

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 27, 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 Dance Palace, 503 B Street, Point Reyes Station and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler. Director John Schoonover was absent.

Supervisor Dennis Rodoni, Ken Eichstietch, Inverness Public Utility District General Manager and his wife Amanda, West Marin Resident, Rhonda Kutter, and District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

GENERAL MANAGER'S REPORT

WaterLine Newsletter

Mr. McIntyre advised the Board that the District's West Marin *WaterLine* newsletter was mailed to all customers a couple of weeks ago. He stated that although this year's rainfall was well above normal the *WaterLine* message is to continue practicing common sense water waste prohibitions and encourage participation in District water conservation programs.

Potter Valley Project Workshop

Mr. McIntyre informed the Board that he will be attending another Potter Valley Project workshop in Ukiah tomorrow as well as a Marin County Flood Control Zone 1 meeting on Thursday night.

Upcoming Meetings

Mr. McIntyre advised the Board that he will also be attending the semi-annual Oceana Marin HOA on Saturday, July 8th in Tomales and the Water Supply Coordination Council meeting on July 17th.

Next NMWD Board Meeting

Mr. McIntyre reminded the Board that the next NMWD Board meeting will be July 18th in Novato at the District Headquarters.

OPEN TIME

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

Mr. Bentley reminded the Board of the billing issue the District has had with SCWA and advised that the Agency has tested the Kastania meters and came to the conclusion that they overbilled the District by 14.5% and owes the District approximately \$650K for over billing.

Director Baker asked how far back the billing issue goes back. Mr. Bentley responded to June of last year.

Mr. Bentley advised that he will be attending the Point Reyes HOA meeting on July 10th for the District owned property on Giacomini Rd.

Mrs. Young asked the Board to turn in any invoices for meeting attendance by July 7th to be included in this Fiscal Year accounting.

PUBLIC HEARING - WEST MARIN WATER RATE INCREASE AND WEST MARIN WATER FY 2017/18 BUDGET

Mr. Bentley advised the Board that a 5% increase is recommended in both the commodity rate and the bimonthly service charge, which would increase to \$31.50 bimonthly for the typical customer with a 5/8" meter and the proposed West Marin Water increase would total \$32 annually (\$2.67 per month) for the typical residential customer. He stated that annual 5% increases are included in the 5-year financial plan for FY18 and beyond to help pay for \$5.85M in Capital Improvement Projects scheduled to be constructed over the next five years. Mr. Bentley informed the Board that even with the proposed rate increase West Marin water customers will maintain the least cost of service as compared to other Marin County coastal area water agencies.

Mr. Bentley provided the final review of the West Marin FY2017/18 \$1.289M budget. He stated that significant Capital Improvement Projects budgeted for the coming year, include \$550K to complete the bulk of the work on the \$625K replacement of PRE Tank#4A which burned in the Vision Fire, and \$75,000 to replace the green-sand filter media in the second of two treatment plant filters (\$75,000 was expended in FY17 to replace the media in the first filter). He advised the Board that the West Marin Water 5-Year Financial Plan includes a \$1.3 million Treatment Plant Solids Handling Facility to be constructed over a two-year period commencing in FY19, rehabilitation of

Coast Guard Well #2 is also scheduled for FY19 at a cost of \$275K and rehabilitation of the Water Treatment Plant, budgeted at \$2.8 million, is scheduled for FY22.

President Petterle opened the public hearing at 7:11 p.m., hearing no public comment, he immediately closed the public hearing at 7:11 p.m.

On motion of Director Baker, seconded by Director Fraites the Board approved Resolution 17-16 entitled: "Resolution of the Board of Directors of North Marin Water District amending Regulation 54 – Water Rates" pertaining to Water Rates and Charges to reflect an increase averaging 5% for the typical residential customer in the West Marin Water Service Area effective July 1 of 2017 by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

On motion of Director Baker, seconded by Director Fraites, the Board adopted FY17/18 West Marin Water System Budget as presented by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

On motion of Director Baker, seconded by Director Fraites, the Board authorized the General Manager to pay demands arising from execution of the budgeted FY18 West Marin Water expenditure plan by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

PUBLIC HEARING – OCEANA MARIN SEWER SERVICE CHARGE INCREASE, OCEANA MARIN SEWER CONNECTION FEE INCREASE, AND OCEANA MARIN SEWER FY17 BUDGET

Mr. Bentley provided a final review of the Oceana Marin Sewer FY18 Budget and the Oceana Marin Sewer Service Charge increase. He stated that a 10% (\$8 per month) increase was proposed for the sewer service charge which will be collected on the property tax roll. He advised the Board that the budgeted expenditures for next year total \$409K. He stated that some of the significant projects include \$40K for continued infiltration repair work to prevent rainwater from

infiltrating into the collection system, \$80K to design and install an 8th trench in the disposal field, and \$50K to commence the \$400K project to dredge and reline the treatment and storage ponds. Mr. Bentley stated that the Operating Expenditures, before depreciation and the proposed \$25K Vulnerability Study, are budgeted to increase 1% from the FY17 adopted budget, and to decrease 6% from the FY17 estimated actual expense. Mr. Bentley noted that the proposed Vulnerability Study can help the District be eligible for grant funding.

