

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 6, 2019**

CALL TO ORDER

President Jack 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, James Grossi, Michael Joly and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

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

MINUTES

On motion of Director Joly, seconded by Director Petterle the Board approved the minutes from the July 16, 2019 meeting with minor changes as presented by Director Joly by the following vote:

AYES: Director Baker, Fraites, Joly

NOES: None

ABSTAIN: Director Grossi, Petterle

ABSENT: None

GENERAL MANAGER'S REPORT

Marin County Flood Control District Zone 1

During the General Manager's Report, Mr. McIntyre announced that the Marin County Flood Control District Zone 1 Advisory Board meeting for August 1st will be rescheduled. He noted that no new meeting date has been set yet.

Director Baker asked who was on Marin County Flood Control Zone 1 Advisory Board besides Mr. McIntyre and Director Grossi. Mr. McIntyre and Director Grossi replied Bill Long, Gary Butler, and Sue Lattanzio.

Potter Valley Project Relicensing

Mr. McIntyre apprised the Board of the upcoming Common Interest Agreement call related to the Potter Valley Project (PVP) relicensing project. He added last Friday FERC

issued a letter accepting the Notice of Intent from the Planning Agreement signatories. Mr. McIntyre stated he will have a more detailed report at the August 20th Board Meeting.

Director Baker asked if the outcome seemed predictable, and if there were any red flags. Mr. McIntyre replied that it is too early in the process to tell.

Local Managers Meeting

Mr. McIntyre announced there will be an upcoming meeting with the City manager and other local Special District managers. He added that these meetings occur once or twice a year to maintain optimum communication between the City of Novato and the other local special districts.

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. Clark responded to Director Fraites' question at the last meeting about hearing protection for employees when changing GAC at the Stafford Treatment Plant. He reassured Director Fraites that staff is required to use ear protection when noise levels exceed 80 decibels. Director Fraites replied that he was not close to the operation; but noticed it was really loud even from a distance.

Mr. Vogler alerted the Board that the second and final SCWA aqueduct shut down near Kastania is now scheduled for August 20, 2019.

CONSENT CALENDAR

On the motion of Director Fraites, and seconded by Director Petterle the Board approved Item 5, Water Agreement for College of Marin Indian Valley Campus on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Joly, Petterle

NOES: None

ABSTAIN: Director Grossi

ABSENT: None

(ITEM 5) WATER AGREEMENT COLLEGE OF MARIN INDIAN VALLEY CAMPUS – JONAS CENTER & BUILDING 18, APN 150-480-12

This project includes development of the Jonas Community Center and improvements to existing Building 18, in addition to a minimum amount of new landscaping.

On the motion of Director Petterle, and seconded by Director Joly the Board approved Item 6, Corrected Ordinance 38 – California Voting Rights Act (CVRA) and Elections Code (EC) 10010 on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

(ITEM 6) CORRECTED ORDINANCE 38 – CALIFORNIA VOTING RIGHTS ACT (CVRA) AND ELECTIONS CODE (EC) 10010

Corrected Ordinance 38 makes some minor, non-substantive revisions to reflect actual requirements for the District under California Water Code. The District will transition from an at-large to by-division (district) system for electing directors as of August 15, 2019. The approved division map is on the District's website. Directors from Division's 2, 3 and 4 will be elected in 2020 and Directors from Division's 1 and 5 will be elected in 2022.

ACTION ITEMS

HUMAN RESOURCES CONSULTING

Ms. Blue apprised the Board of the need for a new Consulting Contract with Darlene Rhodes for Human Resources (HR) services through November 15, 2019. She stated that we have had an open position since July of 2018 and have been using our labor law attorney and Ms. Rhodes for HR support services during that period. Ms. Blue added that staff continues to evaluate options to restructure the Administrative Department going forward.

