

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 28, 2016

CALL TO ORDER

President Schoonover called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the Dance Palace, 503 B Street, Point Reyes Station 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, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

West Marin Residents, Michael and Sara McCall, Point Reyes Light Reporter, Samantha Kimmee and District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

GENERAL MANAGER'S REPORT

Water Supply Reliability Self Certification

Mr. DeGabriele advised the Board that he submitted the District's Water Supply Reliability Self Certification to the State Water Resources Control Board (SWRCB) last Wednesday showing that the conservation standard for Novato is now 0%. He provided the Board with a write up explaining the calculation with reference to the Sonoma County Water Agency's evaluation of Lake Sonoma water supply in the next three years and how much is available for the District and other Water Contractors. He noted that the District website and *Waterline* newsletter also message the "common sense" water waste prohibitions and encourage participation in District water conservation programs. He advised the Board that monthly reporting to the SWRCB will continue for water production compared to the same months in 2013.

Mr. DeGabriele informed the Board that for West Marin the requirements are continued "common sense" water waste prohibitions, promptly notify customers of observed consumer leaks, and annually report monthly water production to the SWRCB.

Holiday Weekend On-Call Staff

Mr. DeGabriele advised the Board with the Holiday weekend upcoming, the District will have on-call and standby crews available pursuant to our policy in Construction/Maintenance, Operations, Electrical/Mechanical and the Lab.

Oceana Marin Homeowners Association Meeting

Mr. DeGabriele informed the Board that he and Mr. McIntyre will attend the Oceana Marin Homeowners Association meeting on July 16th.

Next Board Meeting

Mr. DeGabriele reminded the Board that the next Board meeting is scheduled on July 19th in Novato.

OPEN TIME

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

Mrs. Young asked the Board to turn in any invoices for meeting attendance by July 8th to be included in this Fiscal Year accounting.

PUBLIC HEARING - WEST MARIN WATER RATE INCREASE AND WEST MARIN WATER FY 2016/17 BUDGET

Mr. Bentley advised the Board that the proposed rate increase of 5% for the typical West Marin customer using 55,400 gallons/year would result in customer cost increase of \$2.67/month or \$32/year. He noted that similar to Novato, the water rate increase will be solely on the commodity rate, there will be no increase to the bimonthly service charge. Mr. Bentley advised the Board that the West Marin water system is now 95 years old, having been started by Dr. Burdell in the 1920's run by private consortiums until the late 1960's, early 1970's when North Marin took over. He informed the Board that even with the proposed rate increase West Marin water customers will maintain the least cost of service as compared to other Marin County coastal area water agencies.

Mr. Bentley provided the final review of the West Marin FY2016/17 \$1.265M budget. He reviewed the 5 year Planned Capital Expenditure Plan and the Board was advised that \$3.4M will need to be borrowed to complete the projects, but staff will continue to seek out available grant funding. He stated that the West Marin water financial plan and budgets project one new connection next year and 60MG of water sales. He noted that operating expenditures are budgeted to increase 3%.

President Schoonover opened the public hearing at 7:05 p.m.

Director Rodoni confirmed that the \$65,000 revenue shortfall this year is attributed to water sales below that budgeted and asked that staff be "shovel ready" with projects to secure grant funding that comes available from time to time.

Hearing no further comment, President Schoonover closed the public hearing at 7:13 p.m.

On motion of Director Rodoni, seconded by Director Baker the Board approved Resolution 16-16 entitled: "Resolution of the Board of Directors of North Marin Water District amending Regulation 54 – Water Rates" pertaining to Water Rates and Charges to reflect an increase averaging 5% for the typical residential customer in the West Marin Water Service Area effective July 1 of 2016 by the following vote:

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

NOES: None

On motion of Director Rodoni, seconded by Director Fraites, the Board adopted FY17 West Marin Water System Budget as presented by the following vote:

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

NOES: None

On motion of Director Fraites, seconded by Director Baker, the Board authorized the General Manager to pay demands arising from execution of the budgeted FY17 West Marin Water expenditure plan by the following vote:

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

NOES: None

PUBLIC HEARING – OCEANA MARIN SEWER SERVICE CHARGE INCREASE, OCEANA MARIN SEWER CONNECTION FEE INCREASE, AND OCEANA MARIN SEWER FY17 BUDGET

Mr. Bentley provided a final review of the Oceana Marin Sewer FY17 Budget and the Oceana Marin Sewer Service Charge increase. He stated that a 10% (\$7 per month) increase was proposed for the sewer service charge which will be collected on the property tax roll. He advised the Board that the budgeted expenditures for next year total \$380K and that the 230 existing Oceana Marin customers are facing a \$3.1M list of projects identified in the recently completed Nute Engineering Master Plan Update. Mr. Bentley noted that \$1.2M of that amount is included in the 5-year financial plan. He informed the Board that new connections are anticipated at one per year and operating expenses are projected to increase 1% next year.

Mr. Bentley reviewed the proposed increase to the Oceana Marin Sewer Connection Fee. He stated that the proposed connection fee is \$30,000 per dwelling unit increasing from \$15,200. Mr. Bentley stated that for the connection fee calculation 25% of the master plan projects are allocated to new development which are projected to approximately be 38 new connections. He advised the Board that staff proposes that if the customers file both an application for sewer service with the District and application for building permit with the County of Marin by September 1st, current sewage facilities connection charge of \$15,200 would apply. He advised the Board that this connection fee increase drew concern from four property owners in Oceana Marin.

President Schoonover opened the public hearing at 7:20 p.m.

