

**NORTH MARIN WATER DISTRICT
MINUTES OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS
April 23, 2019**

CALL TO ORDER

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, Acting District Secretary Sue Kessler, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Tony Arendell (Construction/Maintenance Superintendent), and Robert Clark (Operations/Maintenance Superintendent) were also in attendance.

Also in the audience were Carl Nelson (Bold, Polisner, Maddow, Nelson & Judson) and Novato resident Michael Zavosky.

MINUTES

On the motion of Director Petterle, and seconded by Director Fraites, the Board approved the minutes from the regular meeting on April 2, 2019, by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Air Conditioning

Mr. McIntyre reported that the air conditioner for the main building was not working, which was why staff had set up small fans throughout the Board room, and were keeping the lights off. He explained that the problem had been identified (cooling tower), and that Robert Clark and his crew were working to rectify the problem.

Acknowledgements

Mr. McIntyre acknowledged Sue Kessler has returned to the District as a part-time employee, and was covering tonight for District Secretary Terrie Kehoe, who was away on vacation. He also recognized Carl Nelson, from the District's legal counsel, who was present to discuss Item #7.

Special Meeting

Mr. McIntyre thanked the Board for allowing tonight's special meeting to be held, after postponing last week's regularly-scheduled meeting in order that staff could attend the memorial mass for District employee Joseph "Joey" Corda. Mr. McIntyre acknowledged that Joey had been a valued employee who had touched many lives. Mr. McIntyre also noted that Joey's District vehicle number would be retired, and a ceremonial plaque would be created to be displayed in the front office lobby.

WAC Meeting

Mr. McIntyre reported that he, along with Directors Baker and Joly, had attended the recently-held Water Advisory Committee Meeting.

Public Policy Facilitating Committee Meeting

Mr. McIntyre noted that he and Director Grossi attended the April 22 Public Policy Facilitating Committee meeting held at the Lake Sonoma Visitor's Center. Director Grossi commented that it was very informative, and noted that many other agencies were also in attendance. He further noted that it was nice to see that so many agencies were involved in this project. Director Baker asked that if private property was involved in the Dry Creek Enhancements, are access easements being attained, to which Mr. McIntyre replied that both construction and access easements are being obtained. Director Fraites stated that he recalled some prior damage done to the enhancements. Mr. McIntyre replied that some damage occurred during the 2017 wet winter season but that current water levels were still too high in Dry creek to assess any 2019 winter season impacts.

Final County Workshop with Dillon Beach

Mr. McIntyre advised the Board that the third and final County Workshop with Dillon Beach Village residents would be held on April 30, 2019, and that he would be in attendance.

Water Rate Increase

Mr. McIntyre commented to the Board that the District had made the front page of the Marin Independent-Journal with regards to its impending water rate increase.

OPEN TIME

President Baker asked if anyone in the audience wished to bring up an item not on the agenda. Mr. Michael Zavosky, a Novato resident residing at 40 Amber Court, stated that he had recently installed a pool on his property, and as part of the City of Novato's permit process, was required to have a backflow prevention assembly (BFPA) installed poolside, and to have that device tested annually. He noted that he had received a letter from the District stating that he would have to have a second BFPA installed, and be subject to a bi-monthly service charge. Mr. Zavosky indicated

that he had discussed the issue with the District's Maintenance Supervisor, Kent LeBrun. Robert Clark commented that the City has never enforced this requirement in the past, but that Kent is awaiting information from the City. Director Baker asked if this was a new requirement and Robert replied that it was not, that BFPAs have always been required in this situation, but he will need to get a copy of the City's report. Director Joly asked if the customer would be double-charged. Robert replied that no, the customer would not be double-charged, just that the rules/District regulations would need to be changed. Mr. Clark stated he would contact City representatives, and get back to the customer. Mr. Zavosky then thanked the Board, as well as staff, and then left the meeting.

Director Joly asked for a brief moment of silence to honor Joey Corda and his family, which was then observed.

Director Petterle also suggested that at the meeting's end, it be adjourned in Joey's memory.

Chief Engineer Rocky Vogler noted that on April 8, 2019 a settlement agreement had been executed with the Young's regarding the PRE Tank 4A appeal to the California Coastal Commission.

STAFF/DIRECTORS REPORTS

President Baker asked if staff or Directors wished to bring up an item not on the agenda, and no reports were offered.

MONTHLY PROGRESS REPORT w/Customer Service Questionnaire

Mr. McIntyre reviewed the Monthly Progress Report for March, and reported that Novato water production was down 8% when compared to last year in March and down 4% year to date. He added that in West Marin, monthly water production is down 14% when compared to last year and current trending looks better when comparing water production versus consumption. He noted that Robert Clark and staff have been working on potential water loss issues and thanked Mr. Clark for his department's investigative work in addressing this issue.

Mr. McIntyre informed the Board that STP began production on March 21st and total monthly production stood at 19.2M gallons. He added that Stafford Lake was at 103% capacity due to the season's heavy rainfall, and is still spilling as of today. Mr. McIntyre also reported that SCWA reservoirs at or above 100% water storage capacity.

