

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 6, 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 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 Dinah Sims, District employees Robert Clark, (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) 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: Directors Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSTAIN: Director Rodoni

GENERAL MANAGER'S REPORT

SCWA Meeting

Mr. DeGabriele informed the Board that he attended a productive meeting with Sonoma County Water Agency's senior staff, District's Legal Counsel Bob Maddow, and Mr. McIntyre on September 24th to discuss how the District can assist SCWA interests with the Potter Valley Project relicensing. He stated that Bob Maddow will have follow-up conversations with Sonoma County Water Agency's legal counsel and other legal colleagues regarding Federal Emergency Regulatory Commission relicensing prior to any other action at this time.

Marin LAFCO

Mr. DeGabriele advised the Board that Mr. McIntyre and he met with Marin LAFCO's Executive Director regarding expanding the District's sphere of influence to include areas where outside service agreements are in place. He advised that the sphere of influence expansion does not mean service territory expansion is contemplated or desired but that it's an information pathway

for potential water service applicants and provides clear direction that Marin LAFCO would be in the lead for any potential annexation or outside service approval.

Novato Fire Protection District's Grand Opening

Mr. DeGabriele attended the Novato Fire Protection District's Station 64 Grand Opening on September 26th and apologized to the Board for not forwarding the invitation.

Gallagher Ranch

Mr. DeGabriele advised the Board that yesterday he and Mr. McIntyre met with MALT staff, the Gallagher's and funders of the potential MALT easement from the County of Marin and Coastal Conservancy at the Gallagher Ranch explaining the District's desire for additional opportunity to acquire property or right for another well upstream of Point Reyes Station on the ranch. He noted that the meeting put MALT and the funding entities at ease about what the District does now and the District's future plans. He informed the Board that the District's consultant is sinking test holes to identify suitable locations for another well today.

Central Service Area Recycled Water Project

Mr. DeGabriele informed the Board that he and Mr. McIntyre met with Marin County Club today to advise them on the developments of the Central Service Area Recycled Water project. He noted that Marin County Club has had some turnover on their Board so it was an opportunity to meet the new leadership and stated that it was a good information exchange.

Amante Family

Mr. DeGabriele advised the Board that in the Miscellaneous section of the Agenda a solicitation to staff to financially help the Amante family who lost their home in the Valley fire was included. He stated that he wanted to make certain the Board was okay with him making this pitch to District employees.

Vernon Stafford Retirement

Mr. DeGabriele informed the Board that Vernon Stafford has announced his retirement after 29 years of service as Water Treatment Plant Operator at the District. He noted that District staff would like to hold a holiday party in December, to not only celebrate District employees good work, but Vernon's retirement and he asked for the Board's consent.

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 item was discussed:

Mr. McIntyre reported he is meeting with the State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) staff tomorrow along with Jim O'Toole from Environmental Science Associates regarding the Recycled Water Central Service Area environmental review and SRF loan application. He advised that there have been staffing changes in this group at the SWRCB and this meeting is an opportunity to refresh SWRCB staff with the District, our past performance on SRF loan administration and the current project.

CONSENT CALENDAR

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

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

NOES: None

CARWASH – 7474 REDWOOD BLVD.

The Board authorized an agreement for 7474 Redwood Blvd which consists of construction of a new 1,374 square foot car wash. The Novato Fire Marshall has required that the convenience store and gas station be fire sprinkled with a dedicated 4-inch fire service. A new 1.5 inch recycled water service will be installed to serve irrigation and the car wash.

The Board approved authorization of the agreement and Resolution 15-21 entitled: "Authorization of Execution of Water Service Facilities Construction Agreement with Ali and Fatemeh Salkhi."

NOVATO VILLAGE SENIOR APARTMENTS – 801 STATE ACCESS ROAD

The Board authorized an agreement for Novato Village Senior Apartments at 801 State Access Road which involves building a two-story 58 unit apartment complex for seniors. New water facilities required include 100 feet of 6-inch PVC main, one new commercial fire hydrant, one 6-inch fire service, one 1-inch domestic meter and a 2-inch lateral and one 1-inch recycled water irrigation meter.

