

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 7, 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 District headquarters and the agenda was accepted as presented. Present were Directors Rick Fraites, Stephen Petterle, and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Auditor-Controller David Bentley, Assistant General Manager Drew McIntyre, and Chief Engineer Rocky Vogler. Director Jack Baker was absent.

J.D. Bronson from The Covello Group, Novato residents Mike Joly and Gary Butler, District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

GENERAL MANAGER'S REPORT

District Headquarters Upgrade

Mr. DeGabriele informed the Board that staff held the kick off meeting with Noll & Tam Architects on January 27th. He stated that staff has additional meetings scheduled this month and hope to have a presentation to the Board by the 1st meeting in May.

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:

Tony Arendell advised the Board that bids were solicited for the Inverness Park Tank retaining wall repair and two bids were received, both of which were less than \$20K. He stated that the contract will be awarded to the low bidder, Evenrich Construction which is the same contractor that previously repaired the retaining wall at PRE Tank 2.

Mr. McIntyre advised that he attended the Oceana Marin Homeowners Association meeting held at Tomales Town Hall on Saturday January 21st and updated the Oceana Marin customers on the status of their sewer system.

He further advised that he would be attending the Flood Control Zone 1 Advisory Board meeting on Thursday, Feb 9th and the NUSD meeting on Tuesday, Feb 14th to update the School Board on the Recycled Water Central Area Expansion project.

Rocky Vogler informed the Board that the Norman Tank Rehab pre-bid meeting is scheduled for Thursday, Feb 9th and bids are due on March 14th.

Mr. Bentley informed the Board that the Sonoma County Water Agency FY2017/18 Draft Budget indicates an wholesale water rate increase of just under 7% for NMWD next year.

CONSENT CALENDAR

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

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

PROPOSED FY17/18 BUDGET REVIEW SCHEDULE

The Board approved the Proposed FY17/18 Budget Review schedule.

PROPOSED FY 17/18 RATE HEARING SCHEDULE

The Board approved the Proposed FY17/18 Rate Hearing schedule.

ACTION CALENDAR

COUNTY OF SONOMA'S EMPLOYEE TRAINING AND DEVELOPMENT PROGRAM

Mrs. Young informed the Board that in 2004 District management and supervisory staff utilized leadership and supervisory training provided by the City of Santa Rosa. She stated that the economic downturn of 2008 ended Santa Rosa's ability to offer this training to outside entities. She advised the Board that she has been researching leadership and supervisory training opportunities for staff since that time with limited success. Mrs. Young informed the Board that the County of Sonoma is now offering an Employee Training and Development Program known as "Planning for Success" and making it available for outside entities. She stated that management staff would like current and future District supervisory candidates to participate as well as provide additional training opportunities for District department heads in the areas of supervision, leadership and management.

Mr. DeGabriele thank Ms. Young for "bird dogging" this to fruition. He stated that staff has been searching for such a training program since the City of Santa Rosa pulled the plug on other agencies during the recession and that this is very much needed and to have an opportunity where all our employees can participate in the same program at such an inexpensive cost is ideal.

On motion of Director Schoonover, seconded by Director Fraites, the Board approved the MOU with County of Sonoma for NMWD employees to attend County of Sonoma's Employee Training and Development Program with a not-to-exceed limit of \$5,000 per year by the following vote:

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

RECYCLED WATER CENTRAL SERVICE AREA EXPANSION- SUBLEASE AGREEMENT WITH CITY OF NOVATO FOR NEW RECYCLED WATER PIPELINE ON NOVATO CREEK BRIDGE (ALONG ROWLAND WAY)

Mr. McIntyre requested that the Board authorize the General Manager to execute a sub-lease agreement with the City of Novato for installation of a new 16" Recycled Water pipeline on the Novato Creek Bridge at Rowland Way. He advised the Board that the bridge was constructed over state lands and the City of Novato currently holds a 49-year lease agreement with the California State Lands Commission that was executed in 1991.

On motion of Director Fraites, seconded by Director Schoonover, the Board authorized the General Manager to execute the Sublease Agreement with the City of Novato by the following vote:

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

**GENERAL ENGINEERING SERVICES AGREEMENT WITH NUTE ENGINEERING –
FEASIBILITY STUDY FOR WEST IGNACIO RECYCLED WATER EXTENSION**

Mr. McIntyre requested that the Board authorized the General Manager to enter into an agreement with Nute Engineering for General Engineering Services with a not-to-exceed limit of \$50K. He advised that the first task order to be funded under this agreement will be preparation of a feasibility study to extend Recycled Water from the terminus of the Central Service area at Ignacio Blvd and Country Club Drive with a pipeline extension to the western end of Ignacio Blvd to serve San Jose Middle School and College of Marin, Indian Valley Campus. College of Marin and Novato Unified School District will share the cost on an equal (50/50) basis.

Director Fraites asked if the recycled water line would be servicing the garden out at Indian Valley College. Mr. McIntyre responded the service to the garden and the baseball fields will be investigated as part of the study.

On motion of Director Schoonover, seconded by Director Fraites, the Board authorized General Manager to enter into an agreement with Nute Engineering for General Engineering Services with a not-to-exceed limit of \$50,000 by the following vote:

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

LETTER REQUEST TO RESCIND GOVERNOR'S DROUGHT STATE OF EMERGENCY

Mr. DeGabriele requested that the Board approve a letter to the Governor requesting to rescind the Drought State of Emergency. He stated that the current Emergency Regulation is scheduled to expire on February 28th and the State Water Resources Control Board proposal would extend the Emergency Regulation through October 2017. He noted that the Governor has the authority to lift the declaration of a drought state of emergency and the District is requesting that the Governor do just that.

