

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 16, 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, Engineering Secretary Eileen Blue, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. District Secretary Katie Young was absent.

Vali Cooper & Associates employee Ken Sinclair was 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, Rodoni and Schoonover

NOES: None

**GENERAL MANAGER'S REPORT**

Mr. DeGabriele introduced Eileen Blue who was filling in for Katie Young as District Secretary.

**Nicasio Customers Requesting Water**

Mr. DeGabriele advised the Board that he had received a verbal request from Nicasio customers for water to be trucked in. He stated that it has been a normal water year on Lagunitas Creek and he authorized a hydrant meter to Pardini Trucking in Point Reyes Station. He noted that Pardini will be hauling water to 10-12 Nicasio residences once a week and will be drawing from the meter twice a week. Mr. DeGabriele also received a verbal request from an agricultural property outside Petaluma and he told them to contact the County Ag Commissioner. He noted that Ag customers may need water this year but they must go through the Ag Commissioner first and that he will keep the Board informed as the situation progresses.

### Novato Unified School District

Mr. DeGabriele informed the Board that he will be speaking to Novato Unified School District next Tuesday to update them on water supply, the drought restrictions and the recycled water expansion.

### West Marin Board Meeting

Mr. DeGabriele reminded the Board that the West Marin Board meeting is scheduled for June 30<sup>th</sup> at the Dance Palace in Point Reyes Station and that there will only be one Board meeting in July, on the 21<sup>st</sup>.

### Customer Call Regarding Personal Water Use

Mr. DeGabriele informed the Board that Lyle Lewis, retired Marin County soils engineer, called regarding personal water use at his home. He wanted to inform the District that his wife is ill with ALS and now has lung cancer and their water needs during this time will be much higher than usual. Mr. DeGabriele informed Mr. Lewis that high water use targets are assigned by the state are intended to be met community wide, not for specific homes.

### **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 advised the Board that the recycled water fill station program is close to permit approval. He stated that a press release is ready to issue and the District hopes to start by the first of July. He informed the Board that approximately 80 people who heard about the program through the *Waterline* have expressed interest and that all users will be trained. He stated that the hours of operation are currently projected to be Thursday and Friday from 4 to 7 pm and Saturday 8 am to noon but the hours will be adjusted, if the demand necessitates it.

Director Rodoni informed the Board that he and the Mr. DeGabriele had lunch with the Community Land Trust Association representatives in West Marin who will likely take over the Coast Guard housing and he made sure they heard the District's concerns. He advised the Board that the same concerns were made to Congressman Huffman and the County of Marin. Director Rodoni has also talked to Supervisor Kinsey on the issue and informed the Board that there was an enthusiastic response. He stated that the County will have to purchase the Coast Guarding Housing property

through a federal process and it was a good discussion and helped open the lines of communication.

**PUBLIC HEARING/ADOPT PROPOSED FY16 EQUIPMENT BUDGET**

Mr. Bentley provided the Board with the third and final review of the FY16 Equipment Budget. He stated that there have been no changes since the Board's last review and the proposed FY16 budgeted equipment expenditures is \$199,000 and staff's recommendation is to approve the budget.

President Baker opened the public hearing at 7:12 p.m. and hearing no comment, closed the public hearing at 7:13 p.m.

On motion of Director Petterle, seconded by Director Rodoni the Board approved the FY16 Equipment Budget by the following vote:

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

NOES: None

**FY16 & FY17 NOVATO CAPITAL IMPROVEMENT PROJECTS BUDGET**

Mr. Bentley provided the Board with the third and final review of the FY16 &17 Capital Improvement Projects Budget. He informed the Board that the budget is \$15M for the next two fiscal years but advised the Board that it is principally due to expenditures for the Aqueduct Energy Efficiency Project (\$11M). Mr. Bentley stated that other significant projects are the Office/Yard Build/Refurbishment (\$3M over the next two fiscal years), the Radio Read Meter Retrofit Pilot Program and the San Mateo Tank Inlet/Outlet Project.

President Baker opened the public hearing at 7:15 p.m. and hearing no comment, closed the public hearing at 7:16 p.m.

On motion of Director Fraites, seconded by Director Petterle the Board approved the FY 16 & 17 Capital Improvement Projects Budget by the following vote:

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

NOES: None

### **FY16 PROPOSED NOVATO WATER OPERATIONS BUDGET**

Mr. Bentley provided the Board with the final review of the FY16 Novato Operations Budget. It incorporates the Capital and Equipment budgets. There is a \$9M increase compared to FY15 and totals \$29.9M. Looking at bottom line, there is a net cash deficit of \$1.4M due principally to the Aqueduct Energy Efficiency Project. Water sales have been re-budgeted 13% below the 10 year average. The total operations budget is to increase 7% next year.

