

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 17, 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 and Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Ken Sinclair (Vali Cooper & Associates), District employees 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 and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

CSMART Sea Level Rise Meeting

Mr. DeGabriele advised the Board that he attended a CSMART meeting last Friday to review the strategies for the impacts due to sea level rise in West Marin. He noted that the County is making good progress and has created a board game for community members to work with regarding adaptations. He informed the Board that a public meeting will be held in early May and the board game will be available for the public to see.

Fluoridation Advisory Committee

Mr. DeGabriele informed the Board that he attended the Fluoridation Advisory Committee meeting which was established to make recommendations on fluoridation of the SCWA water supply to the Sonoma County Department of Health Services. He advised the Board that estimated capital costs are \$4.5M and \$600K a year for operation and maintenance and system water demand will affect how much wholesale water will be in a communities water supply at any time resulting in variable fluoridation levels. Mr. DeGabriele advised the Board that he was unable to get reference to the Restructured Agreement in the recommendation but noted that the agreement would require amendment to accommodate fluoride treatment. When a draft of the recommendation is available he will distribute to the Board. He advised the Board that Valley of the Moon, City of Cotati and City of Sonoma are formally opposing fluoridation of the water.

Office Relocation

Mr. DeGabriele advised the Board that on Friday he and Mr. Bentley will be meeting with the City of Novato to discuss the next steps of the North Redwood Corridor re-development and the plans for the District to relocate.

Director Fraites asked if the meeting was a public meeting. Mr. DeGabriele responded that it was not public and that it will include staff from the City of Novato, the District and the Golden Gate Bridge District.

Marin Mosquito Abatement Election

Mr. DeGabriele informed the Board that he has received three ballots from the Marin-Sonoma Mosquito and Vector Control District regarding increased assessments.

Storekeeper/Safety Coordinator Position

Mr. DeGabriele advised the Board that District staff selected Shawn Kane to backfill the Storekeeper/Safety Coordinator position upon John Mello's retirement. He stated that Mr. Kane will start transitioning into the position on April 1st. Mr. DeGabriele advised the Board that the District is now recruiting for two positions, Field Service Representative and temporary laborers.

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 items were discussed:

Mr. McIntyre stated that he and Robert Clark held a kick off meeting with Michael Baker International regarding the Emergency Operations Plan for the Stafford Dam. He also informed the Board that he is working with a technical group through the County on the watershed and had various consultants who are studying the Novato Creek and Stafford Dam to study the benefits of raising Stafford Dam in case of a flood.

Mr. McIntyre advised the Board that it has been over a year since the Board took action on the tolling agreement with Disney Construction and there has been no further contact from the contractor.

President Baker reported that he attended several meetings earlier in the month, the North Bay Watershed Association and the North Bay Water Reuse Authority Day in Sacramento.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Board with the Monthly Progress Report for February. He stated that Novato water production met the Governor's goal for the fiscal year and is down 20%. He noted that going back to February of last year, production is down 16.5% and West Marin is down 18%. Mr. DeGabriele advised the Board that Stafford Treatment Plant is producing water, although very limited in February. He reviewed the charts for the Sonoma County water supply and stated that Lake Mendocino holds 66,000AF and Lake Sonoma has 217,500AF. Mr. DeGabriele informed the Board that on Lagunitas Creek, it is a normal year but salinity intrusion continues. He advised the Board that Stafford Lake is in good shape and in Oceana Marin the pond freeboards are looking good. Mr. DeGabriele informed the Board that there has been 274 days since the last lost time accident.

Mr. Bentley provided the Board with the February Monthly Report of Investments and stated that at the end of the month the District had \$12.1M in the bank and that CalTrans' had an outstanding balance of \$2.7M owed to the District. He noted that today the District received a check for \$1M. He advised that on an average it takes CalTrans' 71 days to pay an invoice. Mr. Bentley stated that the average weighed portfolio was earning 0.54% in interest.