Director Fraites asked if the Legislature would go for the rescindment and Mr. DeGabriele stated that the Governor has the last say on the Executive Order and has directed the State Board to look at the order in January and may want to look at the order again in May.

Mr. Joly asked if the Governor would allow exemptions for independent regions. Mr. DeGabriele stated that the Governor is utilizing a “postage stamp” approach and water contractors have unsuccessfully advocated to look at regions separately.

On motion of Director Fraites, seconded by Director Schoonover, the Board approved the Board President to sign a letter to the Governor requesting the declaration of Drought State of Emergency be repealed or rescinded by the following vote:

AYES: Director Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Baker

INFORMATION ITEMS

RECYCLED WATER CENTRAL CONSTRUCTION MANAGEMENT PROGRESS REPORT NO. 1 (COVELLO)

The Board received a presentation from The Covello Group Construction Manager J.D. Bronson on the Central Recycled Water Project. Most of the work to-date has been pipeline installation west of HWY 101 by Ghillotti Construction (approximately 27% complete). Mr. Bronson reported that the pipeline installation project by Mountain Cascade on the east side of HWY 101 is just starting to ramp up. The Norman Tank Rehabilitation is out for bid and the HWY 101 crossing is expected to be advertised for bid in March of this year.

WATER CONSERVATION MID-YEAR UPDATE (JULY – DECEMBER 2016)

Ryan Grisso provided the Board with the mid-year Water Conservation report. He stated that program participation has remained fairly steady when compared to prior fiscal years with the exception of a significant increase in the Water Smart Home Surveys due to drought recovery water use, and a decrease in the cash for grass participation consistent with prior non-drought years.

Mr. Grisso stated that there has been an increase in rebate participation for irrigation controllers and that customers are becoming more technically savvy and installing more wi-fi based controllers. He advised the Board that the *WaterLine* newsletter went out to customers and the District has created an account on NextDoor to better communicate information to the public.

Mr. Grisso informed the Board about the status of the Urban Water Conservation Council stating that it is reorganizing and BMP requirement's and compliance will be longer required.

MID-YEAR PROGRESS REPORT – ENGINEERING DEPARTMENT

Mr. McIntyre provided the Board with a mid-year Progress Report for the Engineering Department. He stated that actual performance through 50% of the year is about 12% on a cost basis. He informed the Board that Engineering Capital Improvement Project hours are tracking right on budget, but developer hours continue to lag behind the forecast.

CALPERS DISCOUNT RATE REDUCTION

Mr. Bentley advised the Board that CalPERS is lowering its discount rate assumption from 7.5% to 7% over three years beginning in FY2019. He stated that this action will increase the District's required pension contribution cost phased over seven years. He noted that by FY2023, the rate reduction will be estimated to cost a typical single family residential customer an additional \$2.00 per month.

Mr. DeGabriele stated that the District is no longer making employee contributions for employees and reminded the Board that in 2014 the District paid off the side fund with intent that it would reduce the District obligation and CalPERS continues to juggle formulas and how they calculate what the District owes.

BAYWORK UPDATE

Mr. DeGabriele provided an update on Baywork, a consortium of Bay Area water and wastewater utilities working together to ensure that local agencies will have a reliable workforce in the future. He acknowledged the good work provided by Dianne Landeros and Robert Clark in helping plan Baywork workshops, participation in workshop presentations and staff attendance at several Baywork events. He noted that currently, Dianne serves on both the executive committee and as treasurer.

WAC/TAC MEETING – FEBRUARY 6, 2017

Mr. DeGabriele provided a summary on the WAC/TAC meeting held Monday, February 6th. He stated that Sonoma County Water Agency reported that both Lake Mendocino and Lake Sonoma are above 100% of water supply pool. He advised the board that the new WAC vice-chair is Marc Milian of the Town of Windsor and that there is a PPFC meeting on March 13th where President Petterle will represent the District.

NBWA MEETING – FEBRUARY 3, 2017

Mr. DeGabriele stated that he and Director Baker attended the North Bay Watershed Association meeting on February 3rd where there was a presentation on the Sustainable Groundwater Management Act.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Increase in Directors' Compensation, Service Charge Analysis, Quarterly Labor Cost Report, Annual Sick Leave Buy-Back, Equipment Inventory Summary, Reimbursement Program 2016, Marin LAFCo Alternate Public Members Call for Applicants, and Potter Valley Relicensing Meeting – Save the Date (March 9, 2017).

The Board received the following news articles: Threatened salmon a concern as PG&E plans to pull plug on Butte Creek hydro project, Marin IJ Editorial: Lift drought restrictions and reconsider rates, Novato's \$15 million water recycling project underway, Dick Spotswood: State law pushes local council and board elections to even-numbered years, Fish Flow EIR Comment Period Extended to March 10th; Errata Available, and U.S. Army Corps of Engineers Agrees to Hold Back Water in Lake Mendocino.

The Board also received the following miscellaneous items at the meeting: "West Marin Villages – Community Forum: Community Life and Tourism."

ADJOURNMENT

President Petterle adjourned the meeting at 8:00 p.m.

Submitted by



Katie Young
District Secretary