President Baker opened the public hearing at 7:18 p.m. and hearing no comment, closed the public hearing at 7:19 p.m.

On motion of Director Fraites, seconded by Director Schoonover, the Board approved the FY16 Novato Operating Budget and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:

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

NOES: None

### **FY16 PROPOSED RECYCLED WATER SYSTEM BUDGET**

Mr. Bentley provided the Board with the final review for the FY16 Recycled Water Budget. He stated that the Recycled Water budget includes \$3.5M for the Recycled Water Expansion to the Central Service Area. With completion of the Central Service Area \$21M is budgeted in debt for the recycled water system. Connection fees to potable water will have to offset this requiring 36 EDUs each year to fund the recycled water system debt service.

President Rodoni opened the public hearing at 7:21 p.m. and hearing no comment, closed the public hearing at 7:22 p.m.

On motion of Director Petterle, seconded by Director Fraites the Board approved the FY16 Recycled Water System Budget and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:

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

NOES: None

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele provided the Board with the Monthly Progress Report for May. He informed the Board that in May 2015 water production was reduced 37% compared to last year and down 48% from May 2013. He stated that West Marin was down 22% from last year and 67% from May 2013. Mr. DeGabriele advised the Board that there have been significant reductions in water use

and it is anticipated to continue during the summer months. Mr. DeGabriele advised the Board that production at Stafford Treatment Plant was up for the year and for the month of May but production was reduced in April due to water quality challenges. He noted that Recycled water was on par with last year, and should be better in June. Mr. DeGabriele informed the Board that the District had 366 days without a lost time accident; however on June 1 a pipe worker injured his wrist.

Mr. DeGabriele informed the Board that the data shows that Stafford Lake is below average for rainfall and the lake elevation in May was at 73% capacity. He noted that as of today Stafford Lake was at 3,330 acre feet. He stated that Lake Mendocino holds just under 56,000 acre feet due to reduced deliveries from the Potter Valley project and Lake Sonoma storage is at 83% and there is plenty of water in Lake Sonoma.

Mr. DeGabriele informed the Board that the Summary of Complaints and Service Orders are down 4% and the District's in-house generated work orders are up significantly.

Mr. Bentley provided the Board with the Monthly Report of Investments stating that during May the cash balance went down due to the final payment for the Gallagher Pipeline project which is 98% covered by outside grant funding. Mr. Bentley informed the Board that interest rates are slowly going up.

#### **CONSENT CALENDAR**

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

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

NOES None

#### **APPROVE CONSOLIDATION OF DISTRICT ELECTION AND FILING INFORMATION**

The District is requesting consolidation of the District's election on November 3, 2015 with the County of Marin General Election and requesting election services by the County Clerk. The Board approved Resolution 15-10 entitled: "Resolution of the Governing Body of the North Marin Water District Proposing an Election be held in Marin County; Requesting the Board of Supervisors to Consolidate with any Other Election Conducted on said Date, and Requesting Election Services by the Registrar of Voters."

**NOMINATION OF DAVID BENTLEY TO SERVE AS BOARD MEMBER OF THE ACWA REGION 1**

Mr. Bentley is an active board member of ACWA Region 1 and he is willing to continue serving as a Board member, and as he already attends the meetings, there would be no additional cost to the District. The Board approved Resolution 15-11 entitled: "A Resolution of the Board of Directors of the North Marin Water District Placing in Nomination David Bentley as a Member of the Association of California Water Agencies Region 1 Board."

**ACTION CALENDAR**

**RESOLUTION OF APPRECIATION FOR JOHN MELLO**

Mr. DeGabriele advised the Board of John Mello's retirement at the end of June. He said the District will be sorry to see him go and is happy that he has made it and hope he will continue to remain in good health.

On motion of Director Petterle, seconded by Director Fraites the Board approved Resolution 15-12 entitled: "North Marin Water District Resolution of Appreciation To John Mello" by the following vote:

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

NOES: None

**PURCHASE OF FY16 INSURANCE**

Mr. Bentley informed the Board that since 1986, the District has been self-insured for liability coverage in excess of \$1M. He noted that to date, the District has not had many claims. He advised the Board that the proposal was received to reduce the self-insured retention coverage to \$100K which would increase the premiums. Mr. Bentley stated that staff recommends that the District not reduce the retention and to keep it at \$1M.