On the motion of Director Petterle, and seconded by Director Joly the Board approved the Human Resources Consulting Contract with Darlene Rhodes by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

PES ENVIRONMENTAL INC., GENERAL SERVICES AGREEMENT

Mr. McIntyre apprised the Board of the need for a new General Services Agreement with PES Environmental, Inc. for hydrogeologic consulting services to assist staff with various upcoming projects. He stated the first task will be related to evaluating feasible hydrogeologic locations within the north pasture of the Gallagher Ranch for an alternate location for the proposed Gallagher Well No. 2. He added that additional services will be needed by PES to support staff in evaluating the merits of any proposed on-site wastewater disposal system at the former Coast Guard Housing Parcel in Point Reyes Station. Mr. McIntyre noted that PES has a proven track record with the District and have assisted us with many previous similar projects including the Point Reyes Affordable Housing Project and the exploration for potential groundwater supply well locations on the Gallagher Ranch. Mr. McIntyre explained to the Board that ranch family members are concerned about the current proposed location for the second well in the south pasture and are asking for the additional work to determine the feasibility of locating a second well in the north pasture location.

Director Baker stated he has seen a lot of maps and knows the area somewhat, but it is hard to tell the north pasture from the south pasture without a bigger map. Mr. McIntyre explained that the north pasture is located on the left side of the ranch access road after crossing the Lagunitas Creek private bridge when approaching the ranch. Director Joly asked what happens if the hydrogeologic investigation determines the north pasture is not feasible. Mr. McIntyre replied that we would focus on securing an easement for the south pasture location.

Director Baker inquired if the owners understand that this is the only source out there, and asked if we should go upstream. Mr. McIntyre replied that the Gallagher Ranch is the best location when considering multiple factors. Director Joly asked what is the total cost we are spending with this contract compared to the total cost of the project. Mr. McIntyre replied that the total cost estimate for Gallagher Well No. 2 is \$335,000 and this new \$43,000 cost could be offset by savings in construction due to a shorter pipeline distance between the existing Well No. 1 and proposed Well No. 2. Director Baker commented he is not clear on the location of the test borings, and wanted to know if the test boring locations are shown on the map. Mr. McIntyre replied they are labeled NP1 and NP2. Director Baker commented that he knows the rock varies in that location and he is worried that we will not be far enough upstream. Mr. McIntyre replied that PES believes the north pasture could be a viable location. Director Baker stated he is reluctant to approve the contract and felt the District has already worked in good faith with the property owners regarding the current proposed Well No. 2 in the south pasture.

On the motion of Director Joly, and seconded by Director Petterle the Board approved PES Environmental Inc. General Services Agreement by the following vote:

AYES: Director Fraites, Grossi, Joly, Petterle

NOES: None

ABSTAIN: Director Baker

ABSENT: None

INFORMATION ITEMS

2018 NOVATO WATER SYSTEM MASTER PLAN – ADMINISTRATIVE DRAFT

Mr. Vogler reviewed the 2018 Novato Water System Master Plan- Administrative Draft. He noted that the Draft 2018 Water Master Plan has been updated to reflect current conditions and includes a detailed hydraulic model of the Novato system incorporating the District's Geographical Information System (GIS). Mr. Vogler stated that the annual water demand over the last ten years has decreased. Director Joly asked if staff identified what is driving down the demand. Mr. Vogler responded that in 2014 the governor proclaimed a drought emergency and this resulted in cut backs, water use limitation, and an increased effort to conserve. He also referred to SBx7-7 which was passed in 2009 mandating all water providers with more than 3000 customers to cut water usage by 20% by the year 2020. Mr. Vogler added that some potable water decreases are also attributed to switching our large landscape irrigation customers to recycled water. Director Joly asked if, with AMI implementation, are people are paying closer attention to their use. Mr. Vogler replied that this trend is not captured in the 2018 Master Plan but will be in future updates. Director Baker added the drought made our customers more conscious of their use, and asked if we adopted a policy to use less every year. Mr. McIntyre responded that the District has developed long standing policies and regulations to ensure a robust water conservation program. He also stated that the District is a member of the Sonoma Marin Saving Water Partnership wherein each water agency contractor is committed to saving water in compliance with state targets. He added that the State is working on new regulations to be implemented by 2022 as a result of 2018 water conservation legislation. Director Joly commented that it would be helpful if Recycled Water was added to the bar graph. Mr. McIntyre replied that Recycled Water on an annual basis is about 7% of the total production, which ends up equaling roughly one third of the annual production from Stafford Treatment Plant.