The Board approved authorization of the agreement and Resolution 15-22 entitled: "Authorization of Execution of Water Service Facilities Construction Agreement with Novato Village L.P."

TEXT FOR FALL 2015 NOVATO "WATER LINE," VOLUME 16, ISSUE 35

The Board authorized the General Manager to approve the final text and design of the Fall 2015 Novato "Water Line", Volume 16, Issue 35.

CONTRACT AWARD FOR NMWD TRENCH RESTORATION PAVING

The Board authorized award of the paving contract to W.K. McLellan Company for trench restoration paving in the amount of \$300,000. McLellan has been the District's contractor for trench restoration work since 1997.

AUDITOR-CONTROLLER STATEMENT OF INVESTMENT POLICY

The Board approved the Auditor-Controller Statement of Investment Policy. Two changes were incorporated from that approved by the Board last year. The first clarifying that pooled investments with other public agencies such as the County of Marin or Sonoma are acceptable and the second change removes the District's authority to enter into option contracts.

ACTION CALENDAR

SALARY SCHEDULE REVISION

Mr. Bentley advised the Board that the salary schedule change must now be reviewed and approved by the Board in open session as required by law and not on the consent calendar. He stated that the Consumer Index Price was 2.59% and in accordance with the Memorandum of Understanding with the District's Employee Association, employees will receive a 1.6% salary increase as an offset to the additional 1.6% employees will contribute towards the cost of CalPERS retirement benefits. He advised the Board that accordingly, the total salary increase calculates to 3.93%.

On motion of Director Schoonover, seconded by Director Fraithe, the Board approved the updated District Salary Schedule to be effective October 1, 2015 by the following vote:

AYES: Directors Baker, Fraithe, Pettele, Rodoni and Schoonover

NOES: None

UPDATED RETIREE MEDICAL ACTUARIAL VALUATION

Mr. Bentley reviewed the Other Post-Employment Benefits actuarial update which is required by GASB 45 every three years. He advised that the Actuarial Standards Board now requires the value of the "implicit subsidy" to be included in the valuation and that accounts for 80% of the increase from the analysis completed in 2012. He further reported that the District reserves for retiree post-employment health benefits now fully covers the accrued liability. He noted that to date the Board has agreed with staff and has not set designated funds in an irrevocable trust held by

another party which is what the GASB 45 guidance recommends. Mr. Bentley stated that staff continues to recommend not to place the money in an irrevocable trust at this time.

On motion of Director Schoonover, seconded by Director Petterle, the Board accepted the Update Retiree Medical Liability GASB 45 Report by the following vote:

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

NOES: None

REVIEW OF DISTRICT PROPERTY AS PART OF THE NOVATO GENERAL PLAN UPDATE

Mr. DeGabriele reviewed District surplus property with the Board. He advised the Board that staff is requesting that some of the District's properties be rezoned as a part of the Novato General Plan Update. He noted that rezoning recommended included three properties at the Rosalia Tank site to very low-density residential and two properties at the Spinosa Tank site to residential.

On motion of Director Petterle, seconded by Director Fraites, the Board provided direction to staff to request the City of Novato rezone properties as part of the General Plan Update by the following vote:

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

NOES: None

INFORMATION ITEMS

NBWRA BOD MEETING – SEPTEMBER 21, 2015

Mr. McIntyre provided the Board with a summary of the North Bay Water Reuse Authority (NBWRA) meeting that he and Director Schoonover attended on September 21st. He stated that there were no budget changes through the end of last fiscal year and the cost for the District's participation with the NBWRA has increased slightly for FY15/16. He stated that the consultants presented a summary of the Extended Storage Study prepared for Napa Sanitation District, Sonoma Valley County Sanitation District, City of Petaluma and Novato Sanitary district and noted that some Phase 2 projects will be eligible for title XVI funding while others will need to be funded through other sources that are currently in development. Mr. McIntyre informed the Board that there was discussion about Phase 2 projects and that they are mostly storage based. He noted that there was also discussion about having a Phase 3.

