call construction and repair services with a not to exceed limit of \$150,000 each by the following vote:

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

NOES: None

INFORMATION ITEMS

URBAN WATER MANAGEMENT PLAN UPDATE

Mr. McIntyre provided the Board with an update on the 2015 Urban Water Management Plan demand projections. He stated that in summary, the overall net demand is about 2,500AF less than that projected 5 years ago, principally due to reduced population and jobs forecast in current ABAG planning documents. He advised the Board that the District's required Russian River deliveries are expected to be in the range of 9,200 to 8,600AF in the year 2040, much less than the current contractual entitlement of 14,100AF. He noted that now that the demand and supply projections are completed, work on the remainder on the Urban Water Management Plan will continue. Mr. McIntyre informed the Board that the plan must be submitted to the Department of Water Resources by July 1st of this year, with a public hearing held prior to its adoption. He advised that District staff is currently noticing other water suppliers, waste water agencies and planning agencies in the District's service area to provide the 60-day notification prior to hearing. He informed the Board that the public hearing is currently scheduled to be held at the June 21st meeting, coincident with Board meeting on that date.

MID-YEAR PROGRESS REPORT – ENGINEERING DEPARTMENT

Mr. McIntyre provided the Board with mid-year progress report for the Engineering Department. He stated that actual performance through 50% of the year is about 35% on a cost basis. He informed the Board that the Engineering Capital Improvement Project hours are tracking right on budget, but developer hours lag behind the forecast, notwithstanding that development work has picked up this year compared to prior years.

SWRCB EXTENDED EMERGENCY URBAN WATER CONSERVATION REGULATIONS

Mr. DeGabriele provided the Board with a report on the State Water Resources Control Board Extended Emergency Urban Water Conservation Regulations. He informed the Board that he testified before the State Board on the afternoon of February 2nd, advocating again for a regional compliance option and requesting that the State Board include a reduced conservation standard for regions with sufficient water storage and not in severe drought conditions that much of California currently endures. He noted that in the end, the State Board maintained their proposed Extended Emergency Urban Water Conservation Regulations. Mr. DeGabriele stated that the District can only hope that when the State Board again reviews the drought status in March and April of this year, that there may be some relief for the District and other agencies in the region.

WAC/TAC MEETING – FEBRUARY 1, 2016

Mr. DeGabriele provided a summary of the WAC/TAC meeting held Monday, February 1st. He stated that Sonoma County Water Agency reported that Lake Mendocino is now at 100% of the current water supply pool and actually encroaching into the flood control pool and Lake Sonoma is at 95% of the water supply pool. He advised the Board that Director Rodoni passed the baton as WAC Chair to Mike Healy from the City of Petaluma and that the new WAC Vice Chair is Lori Gallian from the City of Sonoma. Mr. DeGabriele informed the Board that Director Rodoni was thanked for his efforts as Chair and serving on the WAC and was heartily congratulated on leaving the contractors with full reservoirs. He noted that Director Rodoni introduced Director Rick Fraites as the new District WAC Representative.

NBWA MEETING – FEBRUARY 5, 2016

Director Baker stated that he will be attending the North Bay Water Association Meeting on Friday, February 5, 2016.

SERVICE CHARGE ANALYSIS

Mr. Bentley reviewed the Bi-Monthly Service Charge Analysis. He reminded the Board that the service charge covers fixed costs for debt service, billing and accounting, meter reading and a portion of the cost to maintain and replace the service line to the customer's water meter. He stated that this year's analysis shows that the bi-monthly charge for a 5/8" service is 8% below actual cost, but the bi-monthly service charge revenue generated on 1" and larger meters exceeds the calculated costs and therefore offsets any loss on the 5/8" meters. He informed the Board that no increase in the bi-monthly service charge is recommended at this time.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, FY16 2nd Quarter Labor Cost Report, Reimbursement Program 2015, Equipment Inventory Summary, Increase in Director’s Compensation, Calling the Bay Area Home: Tackling the Affordable Housing and Displacement Challenge, Marin LAFCO – Save the Date, 2/17/16 Workshop, Reservoirs rising thanks to El Nino, and MCL Business Breakfast.

The Board received the following news articles: Water report rankles Marshall, ponders sewers, Frank Egger runs for Ross Valley Supervisor, and In Your Town: Water Board names Koehler president.

The Board also received the following miscellaneous items at the meeting: WAC Meeting – February 1, 2016, Sonoma Marin Saving Water Partnership Annual Report and Attachment C for Item #9 graph. The following news article was also received: Efren Carrillo won’t seek re-election to Sonoma County Board of Supervisors.

ADJOURNMENT

President Schoonover adjourned the meeting at 8:06 p.m.

Submitted by



Katie Young
District Secretary