

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 4, 2020**

CALL TO ORDER

President Michael Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, and Auditor-Controller Julie Blue. Chief Engineer Rocky Vogler was absent.

In the audience were consultant's Chris DeGabriele, Chris Noll and Scott Salge from Noll and Tam and District employee, Robert Clark (Operations/Maintenance Superintendent).

MINUTES

On motion of Director Baker, seconded by Director Petterle the Board approved the minutes from the January 21, 2020 meeting as presented with a minor change by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Mr. McIntyre announced that neither Mr. Vogler nor Mr. Arendell will be attending tonight's meeting.

Flood Control Zone 1 Advisory Board Meeting

Mr. McIntyre announced the he will be attending a Flood Control Zone 1 Advisory Board Meeting, tomorrow evening, February 5th. Director Baker asked if he was attending as an Advisory Board member and not as a representative of the water district. Mr. McIntyre confirmed.

Sonoma County Water Agency (SCWA) Cotati Aqueduct Metering Station Leak

Mr. McIntyre apprised the Board that SCWA recently discovered a corroded pipe segment within their Cotati aqueduct metering station. He explained they are requesting North Marin Water District and Marin Municipal Water District to limit their aqueduct delivery to no more than 6 MGD for a twenty-four hour test run on February 6th. Mr. McIntyre added the actual repair work is tentatively scheduled for late February or early March and will take several days to complete.

Director Baker asked if test run will affect the other contractors. Mr. McIntyre replied that the initial test run will only affect NMWD and MMWD. Director Baker commented that this could be a big deal, and asked if it is an isolated situation. Mr. McIntyre replied that all reports to date indicate the corroded segment is isolated to the meter station area only.

Novato Service Area Water Rate Study

Mr. McIntyre reminded the Board that on February 11th there will be a Special Meeting for the Novato Service Area Water Rate Study Workshop. He noted an ad ran on Sunday, February 2, in the Marin IJ and a press release was issued on February 3 and an updated social media push will occur February 5th. Mr. McIntyre added that the District is also planning on videoing the workshop so it will be available for remote access on our website. He stated that if we need a second workshop it will be held on February 25th, and if we need a larger venue we will have the meeting at the Novato Oaks Inn conference facility. Director Baker stated in the past we have used the Board Room at Novato Unified School District. Mr. McIntyre replied that we reached out to them, but their policy has changed and they do not rent out their room past 6 p.m. except if it is school business. Director Joly asked when the public will see the rate study. Mr. McIntyre replied that it will be posted on the website Wednesday, February 5th. Director Joly thanked Mr. McIntyre for his coordination efforts.

OPEN TIME

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

Ms. Kehoe reminded the Board and District Officers to complete their Ethics Training by April 1st and to submit any updates to the Emergency Contact List at their earliest convenience. She also reminded the Board to submit their Form 700's by April 1st and to provide any factual updates to their biographies which will be posted on our new website.

QUARTERLY FINANCIAL STATEMENT

Ms. Blue presented the Quarterly Financial Statement ending December 31, 2019. She noted that we are already half way through the fiscal year. Ms. Blue stated that on a seasonally adjusted basis the Operating Revenue came in at 7% under budget and Operating Expense came in 1% under budget. She noted that consumption for the fiscal year-to-date was 2% less than the prior

year at the same time and total operating revenue increased by 3%. Ms. Blue stated that the recycled water operating revenue and expenses are down which has to do with having to purchase potable water for recycled water during the Public Safety Power Shutdown. She added that West Marin and Oceana Marin are trending as expected and are on budget. Ms. Blue also noted that Capital Improvement Project expenditures are lower than what was projected through mid-year.

Director Joly commented that the report was tremendous and stated he noticed that CIP expenditures were only 18%. Mr. McIntyre replied that the primary drivers were slow starts to the Office Renovation, Lynwood Pump Station and Crest Pump Station design phases.

CONSENT CALENDAR

On the motion of Director Fraites, and seconded by Director Petterle the Board approved the following items on the Consent Calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

CONTRACT AMENDMENT FOR CONSULTING SERVICES – RAUCH COMMUNICATIONS CONSULTANTS

The Board authorized the General Manager to amend the Consulting Services agreement with Rauch Communications in the amount of \$15,000. Although the original contract amount has not been completely expended, additional expenditures related to the Water Rate Study and Prop 218 notice make a contract amendment necessary.