Mr. McIntyre noted that in Oceana Marin, staff was doing a good job keeping the pond freeboard levels under control throughout this above average wet weather season.

Mr. McIntyre advised that Board that under Safety/Liability, due to a recent on-the-job injury, the number of days without a lost time accident now stands at two days.

Mr. McIntyre reported there was an increase in unplanned service disruptions primarily due

to a water main leak that affected 19 services. Mr. Arendell added that a service saddle on Gann Way had failed but was repaired by District staff. Director Fraites asked for information on a recent leak at the Nave Shopping Center, near the post office. Mr. Arendell replied that it had been a consumer leak, but that staff dug up the water main to ensure that District facilities were not the problem. The leak has since been fixed by the shopping center owners.

On the Summary of Complaints and Service Orders, the Board was apprised that since the installation of the AMI meters, the number of complaints/service orders are up over 200% (118 calls vs. 38 one year ago). Mr. McIntyre surmised that this was due to more customers looking at their personal water consumption in "real time."

Mr. McIntyre reported that there had been a 44% return rate for the recent Customer Service Questionnaires. He noted that 92% of those responses stated that the District was doing a good job, while only a small percentage disapproved.

Ms. Blue reported on the March 2019 investments, where the District's portfolio holds \$17.9M, where the late interest rate continues at 4.4%, which is an increase in the weighted average.

CONSENT CALENDAR

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

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL SERVICES AGREEMENT – RAUCH COMMUNICATION CONSULTANTS

The Board approved a General Services Agreement with Rauch Communication Consultants to provide miscellaneous marketing and public outreach services on an as-needed basis based on individual task orders, with a combined not-to-exceed limit of \$15,000.

ACTION CALENDAR

ADOPTION OF RESOLUTION DECLARING NORTH MARIN WATER DISTRICT'S INTENT TO TRANSITION FROM AN AT-LARGE TO DISTRICT-BASED SYSTEM OF ELECTING OFFICERS

Mr. McIntyre reported that on February 13, 2019, the City of Novato received a letter from an attorney stating that the City's at-large election system violates the California Voting Rights Act of 2001, and threatening to sue the City unless it voluntarily transitioned to a district-based election

system for its city council. Mr. McIntyre noted that, in the closed session during the April 2, 2019, Board meeting, the Board had directed staff to draft a resolution to transition NMWD from an at-large to a district-based election system. He referenced AB 350, enacted in 2016, under which the District was required to hold four public hearings to allow the public to offer comments. At a fifth meeting, the District Board would consider adopting an ordinance to establish district-based elections. Mr. McIntyre noted the District would be using District legal counsel representative Carl Nelson, as well as special legal counsel working under legal counsel's directive. The resolution before the Board would direct the use of a demographer and would specify the timing and terms of the process. Mr. McIntyre added that the proposed 90-day process will require that public hearings be held at the regularly-scheduled Board meetings on May 7, 2019, May 21, 2019, June 1, 2019, June 16, 2019, with the final meeting on July 16, 2019.

Director Baker asked whether the 90-day process was in accordance with state law, and Mr. Nelson responded yes. Director Joly asked a question about a 180-day limit. Mr. Nelson replied that the statute states that if there is agreement with the plaintiff, the deadline can be extended to 180 days, but otherwise the limit remains at 90 days. Director Joly asked whether there had been any efficacy studies conducted in the 17 years since the law was enacted, and Mr. Nelson responded that he knows of none.

Director Joly asked if: (1) maps would have to be created by May 28, (2) was there a demographer in place, and (3) who would be reviewing the maps. Mr. Nelson responded that a demographer has been selected, who would draw maps based on input received, and the maps would be reviewed as part of the public hearing process. He also noted that it would be possible to hold closed sessions with counsel should any legal concerns about possible litigation develop during the process. Mr. Nelson shared a newspaper notice published for the proposed maps of the Dublin San Ramon Services District area (Contra Costa & Alameda counties). Director Fraites commented that he and Director Grossi were elected the previous November, and questioned whether they would need to run again in 2020. Mr. Nelson answered that they would not, and commented that every currently-sitting Board member would serve out their respective terms. Director Fraites then asked that if new division mapping resulted in two representatives within one district, would that create a problem. Mr. Nelson responded that it could potentially create a problem, and that incumbencies could be taken into account, but it could lead to challenges of the maps. Director Petterle commented that in the case of Novato, there were pockets of disadvantaged customers, and that the demographer would need to take this into consideration when generating the various maps.

Director Joly asked how the public would be notified. Mr. McIntyre responded that

outreach includes the District's website, press releases, social media notifications and direct mailing to all customers via the Spring Waterline newsletter. He added that a handout of the draft Waterline was provided at tonight's meeting and asked that Directors' comments be received by Thursday, April 25, 2019, so that the Waterline could be mailed early next week. He also commented that he is working with the Marin Independent-Journal and the Point Reyes Light on this topic and expects that articles would be published by both papers.