CONSENT CALENDAR

On the motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the following items were approved on the consent calendar:

MARIN LAFCO SPECIAL DISTRICT REGULAR MEMBER ELECTION BALLOTS

The Board voted for President Jack Baker to be the Regular Member for the Marin Local Agency Formation Commission (LAFCO) Special District Representative.

MARIN LAFCO SPECIAL DISTRICT ALTERNATE MEMBER ELECTION BALLOTS

The Board voted for President Jack Baker to be the Alternate Member for the Marin Local Agency Formation Commission (LAFCO) Special District Representative.

ACTION CALENDAR

LONG-RANGE MASTER PLAN UPDATE FOR OCEANA MARIN WASTEWATER SYSTEM – AWARD CONTRACT TO NUTE ENGINEERING

Mr. McIntyre reminded the Board of the Request for Proposals that were sent out for the Oceana Marin Wastewater System Long-Range Master Plan Update and stated that they received three proposals back. He advised the Board that he, Mr. DeGabriele and Mr. Clark reviewed the proposals and recommend Nute Engineering to complete the project.

On motion of Director Petterle, seconded by Director Schoonover, the Board authorized the General Manager to execute an agreement between Nute Engineering and the District for consulting engineering services with a not to exceed limit of \$25,000 plus a contingency of \$2,500 by the following vote:

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

NOES: None

NOVATO WATER SYSTEM RATE INCREASE LETTER

Mr. Bentley reminded the Board that California law requires that customers be notified of a water rate increase at least 45 days prior to the public hearing where the Board considers adoption of said increase. He informed the Board that staff would like to schedule the public hearing on Tuesday, May 19, 2015 at 7:00 p.m. Mr. Bentley advised the Board that the letter advises customers visit the District website where they can view the Annual Water Cost Calculator to calculate exactly how much the rate increase will affect their monthly bill. Mr. Bentley stated that the proposed commodity rate increase for Novato customers is 4% and no increase is proposed for the bimonthly service charge component of the water bill. He added that the median single-family residential customer will see a \$1.70 per month increase on their average bill.

Director Schoonover stated that he was pleased with the monthly calculation available online for the increase.

Director Petterle asked that the account numbers be printed on the letter so that the customer has easier access to it when trying to use the monthly calculator on the website.

On motion of Director Schoonover, seconded by Director Fraites, the Board approved the mailing of the rate increase letter to customers by the following vote:

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

NOES: None

INFORMATION ITEMS

AQUEDUCT ENERGY EFFICIENCY PROJECT (REACH A-D) – PROGRESS REPORT NO. 3 (VALI COOPER & ASSOCIATES)

Ken Sinclair, Vali Cooper & Associates provided the Board with Progress Report No. 3 for the Aqueduct Energy Efficiency Project. He stated that the main issue the last couple of months was the delay from the weather which made the project area wet. He advised the Board that some of the vegetation had started to regrow and in order to avoid bird nesting crews removed the overgrown vegetation. Mr. Sinclair provided photos of the project for the Board.

President Baker asked when the project would be complete.

Mr. Sinclair stated that work will start up again at the end of the month and the projected completion date is at the end of August.

Mr. McIntyre advised the Board that in the memo there was an updated cost estimated with all of the change orders, included the bulk of which will be reimbursement by CalTrans'.

REPLACEMENT VEHICLE EXPENDITURES UPDATE

Mr. Clark reminded the Board that staff identified the need to replace two 2005 Honda Civic Hybrid vehicles in the FY 2014/15 Equipment Budget and after receiving Boards comments on that plan and reconsidered the value of keeping the vehicles past the end of their warranty period. He stated that staff reviewed the five year vehicle replacement plan, and identified an alternate to replace the 2006 Chevrolet Colorado and the 2000 Dodge Dakota. He advised the Board that two new vehicles will be purchased through the California State vehicle bid program and will include a Ford Escape and a Ford F-150 pickup. He noted that the cost of the replacement vehicles will not exceed the remaining \$59,000 in the adopted FY14/15 Equipment Budget. Mr. Clark informed the Board that staff will go to auction with the Dakota, Colorado and a forklift once the new vehicles arrive. He advised the Board that on the most recent auction item, a 1993 Case loader the District received \$10,020.