CONTRACT AMENDMENT FOR ENGINEERING SERVICES – WHITE & PRESCOTT

The Board authorized the General Manager to amend the Consulting Services agreement with White and Prescott in the amount of \$30,000. Although the original contract amount has not been completely expended, planned expenditures coupled with the AEEP Easement and on-going Easement support make a contract amendment necessary.

ACTION ITEMS

CONTRACT AMENDMENT: THIRD PARTY COATING INSPECTION FOR CHERRY HILL TANK NO. 2 RECOAT AND REHABILITATION PROJECT – DB GAYA CONSULTING LLC

Mr. McIntyre explained that to ensure quality application of the tanks' protective coating system, extending the inspection services provided by DB Gaya are recommended. He stated that

the coating inspection level of effort estimated by DB Gaya in their original proposal was 200 hours and as of January 26th, 178 hours have been expended. Mr. McIntyre added that the combination of the original contract amount with DB Gaya (\$22,152) and the proposed amendment (\$10,000) is still less than the original inspection proposal by Brelje & Race (\$36,000).

On the motion of Director Petterle, and seconded by Director Baker the Board approved the General Manager to execute the amended contract for Third Party Coating Inspection for Cherry Hill Tank No. 2 Recoat and Rehabilitation Project with DB Gaya Consulting LLC by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GALLAGHER RANCH STREAMBANK STABILIZATION PROJECT – APPROVE BID ADVERTISEMENT

Mr. McIntyre explained the Natural Resources Conservation Services' (NRCS) Emergency Watershed Protection (EWP) program has a restrictive timeline and we must move quickly through the design/permitting, bid and construction phases. He reminded the Board that details regarding permitting were provided during the January 21, 2020 meeting and that NRCS will provide 75% grant funding for construction plus a 7.5% allowance for design phases services for the project. He added that the engineer's construction cost estimate has increased \$58,000 now that final design is complete. He also announced to the Board that Marin Municipal Water District has agreed to contribute \$25,000 towards the project which will help offset costs. He added at the end of the day it will be the bids that will set the price of the project.

Director Grossi asked how confident staff felt with the engineer's estimate. Mr. McIntyre replied that we are using a design firm that specializes in this type of work and it is his understanding that the firm increased their estimate recognizing the heated construction market. He noted that this is a good time to go out to bid and he hopes there will be competitive bids. Director Grossi commented that WRA is a very experienced firm.

On the motion of Director Baker, and seconded by Director Fraites the Board approved bid advertisement for the Gallagher Ranch Streambank Stabilization Project by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PROPOSED FY 20/21 BUDGET REVIEW SCHEDULE

Ms. Blue presented the proposed FY 20/21 Budget Review Schedule. She stated that the schedule is very similar to last year, with the review of the Capital Project and Equipment Budget Schedules in early May; and review of the Operations, Maintenance and Capital Budgets in late May. Ms. Blue stated on June 2nd we will continue to review the budgets and on June 16th we will go to Board for approval of the Novato and Recycled Water Budgets; on June 23rd the West Marin Water Budget and the Oceana Marin Sewer Budget.

Director Grossi asked how this will fit in with the new Water Rate Study we are working on. Ms. Blue replied that it fits in well.

On the motion of Director Petterle, and seconded by Director Baker the Board approved the proposed FY 20/21 Budget Review Schedule by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PROPOSED FY 20/21 RATE HEARING SCHEDULE

Ms. Blue presented the proposed FY 20/21 Rate Hearing Schedule noting that it is similar to what we have seen in the past except for one major change. She stated that we will be moving the Novato rate increase from June 1st to July 1st so it will be in line with the budget and also the Oceana Marin and West Marin rate increase dates. Ms. Blue stated it will make much more sense this way and this was one of the changes discussed in the Water Rate Study. .

