

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 2, 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 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, Acting District Secretary Eileen Mulliner, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

City of Novato Community Development Director Bob Brown and Novato Resident Mike Jolly were in the audience.

MINUTES

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

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

NOES: None

ABSENT: None

ABSTAIN: None

GENERAL MANAGER'S REPORT

Grossi Ranch Manure Spreading

At the July 19, 2016 meeting Directors Fraites and Baker reported manure spreading at the Grossi Ranch which impacts Stafford Lake water quality and asked what can be done to prevent the practice. The General Manager advised the Robert Clark, District Operations and Maintenance Superintendent, had contacted the Grossi Ranch, the County of Marin Agricultural Commissioner's office and the Regional Water Quality Control Board the following day and that there has been no additional manure spreading since Mr. Clark contacted Grossi. Mr. DeGabriele advised that he is scheduling a joint meeting with the above parties to address the issue.

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:

Director Baker reported that he sat in on a North Bay Water Reuse Association Board of Directors meeting on July 26th as the District's regular representative, Director Schoonover, was unable to attend.

CITY OF NOVATO GENERAL PLAN UPDATE PRESENTATION

Bob Brown, City of Novato Community Development Director, gave a power point presentation on the City of Novato General Plan 2035 (Plan). He advised that 3 dozen presentations are planned over the next 3 months with the hope to inform 1,000 Novato residents. The Plan will be a City Council approved document and serve as a blue print for the next 20 years identifying policies to guide growth, change and service priorities, including infrastructure. Approval of the Plan update is scheduled for the April/May 2017 timeframe. The Plan identifies existing conditions, change from the prior (1996) Plan, focus areas (North Redwood Blvd Corridor, North-North Redwood Blvd Corridor, Northwest Quadrant and Downtown), white paper topics (BMK Industrial Park, Urban Growth Boundary, Junior 2nd Units, Water Availability and Conservation, Hillside Ordinance, Climate Change and Sea Level Rise, Complete Streets, Healthy Eating/Active Living, Downtown Parking, Traffic-Level of Service/Miles Travelled) and a laundry list of policies in the areas of Changing Community, Preserving Neighborhoods/Quality of Life, Economic Vitality and Jobs, Downtown, Circulation, Sustainability and Environment. Many questions were asked by the Board, Staff and audience. Mr. Brown provided the Board and Staff with an opinion survey to solicit input on Plan policies and asked that they be returned in self-addressed and stamped envelopes to his office. The Board thanked Mr. Brown for his comprehensive presentation.

PRELIMINARY FY2015/16 FINANCIAL STATEMENT

David Bentley reviewed the Preliminary FY2015-16 Financial Statement and noted that the final report will be incorporated into the outside auditors report available in October. Mr. Bentley reported that on a consolidated basis the District generated a net income of \$102,069 and saw a net cash decrease of \$1.16M. Operating income came in 15% below budget, principally due to lower water sales, while operating expense was 9% under budget. He advised that only 9 FRCs have been collected in Novato and that the District needs 44 new connections each year to pay for debt service. Mr. Bentley pointed out that Stafford Treatment Plant produced 601MG, 80% of budget, at

a cost of \$3,517/MG, higher than the cost of Russian River purchased water (\$2,389/MG) and, surprisingly, higher than the cost of Recycled Water (\$2871/MG).

ACTION CALENDAR

PROPOSED REVISIONS TO EMPLOYER ASSISTED HOUSING PROGRAM – BOARD POLICY

#42

Mr. Bentley advised that the Board had requested an update on the program and reinstatement if needed. He informed the Board how the housing program has changed since inception in 1992 and that currently 5 loans are outstanding and there is approximately \$566,000 remaining in the \$1.5M amount authorized by the Board to be used from the Liability/Contingency Fund for the program. David advised that 38% of employees currently live in the service territory (all in Novato), up from 16 % when the program was initiated. He reviewed 3 recommendations proposed for consideration and designed to reduce risk to the District in the event of a future housing market downturn: reduce the maximum loan amount, revise the minimum down-payment based on a sliding scale, and require an additional employee investment if equity falls below the required minimum. It was pointed out that the possible revisions would not impact any existing loans under the program.

After much discussion and on the motion of Director Rodoni, seconded by Director Baker, the Board approved one revision, adding a sliding scale to the minimum down-payment, and reinstated the Employer Assisted Housing Program – Board Policy #42, by the following vote:

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

NOES: None

COMMENTS ON PG&E APPLICATION FOR TEMPORARY VARIANCE OF MINIMUM FLOW REQUIREMENTS (PVP)

The General Manager advised that PG&E has filed an application with the Federal Energy Regulatory Commission requesting a temporary variance of Potter Valley Project minimum flows in the Eel River below Scott Dam and in the East Branch Russian River. Mr. DeGabriele stated that PG&E has not operated PVP consistently and even though Lake Pillsbury received over 440,000AF of inflow to date this water year, it now holds less than 40,000AF, resulting in PG&Es request to reduce flows and preserve storage. He further stated that water diverted from the Eel River through the PVP power house discharges to the East Branch Russian River which flows into Lake Mendocino, and the request would authorize a reduction in minimum flows in that reach of stream

from 75cfs to 5cfs which will impact Lake Mendocino storage available for fishery releases later this fall.

On motion of Director Rodoni, seconded by Director Baker, the Board authorized submitting comments on the PG&E application for temporary variance of minimum flow requirements (PVP) by the following vote:

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

NOES: None

INFORMATION ITEMS

NBWRA MEETING MINUTES – JULY 26, 2016

An informational summary of the NBWRA Board meeting was reviewed. The General Manager advised that NBWRA is delaying work on the EIR/EIS until next calendar year and that consultants will answer to the NBWRA Board instead of the Technical Advisory Committee. He indicated that the NBWRA Board Chairperson, David Rabbitt made a plea for more projects to be included in the Phase 2 program to maximize available federal grant funding.

WAC/TAC MEETING – AUGUST 1, 2016

Mr. DeGabriele handed out to the Board a memo summarizing the meeting and reported that Lake Mendocino holds more water this year because this past spring the Army Corps of Engineers implemented a minor deviation from its' flood control manual and maintained 12,000 to 14,000 AF in the flood control pool.

He advised that meeting attendees reviewed the Sonoma Marin Saving Water Partnership conservation standard tracking tables comparing 2016 water production with 2013. The WAC was informed that NMWDs production in June 2016 reflects an adjustment in Sonoma County Water Agency deliveries billed in June due to low delivery numbers in January and February and that NMWD does not believe the adjustment is accurate. He informed the Board that new meters have been installed for SCWA deliveries into Marin County and that the old meters have been sent back to the manufacturer to determine the appropriate adjustment and recalibration.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Scrap Metal Receipts, FY16 4th Quarter Labor Cost Report, Self-Insured Workers' Comp – 4th Quarter Status Report.

The Board received the following news articles: Coastal Commission delays hearing on Marin Coastal Plan to October, possibly in Arcata; Is the North Coast still in a drought?

CLOSED SESSION

President Schoonover adjourned the Board into closed session at 9:00p.m. in accordance with Government Code Section 54956.8 for conference with Real Property Negotiator (Chris DeGabriele) regarding 8161 Redwood Blvd., Novato, CA.

OPEN SESSION

Upon returning to regular session at 9:11p.m., President Schoonover stated that during the closed session the Board had discussed the issue with the General Manager and no action had been taken.

ADJOURNMENT

President Schoonover adjourned the meeting at 9:12 p.m.

Submitted by



Eileen Mulliner
Acting District Secretary