Director Rodoni asked if staff considered the Ford Escape as an electric car. Mr. Clark stated that it was too expensive and the wear and tear that will be put on it would not be suitable for an electric car.

FY15/16 CALPERS EMPLOYER RATE

Mr. Bentley advised the Board that the District's fiscal year 2015-16 employer contribution rate will increase by 3.5% of payroll. He informed the Board that the CalPERS attributes the upward revision to three actuarial changes since last year: 1) change in gain and loss amortization and rate smoothing policies; 2) an increase in the assumed retirement age for terminated vested employees and; 3) closing all "classic" employees invalidating the assumption that future employees would help amortize existing unfunded liability.

Mr. Bentley advised the Board the total District retirement contribution next fiscal year, including the employer-paid employee contribution will be \$934,000. He reminded the Board that the liquidation of the District's \$2.07M side-fund liability that was paid off reduced next fiscal year's retirement expense by \$238,000.

Mr. Bentley informed the Board that the District's unfunded pension liability was \$10.2M at June 30, 2013 and the funded ratio was 71.7%.

SWRCB AMENDED EMERGENCY REGULATIONS FOR URBAN WATER CONSERVATION

Mr. DeGabriele advised the Board that he participated in a conference call on March 5th on the proposed amended emergency regulations for urban water conservation from the State Water Resources Control Board. He informed the Board that he submitted a letter to the State Board commenting on the proposed regulations and advised that the District is having a better water year than one year ago and that the District complied with the State Board's requirements, meeting the Governor's request of a 20% reduction in water use.

Mr. DeGabriele stated that the state water conservation requirements limit water to be served at restaurants and bars only upon request and that hotels/motels offer customers the option to not have their linens cleaned daily. Director Fraites stated that the District had already provided place cards to restaurants and requested hotels to conserve last year.

Mr. DeGabriele stated that additional requirements will limit outdoor irrigation to no more than two days of watering a week, to promptly notify customers when they have a leak on their property, and additional reporting requirements. He noted that the requirements include small urban water suppliers in regards to outdoor irrigation, which will include the West Marin Water System.

Mr. DeGabriele advised that after the State Board meeting today, slight changes were made to their proposed regulations, enabling water suppliers to amend water shortage contingency plans to include the number of days restrictions for outdoor irrigation which does not have to be limited to two days per week. The District will be speaking with water contractors to the north and south to come up with a consistent plan. He noted that District staff will be talking to the larger water users in Novato, including the school district, City of Novato and the golf courses to achieve the outdoor water requirements.

Mr. DeGabriele advised the Board that he would like to implement these restrictions at the 2nd meeting in April and will have to do some public outreach to get the public opinion on the topic. He stated that the State Board is interested in promoting allocation based water rates and is looking to determine limits for gallons per capita per day on indoor and outdoor water use. He stated that the State Board does not have an agricultural representative and there was no mention of agricultural use during the discussions other than the impact of the drought.

Director Fraites asked how the State Board can ignore the agricultural users who are the largest water users. Mr. DeGabriele stated that the State Board is more focused on the water users they can regulate.

President Baker asked if Mr. DeGabriele was optimistic about being able to come to an agreement with the other water contractors on water conservation regulations.

Mr. DeGabriele stated that it is very difficult to get all water contractors aligned on the same measure but easier to get the message of conservation aligned.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Rate Increase Notice, RWQCB Notice of Proposed Settlement Agreement, Ltr. from City of Sonoma re: Fluoridation of Drinking Water, Ltr. re: City of Novato General Plan Update, Carbon Free Water achievement, Donation Thank You letter, and Salinity Notice (3/3).

The Board received the following news article: Russian River Salmon and Steelhead Monitoring Program Awarded \$1.8M Grant to continue work.

ADJOURNMENT

President Baker adjourned the meeting at 8:17 p.m.

Submitted by

A handwritten signature in black ink, appearing to read 'Katie Young', with a stylized flourish at the end.

Katie Young
District Secretary