Director Joly asked for confirmation that when we will hold a special meeting on February 11th for the Water Rate Study Workshop, another special meeting on February 25th; and then accept the Water Rate Study on March 3rd will the final decision on rates occur on June 16th Ms. Blue confirmed.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved the FY 20/21 Rate Hearing Schedule by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

HEADQUARTERS UPGRADE MASTER PLAN – ADMINISTRATIVE DRAFT

Mr. McIntyre introduced our consultant Chris DeGabriele who has worked on the upgrade plan from conception in early 2016 when he was the District's General Manager. Mr. McIntyre also introduced Chris Noll and Scott Salge from Noll and Tam who have been under contract since 2016 to develop a Headquarters Upgrade Master Plan. Mr. McIntyre noted that Noll & Tam worked during 2016-2017 to gather information, interview District staff and evaluate various project site constraints and zoning restrictions. He stated that Noll and Tam initially prepared five conceptual plans that were later narrowed down to two options. Mr. McIntyre added that at the May 2, 2017 meeting, the Board selected Option A, Renovation & Addition as the preferred alternative. He noted that beginning in 2019 Noll & Tam prepared the Master Plan report and updated the cost estimate to address budget constraints. Mr. McIntyre added that the consultants and staff worked on a reduction in space for the new laboratory building (Addition) and an updated renovation plan for the Administration building from what was originally contemplated.

Mr. McIntyre also noted that they are also proposing to phase the project to meet cash flow constraints. Mr. McIntyre asked the Board to receive the presentation from Noll and Tam and provide initial comments. Mr. McIntyre added the approval of the Final District Headquarters Upgrade Master Plan is scheduled for the February 18th meeting and all comments and/or questions are due by February 12th.

Mr. Salge presented the Administrative Draft for the Headquarters Upgrade Master Plan to the Board. The Directors has several questions about the temporary office space, phasing plan, flooding issues and the size of the new laboratory. Director Joly asked if the \$18.4 M estimated total project cost included flood mitigation and roof costs. Mr. DeGabriele responded that the roof replacement is part of a separate budget. He added that the flood mitigation is not to address sea level rise but drainage, and at this time we are still waiting for the City of Novato's Flood Report. Mr. DeGabriele noted that the year 2027 was selected because that year \$4.3M of indebtedness will come off the books, and added we could even wait until 2030 when more debt comes off. Director Joly replied that this explanation was very helpful as he wondered why it was phased like that and was glad to know we are being mindful of the debt. Mr. Salge added that the Administration Office is

three feet higher than the Corporation Yard building.

Director Petterle stated that the landscape should be a showplace. Mr. Salge replied that the landscape will be educational and informative showcasing drought resistant plants. He added that the site analysis will need dust and sound mitigation from the 101 corridor and the SMART train. Director Fraites commented that the graphics on the diagrams need to be sharper because they are difficult to read. Director Joly stated that it looks like we are changing the orientation of the building entrance. Mr. Salge confirmed that the entrance will be on the west side. Director Joly stated he is worried about where the cars will be parked and pedestrian safety, and he would like to see what the schematic looks like when design is underway.

Director Joly inquired about the triangular part of the lot and its use. Mr. Clark replied that it is used for construction spoils and materials, spare pipe and landscape. Mr. Salge added that they need to consider a fifty foot set back from Rush Creek to any building on the site, and the existing building is very close to the line, but we are grandfathered in.

Director Fraites asked if we will have vehicle charging stations, noting that would be great and if so what phase would that occur. Mr. Salge replied that per code we will need to provide charging stations and that it won't happen until we have the renovation of the building and infrastructure in place. Director Fraites asked if the District will have electric vehicles in the future. Mr. Clark replied, yes, in fact we have one charging station set up now for one of our employees.

Mr. Salge stated that in phase one the plan is to build the lab, a natural gas generator for emergency power so then we can transition the old lab to the new lab and make sure it is certified without interruption. Director Joly asked how much of the \$14.7M in phase one and phase two is the cost of the lab. Mr. Salge replied that it is broken down in the summary, and that \$6.5M was for the lab but also includes standby power additions, new site work, utilities, mobilization, and other costs. Director Joly inquired if those costs are in order to have the lab, should we consider outsourcing laboratory testing. Mr. Clark replied that we have looked at that a couple of times in the past, but we would be unable to get the results back within twenty-four hours or less. He added if we outsource laboratory service our water quality testing will take longer, and we pride ourselves in providing good customer service and good quality water. Mr. McIntyre noted that some of the testing we do is for real time monitoring of Stafford Lake raw water conditions that are imperative for providing operators the information they need to ensure optimum Stafford Treatment plant performance. Mr. Joly thanked staff for explaining and replied that he now understands that in order for us to do our mission and provide a safe product to our customers it is essential that we have an in house lab. Director Baker stated that Novato Sanitary District upgraded their laboratory not too

long ago and asked if staff had any conversations with them on what they might have done differently. Mr. DeGabriele replied that when staff started this project in 2016 they took a tour of several agencies that had recently reconstructed their labs. He reminded the Board that NMWD provides some testing services for Novato Sanitary District, and that timing is an important aspect when it comes to customer service, if we diminish this it will have an impact on our reputation.

