

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
May 3, 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 and District employee 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, Petterle, Rodoni and Schoonover

NOES: None

**GENERAL MANAGER'S REPORT**

**State Water Resources Control Board (SWRCB) Workshop**

Mr. DeGabriele advised the Board that he attended the SWRCB workshop in Sacramento on April 20th with City of Petaluma council member Mike Healy, the Water Advisory Committee Chair. He stated that Mr. Healy was the only elected official who spoke at the workshop and that the local agencies were well represented. He informed the Board that the District is expected to receive draft revisions to the regulation this week. He noted that he also has meetings set up this week with Steven Moore by phone and Tam Doduc next Monday in Sacramento to advocate again for the District request to rescind the Emergency Urban Water Conservation Regulation.

**National Marine Fishery Service (NMFS)**

Mr. DeGabriele informed the Board that he and Mr. McIntyre met with NMFS last Monday about the Steelhead Recovery Plan. He stated that NMFS plans to have the final document completed in October and that it's not likely any additional information the District can provide in the interim would change the plan. He advised the Board that the District's desire to remove the stream reach above Stafford Dam as potential steelhead habitat would be addressed when a new base model is prepared by NMFS science center because NMFS recognizes that these SF Bay Coastal

streams have a high number of fish per kilometer of stream. Mr. DeGabriele stated that NMFS encouraged the District to get the other agencies with SF Bay Coastal streams together to advocate for funding and elevate the priority of the NMFS science center work. He noted that NMFS also suggested the District work with their staff on any habitat evaluation in Novato Creek.

#### ACWA President

Mr. DeGabriele advised the Board that the District will host the ACWA President on June 2<sup>nd</sup>, other agencies in the Marin/Sonoma areas will also be invited and the District intends to host at the Novato City Hall.

#### State Water Resources Control Board Division of Drinking Water

Mr. DeGabriele informed the Board that the District is also hosting a SWRCB Division of Drinking Water meeting at the District next Wednesday for water quality staff in Marin/Sonoma areas related to the Total Coliform Rule compliance.

#### ACWA Conference

Mr. DeGabriele advised the Board that David Bentley is attending the ACWA Conference in Monterey this week and is not attending tonight's meeting.

#### **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:

Director Baker advised that he and Director Fraites attended the North Bay Watershed Association conference on April 22<sup>nd</sup>, indicating that it was well attended and very informative.

#### **CONSENT CALENDAR**

Director Petterle requested the Addendum to the Stafford Lake Park Irrigation System Lake Intake Upgrade MOU be removed from the consent calendar and recused himself since he is a Marin County Parks employee and is precluded from discussing or voting on the item due to a conflict of interest.

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

**SET PUBLIC HEARING FOR REVISIONS TO DROUGHT EMERGENCY WATER CONSERVATION REGULATIONS**

The Board approved setting a Public Hearing for revisions to the Drought Emergency Water Conservation Regulations at a hearing on May 17<sup>th</sup>. It was noted that the State Board will not make their determination final until May 18<sup>th</sup> but we should have a draft of the recommended regulations by the May 17<sup>th</sup> meeting.

**VILLA ENTRADA HOA EASEMENT AND COMPENSATION**

The Board authorized payment to Villa Entrada HOA for a new easement across their property to install a 220ft long pipeline to Norman Tank for recycled water. The new pipeline will be installed using trenchless methods and will supplement an existing pipeline further up the hill to be used for the recycled water installation.

**ADOPT STATE FINANCIAL ASSISTANCE REVISED PLEDGED REVENUES AND FUNDS RESOLUTION FOR RECYCLED WATER CENTRAL SERVICE AREA PROJECT**

The Board adopted a revised Resolution 15-07 entitled: "Pledged Revenues and Fund(s) Resolution" for the State Board as part of the District's Application for State Revolving Funds on Recycled Water Loan Financing.

**SELECTION OF CPA FIRM TO PERFORM ANNUAL FINANCIAL AUDIT**

The Board selected Fedak and Brown as the auditing firm to perform the District's audit over the next four year period.

**ACTION CALENDER**

**ADDENDUM TO STAFFORD LAKE PARK IRRIGATION SYSTEM LAKE INTAKE UPGRADE MOU**

Director Petterle recused himself and left from the Board meeting since he is a Marin County Parks employee and is precluded from discussing or voting on the item due to a conflict of interest.