Michael and Sarah McCall, Oceana Marin property owners and future residents, advised that they purchased the lot at 438 Oceana Drive eighteen months ago and desire to build their first and only home and that the fee increase proposed has happened suddenly and they are not prepared to absorb the increase along with other cost increases with their home building project. Mr. McCall stated that they have completed their design and Oceana Marin Homeowners Association review but do not believe they will be able to meet the staff recommended deadline to make the District's and Marin County applications by September 1st.

Director Rodoni asked that that Board take into consideration a phasing in of the connection fee over a two year period.

Hearing no further comment President Schoonover closed the public hearing at 7:36 p.m.

On the motion of Director Petterle, seconded by Director Fraites, the Board approved Ordinance No. 34 entitled: "Ordinance Of The Board Of Directors Of North Marin Water District Electing To Have Oceana Marin Sewer Charges Be Collected On The Tax Roll Of The County Of Marin, State Of California Commencing Fiscal Year 2016-17", Approved Resolution No. 16-17 entitled: "Revision Of North Marin Water District Regulation 109 Oceana Marin Sewer Service - Rates And Charges" amending Regulation 109, effective July 1, 2016, to: Increase the Oceana Marin Sewer Service Rate to \$936 per dwelling unit per year; Adopted the FY17 Oceana Marin Sewer System Budget as proposed; and Authorized the General Manger to pay demands arising from execution of the budgeted FY17 Oceana Marin expenditure plan by the following vote:

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

NOES: None

On the motion of Director Petterle, seconded by Director Fraites, increasing the Oceana Marin Sewage Facilities Connection Charge to \$30,000 per dwelling unit, with the exception that

property owners who file an application for sewer service and a County building permit by October 16, 2016, are eligible to pay the existing \$15,200 Sewage Facilities Connection Fee was considered:

Director Rodoni requested the motion be amended to phase in the connection fee over two years: to \$22,600 in FY2016/17 and to \$30,000 in FY 2017/18. The amendment was accepted and the motion passed by the following vote:

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

NOES: None

INFORMATION – WEST MARIN

WEST MARIN CAPITAL IMPROVEMENTS PROJECTS – FY15-16 PRELIMINARY YEAR- END PROGRESS REPORT

Mr. McIntyre reviewed the West Marin Capital Improvement Projects for this past fiscal year providing a recap of year-end progress. He advised the Board that projects completed including upsizing the 4” pipeline from Bear Valley tanks, the Pt. Reyes Station Tank #2 and #3 seismic piping upgrades, replacing the pump in Coast Guard Well #2, and the force main isolation valve at Oceana Marin. He informed the Board that the ongoing projects include the PRE Tank 4A replacement, replacing the green sand filter media in Pt. Reyes Treatment Plant, permitting for a second well at the Gallagher site, design of an eighth trench at the Oceana Marin disposal field, design of pipe relining at Oceana Marin and continued infiltration and inflow repair at Oceana Marin.

Director Rodoni requested the West Marin Capital Improvement Project Year End Progress Report be conducted prior to the rate increase/budget public hearing in future years.

PT. REYES SYSTEM OVERVIEW – FOCUS ON WATER QUALITY

Mr. Clark provided a repeat presentation of the Pt. Reyes Potable Water System overview taking the opportunity of the West Marin meeting to update customers on where their water comes from, how its treated, delivered and protected for water quality.

CONSENT CALENDAR

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

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

NOES: None

WATER SERVICE AGREEMENT – SHELL STATION REMODEL – 7473 REDWODD BLVD.

The Board approved a Water Service Agreement for the Redwood Blvd – Shell Station (Redwood and Olive). This project will include extension of Recycled Water to serve both irrigation and the existing carwash. New water facilities include: 150ft of water main, one-1” domestic water service and one 1.5” recycled water service with a commercial fire hydrant and a 6” fire service. Estimated water facilities cost, including 4 new connection fees, is \$273,561. The Board Approved Resolution 16-18 entitled: “Authorization of Execution of Water Service Facilities Construction Agreement with AU Energy LLC.”

WATER SERVICE AGREEMENT – REDWOOD LANDFILL GAS TO ENERGY PROJECT

The Board approved a Water Service Agreement for the Redwood Landfill – Gas to Energy Project. The project is located just north of the existing scale house at Redwood landfill and will burn the landfill gas currently being flared, to generate electrical power. New water facilities include: 245ft of water main, one-6” fire service and one commercial fire hydrant. Estimated cost of the facilities is \$64,221. No new connection fees are required.

The Board approved Resolution 16-19 entitled: “Authorization of Execution of High Pressure Water Service Facilities Construction Agreement with Redwood Landfill, Inc.”

CONTRACT FOR DRAFTING SERVICES - ABEREGG

The Board approved a new agreement for drafting services with Michael Albrege in the amount of \$30K. Mr. Albrege has been used by the District since 2000 to provide miscellaneous drafting services and help meet short term workload demands. The last contract was approved by the Board in September 2015. Since that time, Mr. Albrege has worked on the Recycled Water Central Service Area Project and three developer projects.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements.

The Board received the following news article: Ultrasonic meters help Stinson save water.

The Board also received the following miscellaneous items at the meeting: The Eel River Action Plan, the public hearing notice for the West Marin Water Rate Increase and the following news article: Novato residents angry as water rates rise despite conservation.

ADJOURNMENT

President Schoonover adjourned the meeting at 7:51 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is written in a cursive style with a large, stylized "Y" at the end.

Katie Young
District Secretary