Director Joly asked if there will be enough parking to meet our needs since we have over fifty employees. Mr. Salge responded that it will meet our standards and there will be more parking than what is currently provided, however the number of public parking spaces will be the same. Director Grossi asked if we could take out the island and restripe it in order to provide more parking. Mr. McIntyre noted that that part of the street belongs to the City of Novato. Director Joly asked if the project will be reviewed by the City officials for permitting and also the Novato Police Department. Mr. McIntyre noted that this project will be processed under full city permit review and the City is aware of our project. Director Joly stated he mentioned Novato Police because workplace security is a growing risk issue and it is important for the staff that the building is secure. Director Joly asked about seismic safety. Mr. Salge replied that the building is a wood structure with steel support which is good for the retrofit. Director Baker stated that he was concerned about the parking for the customers that pay their bills, and when people are backing out of the parking lot, and would also like to see the City reconfigure the island area. Director Petterle commented that we want to be sure that we have good clear signage. Mr. Salge added, good striping and light as well.

Director Fraites asked about ADA compliance issues. Mr. Salge confirmed that modifications will bring the building up to full ADA compliance.

Director Grossi asked if any thought was being given to a lease back approach, adding that this project may be too small for this option. Mr. Salge stated that the lab work is very specific and they need someone who understands the work and that some renovation work is complicated. Director Joly asked if they will be at the February 18th meeting when it will be on the agenda to accept the Master Plan. Mr. McIntyre replied that no additional presentation is planned and the meeting on the 18th will be to approve the Master Plan as presented subject to any additional Board comments by February 12th. Director Petterle noted that it is especially helpful to have this Master Plan completed in sync with the ongoing rate study work. Mr. McIntyre agreed, noting that the headquarters renovation work is front and center in the rate study. Director Joly added that we need to keep it transparent. Ms. Blue commented that the financing will take some time and staff will need to explore the various options. Director Joly thanked Mr. Salge and Mr. Noll for their in depth presentation.

FISCAL YEAR 2019-20 MID-YEAR PROGRESS REPORT – OPERATIONS/MAINTENANCE

Mr. Clark presented the Operations/Maintenance Fiscal Year 2019-20 mid-year progress report. He reported on the safety incidents and safety trainings events, in addition to summarizing the Operations and Maintenance Department activities. He stated our safety incidents have been the lowest in a long time, two incidents and one recordable incident. Mr. Clark added that staff has been doing a great job with tailgate safety meetings. Mr. Clark stated that Stafford Treatment Plant had high production levels in the first half of the fiscal year and we are keeping our fingers crossed that we get more rain in March. He added in Point Reyes they have confirmed now that the meter readings are accurately reporting the true amount of water being used since the meters were repaired. Mr. Clark stated in Oceana Marin it has been quiet, not a lot of work out there at this time. He announced that Dan Garrett one of our Treatment Plant Operators now has his Wastewater Grade 2 Operators Certificate and is the Operator-in-Charge, and that Roy Foster is the Operator-in-Training. Director Baker asked if it takes a while to get certified because of our size. Mr. Clark confirmed.

TAC MEETING – JANUARY 6, 2020

Mr. McIntyre presented the minutes of the January 6th TAC Meeting.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated January 23, 2020, Disbursements – Dated January 30, 2020, NBWA Meeting – February 7, 2020, Information - FY20 2nd Quarter Labor Cost Report, Reimbursement Program 2019 and Increase in Directors' Compensation

Director Baker commented that there are some good speakers scheduled for the NBWA meeting and it might be of interest to our directors.

ADJOURNMENT

President Joly adjourned the meeting at 7:58 p.m.

Submitted by



Theresa Kehoe
District Secretary