On motion of Director Petterle, seconded by Director Schoonover the Board approved the purchase of FY16 Insurance in the amount of \$136,213, a 3% increase over FY15 insurance coverage costs by the following vote:

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

NOES: None

**OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE – FIRST READING**

Mr. Bentley provided the Board with the first reading of the Oceana Marin Sewer Service Charge Increase Ordinance. He advised the Board that the reading of the ordinance must be done at two consecutive meetings. He noted that the next reading will be done at the Board meeting on June 30<sup>th</sup> at the Dance Palace in Point Reyes Station.

On motion of Director Rodoni, seconded by Director Fraites the Board approved the first reading of Oceana Marin Sewer Service Charge Increase Ordinance by the following vote:

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

NOES: None

### **INFORMATION ITEMS**

#### **MSN B3 REPORT NO. 4 (VALI COOPER & ASSOCIATES)**

Ken Sinclair, Vali Cooper & Associates provided the Board with Progress Report No. 4 for the Aqueduct Energy Efficiency Project. He stated that the main issue was the delay from the wet weather which will postpone the project completion to possibly November but he anticipates it to be most likely in September. He advised the Board that no additional contingency for change orders from Ghilotti Brothers or for Vali Cooper & Associates is anticipated. He noted that a change order for grading at the northern end of Reach B may be \$120,000 - \$150,000.

Mr. Sinclair provided photos of the project for the Board.

#### **SECOND REVIEW – FY16 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGETS**

Mr. Bentley provided the Board with the second review of the FY16 West Marin Water and Oceana Marin Sewer Budgets. He informed the Board that a 5% increase for the typical West Marin Water residential customer is recommended. He stated that the proposed West Marin Water budget projects a cash deficit of \$92,000. Mr. Bentley advised the Board that in West Marin the biggest improvement project is a study for Well #2 at Gallagher. He advised the Board that there is little change in the \$200,000 Oceana Marin budget and there are few capital improvements scheduled next year.

Mr. Bentley advised the Board that a public hearing to consider the proposed water rate increase and to adopt the water and sewer budgets is scheduled for June 30<sup>th</sup> in Point Reyes Station.

#### **LETTER TO MARIN COUNTRY CLUB RE DEED OF TRUST AND FINANCIAL REVIEW**

Mr. DeGabriele reminded the Board that at the last meeting, the Board requested assurance that Marin County Club (MCC) could pay costs necessary for the Ignacio Area Extension of the Central Service Rea Recycled Water project. He advised the Board that a letter was sent to MCC similar to the letter sent to Black Point Golf Links requesting proof of clear title and review of their financial capability. He advised the Board that District's Legal counsel will perform the review.

**DROUGHT RELIEF PRIVATE-PUBLIC PARTNERSHIP**

Mr. DeGabriele informed the Board that the partnership has had the opportunity to communicate with the Sonoma County Board of Supervisors/SCWA Board of Director to participate in water savings in work and at home and to inform them what we are doing and explore ways to go forward.

**NOTICE OF PROPOSED SWRCB EMERGENCY REGULATION FOR ENHANCED CONSERVATION MEASURES AND INFORMATION IN KEY RUSSIAN RIVER TRIBUTARIES**

Mr. DeGabriele informed the Board that the Department of Fish and Wildlife wants to know who is diverting water from the Russian River tributaries. He stated that the State Board meeting will decide how to proceed and that he will bring more information to the Board at a future date.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, High Pressure at Indian Hills Hydro, Board Policy #13 – Directors Compensation and Procedure, and Revised Sea Level Rise Policy Guidance.

Director Rodoni stated that he feels the Board should review the Board of Directors Compensation Policy once a year. He suggested that no changes be made presently.

The Board received the following news articles: Water boss says Marin must cut back, Vegas Water Chief Preached Conservation While Gambling on Growth, In Your Town: Workshop scheduled on saving water, Grand Jury: Marin taxpayers have right to know about public employee pay deals, Thirsty valley east of Lake County could become massive reservoir, 24 percent water rate hike approved for East Bay, Riverside sues over California water restrictions, Marin Municipal Water District faces lawsuit over tiered rate structure and Humid tropical weather front brings sprinkling of rain to Marin.

**ADJOURNMENT**

President Baker adjourned the meeting at 8:15 p.m.

Submitted by



Eileen Blue  
Acting District Secretary