Mr. Bentley reviewed the increase to the Oceana Marin Sewer Connection Fee that will be in effect July 1, 2017 completing the 2-phase approached approved last year. He stated that the connection fee is \$30,000 per dwelling unit.

President Petterle opened the public hearing at 7:24 p.m.

Hearing no further comment President Petterle closed the public hearing at 7:24 p.m.

On the motion of Director Baker, seconded by Director Joly, the Board approved Ordinance No. 35 entitled: "Ordinance Of The Board Of Directors Of North Marin Water District Electing To Have Oceana Marin Sewer Charges Be Collected On The Tax Roll Of The County Of Marin, State Of California Commencing Fiscal Year 2017-18" by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

On motion of Director Fraites, seconded by Director Baker, the Board approved Resolution No. 17-17 entitled: "Revision Of North Marin Water District Regulation 109 Oceana Marin Sewer Service - Rates And Charges" amending Regulation 109, effective July 1, 2017, to: Increase the Oceana Marin Sewer Service Rate to \$1,032 per dwelling unit per year by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

On motion of Director Fraites, seconded by Director Baker, the Board adopted the FY18 Oceana Marin Sewer System Budget as proposed by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

On motion of Director Fraites, seconded by Director Baker, the Board authorized the General Manger to pay demands arising from execution of the budgeted FY18 Oceana Marin expenditure plan by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

ACTION CALENDAR – NOVATO

ASSISTANT AUDITOR-CONTROLLER JOB DESCRIPTION AND AUTHORIZE RECRUITMENT

Mr. Bentley advised the Board that in November the HR/Accounting Supervisor will be retiring and in Spring-Summer of 2018 he is expecting to retire. He provided the Board with a job description and solicitation for the Assistant Auditor-Controller position. He advised the Board that the position will commence with becoming proficient in the Accounting/HR Supervisor's responsibilities, then, if successful, begin transitioning to assume the Auditor-Controller's responsibilities. He informed the Board that along with the normal solicitation the District will attempt to use Nelson & Associates who will charge a 25% fee of the first year of salary if the District selects a candidate they have provided. Mr. Bentley advised that the closing date is July 31st and interviews will be in early August.

Director Joly asked what the fee would be from Nelson & Associates. Mr. Bentley responded \$30,000.

On motion of Director Baker, seconded by Director Joly, the Board approved the Assistant Auditor-Controller job description and authorized recruitment by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

President Petterle asked for clarification of the Human Resources Certificate Mrs. Young received and what relationship she has with this position. Mr. McIntyre responded that there is no change and stated that staff wants to work on the transition of the Auditor-Controller first and then revisit the Human Resources position next year.

RESPONSE LETTER TO CITY OF NOVATO 2017 URBAN GROWTH BOUNDARY DRAFT ORDINANCE FOR BALLOT

Mr. McIntyre reminded the Board about the City of Novato's new ordinance that will be on the ballot in November regarding the Urban Growth Boundary. He provided the Board with a draft

response letter which takes the position that the District does not have land-use powers and therefore cannot adopt any new policies or ordinances nor enter into any MOU with the City related to the 2017 UGB ordinance.

Director Joly asked if the Urban Growth Boundary had any real impact on the District and Mr. McIntyre responded no, as the boundary limits are not changing.

On motion of Director Fraites, seconded by Director Joly, the Board authorized sending a response letter to the City of Novato regarding the 2017 Urban Growth Boundary Draft Ordinance by the following vote:

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

INFORMATION – WEST MARIN

WEST MARIN CAPITAL IMPROVEMENTS PROJECTS – FY16-17 PRELIMINARY YEAR- END PROGRESS REPORT

Mr. Vogler reviewed the West Marin Capital Improvement Projects for this past fiscal year providing a recap of year-end progress. He stated that a total of nine CIP's were originally budgeted in FY16/17 for the West Marin water and Oceana Marin sewer service areas. He informed the Board that during the year, two projects were added and three were deferred and out of the resulting eight, six projects have been completed. He noted that overall earned value progress in completing West Marin CIPs was 78%. Mr. Vogler advised the Board that based on a review of total project expenditures for all West Marin CIPs, the combined West Marin Water projects are estimated to be below the initial budget by approximately \$456K due primarily to the PRE Tank #4A project which is now planned for construction in FY18. He stated that the combined Oceana Marin project expenses of \$166K result in a remaining Oceana Marin CIP balance of \$44K.

CONSENT CALENDAR

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

AYES: Directors Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

MILLER PACIFIC ENGINEERING GROUP CONSULTING SERVICES AGREEMENT FOR EROSION CONTROL PURSUANT TO COOPERATIVE AGREEMENT FOR WATER QUALITY PROTECTION ON MARINDALE RANCH

The Board approved a Consulting Services Agreement with Miller Pacific Engineering Group for Erosion Control Pursuant to Cooperative Agreement for Water Quality Protection on Marindale Ranch.

GRANULAR ACTIVATED CARBON REPLACEMENT PURCHASE

The Board approved purchase of replacement GAC from the Calgon Carbon Corporation for \$167,000.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements.

The Board received the following news article: Marin IJ Editorial: Report provides pension facts public should know, Marin home prices hit record \$1.25M for May and California: beyond the drought.

ADJOURNMENT

President Petterle adjourned the meeting at 7:37 p.m.

Submitted by



Katie Young
District Secretary