Mr. McIntyre advised that he and Director Schoonover will attend the NBWRA tour stop in Novato on October 8th for state officials.

NBWA MEETING – OCTOBER 2, 2015

President Baker informed the Board that he attended the North Bay Watershed Association Meeting on October 2nd. He stated that there were two speakers during the meeting, Stephanie Bastianon from Friends of the Petaluma River, who gave a presentation on the work her group does providing education tour to kids in grade school and middle school while explaining the wildlife. He advised the Board that the other presentation was made by Matt Erickson from the California Department of Fish & Wildlife who talked about the problems for restoration and sedimentation of the creeks.

TAC MEETING – OCTOBER 5, 2015

Mr. DeGabriele provided the Board with a summary of the Technical Advisory Committee meeting held on October 5th. He advised the Board that Lake Mendocino is 52% of capacity and Lake Sonoma is currently at 72% capacity. He stated that continuance of maintaining instream flows pursuant to the Temporary Urgency Change Order has reduced from normal year flows. He informed the Board that PG&E ask the Federal Emergency Regulatory Commission for another variance and to reduce flows again this winter from November 1st through the middle of March to continue work on penstocks. He noted that it will likely mean the Water Agency will have to file a petition with the State Board to reduce flows out of Lake Mendocino this winter.

Mr. DeGabriele advised the Board that the Sonoma Marin Saving Water Partnership has achieved a 23% reduction in August per capita per day (gpcd) in compliance with the State Board emergency water conservation regulations. He noted that Cal-American Water District has joined the partnership and each water agency went around and discussed continued outreach on conservation.

Mr. DeGabriele stated that there was a brief report on the Urban Water Management Plan and that an Ad Hoc committee met to discuss the plan in detail and provided the Agency with rolled up values of gross demand for each agency, how much water conservation is projected, recycled water and local supply available. He advised the Board that the Urban Water Management Plan has to be completed by June 2016.

Mr. DeGabriele stated that Grant Davis reported on the meetings he attended last week in Washington D.C. stating that the Agency received a positive reception the from the Corps of Engineers and the President's Office of Management and Budget who are following the Agency and see that SCWA is contributing to the water supply and energy conservation and it is seen favorably for funding.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Employee Praise – Rich Roberto, The Amante Family, Tomales Village Community Services and Stinson Beach Fire District position, BAIRWMP Prop 84 Funding Totals, NFPD Station 64 Grand Opening, AND Atherton Tank Rehabilitation Project – Pavement Condition Evaluation.

The Board also received the following news articles: Novato Officials celebrate bigger, greener pipeline, No Petaluma casino until 2025 under deal with the Dry Creek Rancheria Band of Pomo Indians, No Petaluma casino until 2025 in new county agreement with tribe, White House launches American Business Act on Climate Pledge, Study: Tiny plastic litter widespread in SF Bay, From Marin to South Bay, officials in region reap sweetheart housing deals, and Novato Advance: 85 Years Ago.

The Board received the following miscellaneous item at the Board meeting: TAC Meeting Update – October 5, 2015 and the following new article: Former Sonoma County Supervisor Nick Esposti dies at 80.

CLOSED SESSION

President Baker adjourned the Board into closed session at 7:54p.m. in accordance with Government Code Section 54956.8, Conference with Real Property Negotiator (David Bentley) regarding 25 Giacomini, Point Reyes, CA.

OPEN SESSION

Upon returning to regular session at 8:07 p.m., President Baker stated that during the closed session the Board had discussed the issue and the Board authorized staff to advertise the home at 25 Giacomini in Point Reyes Station for rent on the motion of Director Fraites, seconded by Director Petterle and carried by the following vote:

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

NOES: None

ADJOURNMENT

President Baker adjourned the meeting at 8:08 p.m.

Submitted by



Katie Young
District Secretary