On the motion of Director Joly and seconded by Director Baker, the Board approved Resolution 19-05 Declaring North Marin Water District's Intent to Transition from an At-Large to a District-based System of Electing Directors by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

OCEANA MARIN SEWER SYSTEM FINANCIAL PLAN UPDATE

Ms. Blue reviewed for the Board the Oceana Marin Sewer System Plan Update, beginning with the Capital Improvements Project Update. Ms. Blue explained that within the upcoming 5-year financial plan window, one major project (Treatment Pond Rehabilitation) is scheduled, with \$150,000 budgeted in FY21, and \$1.05M in FY22 for completion of the project. Ms. Blue also commented that a 3.5% rate increase is incorporated into FY20 as well as 5% for each of the upcoming years. Finally, she noted that a new connection fee every other year is predicted.

Director Baker asked if a 3.5% increase is sufficient. Mr. McIntyre commented that the 5-year financial plans shows a 3.5% increase this year and 5% increases in the following years. He also noted that staff is still pursuing grant funding opportunities for some of the significant CIP projects such as armoring the Treatment Pond berms.

On the motion of Director Fraites and seconded by Director Petterle, the Board approved drafting a letter to Oceana Marin customers regarding a 3.5% sewer rate increase by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

WEST MARIN WATER SYSTEM FINANCIAL PLAN UPDATE

Ms. Blue reviewed the District's intent to draft a letter to West Marin water customers notifying them of a proposed 3.5% rate increase for FY20, with a 4.5% increase projected through FY23. Ms. Blue commented that she understood the Board's concerns regarding rate increases, but that customers needed to be aware of why increases were necessary and what the funds would be used for. She cited continued work on the \$750,000 project to replace PRE Tank 4A, scheduled to be completed in FY20, as well as commencement of the State Route 1, Lagunitas Creek "Green" Bridge Pipe Replacement project necessitated by Caltrans upcoming bridge replacement project.

On the motion of Director Fraites and seconded by Director Petterle, the Board approved drafting a letter to West Marin water customers regarding a 3.5% water rate increase by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

INITIAL REVIEW – CAPITAL PROJECT FY20 & FY21 AND EQUIPMENT BUDGET FY20

Ms. Blue reviewed both items for the Board, noting that projects for Novato, West Marin, Oceana Marin and for recycled water were broken down by type and area. Mr. McIntyre reminded the Board that this will be their initial review and that second and third reviews would be presented per the review schedule approved by the Board at the February 5, 2019 meeting. Director Joly asked a question about status on the \$12M Office Renovation project. Mr. McIntyre responded that staff is working with the architectural firm Noll & TAM under an existing contract to come up with a plan to divide the initial \$19M project (2017 dollars) into phases. He noted that past General Manager, Chris DeGabriele is assisting staff in this effort along with key support by Robert Clark. The next milestone will be development of a Master Plan document showing the proposed office/yard renovation project in phases based on the May 2, 2017 Board approved "Option A – Renovation & Addition. Director Joly commented that he would like the public to be aware of what the District is doing. Director Petterle also commented that NMWD was a well-run district, and would do everything properly, but noted that "no one ever comes to the meetings." Director Joly also commented that NMWD was well-run, and "a jewel" of an organization, and that it was the Board's responsibility to see that it continues to be that way. He acknowledged that the public had concerns,

and wants transparency in the District's actions. Director Grossi commented that he liked the idea of looking out over the next 5-10 years when projecting Capital Improvement Projects.

NBWA MEETING – APRIL 5, 2019

Director Fraites noted that he had attended this meeting, and that each member had discussed what was new in their respective districts. He noted that Napa County Flood District reviewed lessons learned from February floods.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – dated April 4, 2019, dated April 11, 2019, and dated April 18, 2019; Right of Entry Permit – PG&E, and Technical Advisory Committee Meeting – March 4, 2019.

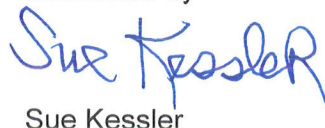
Mr. Clark commented on the PG&E Right-of-Entry Board Memo and noted that the District was working with PG&E regarding major power-line maintenance in Marin County. He noted that PG&E is implementing major infrastructure improvements. He commented that about 80% of the PG&E power poles are being replaced, and a helicopter landing pad is requested on District property below Stafford Dam. Mr. Clark commented that the District is in contact with the Marin County and Novato Fire Departments, as well as the California Highway Patrol and Marin County Sheriff's office to understand their requirements related in this request. Director Grossi noted the PG&E had rented space on his ranch to land helicopters, and park trucks, but that they are now finished at that location.

The Board received the following news articles: California's Monster Snow Year – 'It's Been a Wild Ride;' Marin experiencing near-record rain; Snow Survey Boosts Runoff Predictions; Talks sought in water tank dispute; MMWD benefits, salaries debated; Editorial – Pension trustworthy, more should be done; Yes, we need clean water, but it must remain tax-free; and Obituary – Joseph "Joey" Corda.

ADJOURNMENT

President Baker adjourned the meeting at 7:44 p.m. in memory of Joey Corda.

Submitted by



Sue Kessler
Acting District Secretary