The Board considered an Addendum to the Stafford Lake Park Irrigation System Lake Intake Upgrade Memorandum of Understanding that will enable Marin County Parks to install their new submersible pump station earlier in the summer to give them more time before the construction cutoff date of October 15th.

On motion of Director Fraites, seconded by Director Baker, the Board approved the Addendum to the 2011 MOU agreement between Marin County Parks and North Marin Water District for installation of a new lake intake and pump station by the following vote:

AYES: Directors Baker, Fraites, Rodoni and Schoonover

NOES: None

ABSTAIN: None

ABSENT: Director Petterle

Director Petterle returned to the Board Meeting.

**WATER SHORTAGE CONTINGENCY PLAN FOR WEST MARIN SERVICE AREA**

Mr. DeGabriele advised the Board that staff is requesting the Board approve an updated Draft Water Shortage Contingency Plan for the West Marin Service Area. He stated that the updated draft follows the format approved for the Novato Water Shortage Contingency Plan at the previous meeting and includes stages of voluntary measures, mandatory restrictions on water use and finally mandatory reductions in water use. He noted that the triggers in the plan are similar to that in Novato, broadening the ability of the North Marin Board to declare water shortage emergencies.

On motion of Director Petterle, seconded by Director Fraites, the Board approved Resolution 16-09 entitled: "Resolution of the Board of Directors of North Marin Water District Approving the Water Shortage Contingency Plan for West Marin Service Area" and updated the Draft Water Shortage Contingency Plan for West Marin Service Area by the following vote:

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

NOES: None

**RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SERVICE AREA**

Mr. DeGabriele advised the Board that staff prepared rate increase letters to West Marin water customers and Oceana Marin Sewer customers for mailing. He reminded the Board that customers must be notified of water or sewer rate increases at least 45 days before a public hearing where the Board considers adoption. Mr. DeGabriele informed the Board that in West Marin, the public hearing is scheduled for Tuesday, June 28th, so the letters need to be postmarked no later than May 14th. He stated that for West Marin water a 5% overall rate increase is proposed, solely on the commodity rate which is proposed to increase 7% effective July 1<sup>st</sup> and at Oceana Marin a 10% rate increase is proposed effective July 1st.

On motion of Director Fraites, seconded by Director Rodoni, the Board approved mailing the rate increase letters to West Marin Service Area customers by the following vote:

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

NOES: None

## **INFORMATION ITEMS**

### **INITIAL REVIEW – FY 2016/17 PROPOSED NOVATO OPERATIONS BUDGET**

Mr. DeGabriele provided the Board with the initial review for the proposed FY16/17 Novato Operations Budget. He advised the Board that the proposed budget is based on 2.2BG of water to be sold, which is the lowest consumption level since 1979. He stated that on the operating side, the budget is projecting a net income of \$1.1M and that operating expenditures are decreasing by 3% due to purchasing less water from Sonoma County Water Agency. Mr. DeGabriele informed the Board that staff is proposing the current staffing levels continue with the two added Treatment Plant Operators, maintaining 53.7 full time equivalent staff. He noted that there is a recommended spot adjustment for the Auditor Controller and that there may be another spot adjustment in the next version of the budget for the Board to consider. Mr. DeGabriele stated that there is an anticipated 2.7% cost of living and the PERS retirement contribution is expected to decrease.

Mr. DeGabriele advised the Board that there will be an additional review at the May 17<sup>th</sup> meeting and then will be considered at the June 21<sup>st</sup> public hearing meeting.

### **INITIAL REVIEW - FY 2016/17 NOVATO RECYCLED WATER SYSTEM BUDGET**

Mr. DeGabriele provided the Board with the initial review of the FY2016/17 Novato Recycled Water System Budget. He stated that the water demand for next year is projected at 104MG and the operating expenses projected to decrease by 2%. He reminded the Board of the recycled water expansion project in the Central Novato Service area with \$7.5M to be expended next fiscal year and noted that the total cost of the project would be \$11M. He stated that grant funding along with state revolving fund loans will be used to pay for the project and that there is an expected \$815K transfer of connection fee revenue to in the recycled water system budget.

Director Fraites inquired about the Hamilton Sports Complex and asked if recycled water would be available for the turf. Mr. DeGabriele replied that the District would be able to supply recycled water especially in the Hamilton area and the developers would have to pay connection fees and to extend the necessary pipeline.

Mr. DeGabriele advised the Board that there will be an additional review at the May 17<sup>th</sup> meeting and then will be considered at the June 21<sup>st</sup> public hearing meeting.

### **QUARTERLY PROGRESS REPORT - ENGINEERING**

Mr. McIntyre provided the Board with the Quarterly Progress Report for Engineering. He stated that the budgeted expenditures for Novato Water are just short of \$5M vs the approved budget of \$9M. He noted that the \$4M difference is due to the projected savings on the AEEP project and the deferral. Mr. McIntyre informed the Board that only two projects went over the

approved budget, tank access hatch project and level alarms was over approximately \$10K and the West Marin upsized pipeline at Bear Valley went over \$110K. Mr. McIntyre advised the Board that staff continues to work on the Recycled Water Central Service Area project and that the application for SRF loan should get approved within the next six weeks. He reminded the Board that staff received approval to go out for bid for the East side of the project and will come back to the Board at a future date to get the approval to go out for bid for the West side projects.

#### **QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

Mr. McIntyre provided the Quarterly Progress Report for Water Conservation. He stated that the Cash for Grass program continues to grow with record participation levels and it is expected that the end result will exceed any other year on record. He stated that the other water conservation programs remain fairly consistent, except for a decline in washer rebates.

Mr. McIntyre advised the Board that Ryan Grisso is working on the spring “*Waterline*” newsletter for both Novato and West Marin areas and that budgeted expenditures are higher than the previous two years.

#### **NBWRA MEETING UPDATE – APRIL 25, 2016**

Mr. McIntyre provided the Board with the North Bay Water Reuse Authority Meeting update from April 25<sup>th</sup>. He stated that there were no changes in the budget and the NBWRA Board approved the next fiscal year budget. He informed the Board that there is continued discussion about the Hertzberg bill to reduce ocean outfall wastewater discharge by 2026. Mr. McIntyre advised the Board that Chair Rabbit discussed the long term viability and the best way of trying to determine NBWRA's future.

#### **WAC/TAC MEETING – MAY 2, 2016**

Mr. DeGabriele provided the Board with a summary of the WAC/TAC meeting held on May 2<sup>nd</sup>. He informed the Board that Lauren Casey from the Regional Climate Protection Authority, made a presentation on Climate Action 2020 and Beyond (CAP), a regional program for Sonoma County Communities. He stated that The CAP builds on previous commitments to reduce Green House Gas (GHG) Emissions for all Sonoma County Communities. He stated that 3% of the CAP GHG reduction goal is in the Water Conveyance and Wastewater Treatment Sector. Mr. DeGabriele stated that the goals include increasing participation in existing efforts (SBX7-7, Water Conservation for existing buildings, greywater use and green energy) plus new water conservation in new construction.

Mike Thompson, Assistant General Manager made an oral presentation on the new Power and Water Resource Pooling Authority (PWRPA) contract. He stated that PWRPA is a joint powers

authority of small irrigation districts in the Central Valley along with Santa Clara Valley Water District and Sonoma County Water Agency. Mike advised that significant reduction in electrical cost have occurred in the last 3 years due to: 1) lower cost natural gas prices; 2) widespread use of renewable energy sources and 3) portfolio management, (a shift to cheaper, larger hydro-electric power). The new PWRPA contract results in an energy savings to the Water Transmission System of approximately \$700k.

**NBWA MEETING – MAY 6, 2016**

Director Baker will be attending the North Bay Watershed Association meeting on Friday, May 6, 2016.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, FY16 – 3rd Quarter Labor Cost Report, ACWA Clair Hill Water Agency Award for Excellence, Residential Recycled Water Plan for 2016, and County Appoints Acting Parks Director.

The Board received the following news articles: Novato Woman Gives Back Through ‘A Taste of Sri Lanka’ Fundraiser, East Bay water district will stop fining water guzzlers, Schools buying water filters even though fountains are fine, Marin Oks coastal program amid disagreement with state staff, West Marin community celebrates new wastewater system in Marshall, Marshall celebrates community septic system, Mosquito agreement coming soon, and Klamath Basin Agreement Opens Way to Restore River.

The Board received the following miscellaneous item at the meeting: WAC Meeting Update – May 2, 2016 and the following news article at the meeting: Marin water supply report sees no urgent need for desalination plant.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 8:01 p.m.

Submitted by



Katie Young  
District Secretary