Mr. Vogler stated that the Master Plan gives us a detailed planning document to get a handle on the years ahead. He stated that we need to work with planning agencies to see

which projects may be built in the future so we can evaluate the water use impact. Mr. Vogler added we need to look at demand estimates, storage, and fluctuation in water tanks, fire storage and emergency storage. Director Joly ask what is the expected demand growth percentage. Mr. Vogler replied not a lot. Director Joly asked if our storage surplus will account for growth demand, and if we will need more storage in the future. Mr. Vogler replied that by 2035 there may be a deficit in some areas but some will have a surplus. Director Baker asked a question about storage deficit in Air Base Tank. Mr. Vogler explained that Air Base Tank has a large fire flow storage requirements which is five times more than the operational requirement.

Mr. Vogler continued to review the Master Plan noting he ran a hydraulic model, used the GIS system and topography surface elevation and put it into a water modeling software. Director Joly asked if this was the software package we bought a while ago. Mr. Vogler said it was not, but will explain in more detail later. Director Joly asked if we consider seismic vulnerabilities. Mr. Vogler replied that we can add any assumption in the model, in areas where we have a single pipeline break for instance; we can see what would happen. Director Joly stated that a seismic model would be useful since seismic events have been relatively quiet in the last 30 years, and recently there has been some seismic activity. Mr. Vogler replied that we have seismic anchors for the tanks and we are doing work in that area. Mr. Vogler added that the Asset Management Software we purchased will be able to tie all the information together and we are hoping to be able to utilize the program later this year. When this happens we will be able to automate all work orders, then staff in the field will have an opportunity to capture existing data electronically and also collect data and enter data immediately.

Mr. Vogler emphasized that we need to keep up with the replacements we know we need and that is what we are projecting. Director Grossi asked a question about how information available from the field staff will continue to be utilized. Mr. Vogler replied in the past the District has been using field information as much as they can, but with our current method it is hard to consolidate the information. Director Joly stated he would love to see a thirty year estimation, the 100 year is great, but would like to concentrate on 2020 to 2050. Mr. Vogler replied that we can show a trend line from now until 2050. Director Joly requested Ms. Blue add the debt load in order to see how we will accomplish this. Director Petherle commented that we may have to raise rates. Mr. Vogler replied we need to understand where we need to replace the infrastructure, and the first order of business is to get the information to take action on funding CIP and make changes, therefore spending more efficiently.

Director Joly requested more an information with additional diagrams so the Board is more informed when taking action. Mr. McIntyre commented that completion of the Master Plan

will sequence well with the new water rate study currently underway. Director Joly asked about grants and other funding options so that it is not all based on user fees. He added he is interested in a thirty year plan to look at this closer. Mr. Clark stated that we need to know what costs lie ahead, the average age of the cast iron pipe and when it is going to fail, adding the same would be true with the AC pipe. Director Grossi stated that it gives us confidence that we are not going to run into the wall, so we have the reserves. Director Petterle stated that it looks as though we could be paying over seventeen million in the next five year planning horizon, and asked how are we going to pay for that. Mr. Vogler replied that Ms. Blue and Mr. McIntyre will need to provide input to develop a mixed plan which may include rates, grants, loans and bonds.

Mr. Vogler added that the goal is to have the Board accept the plan at the September 3rd meeting, and in order to make adjustments he will need any questions or comments by August 20th. Mr. McIntyre commented that the Board may need more time, so the comment period will be extended to September 3rd. Mr. McIntyre added that Master Plan approval will now occur at the September 17th meeting. Director Joly commended Mr. Vogler and all the staff for this wonderful presentation, and stated it has helped him tremendously. He added the public would love to see what we do, and people don't know about the storage we must do for fire protection, and they need to understand it is not an option for us. Director Petterle noted that he recently had a meeting with Kiosk, our marketing consultant. He stated that this is an example of the information that we should get out to the public. Director Joly stated that the public will be impressed that we are thinking so far ahead and thinking about their safety. Director Petterle added that our situation is not unique; you can say the same about sewer, and other infrastructure that we have not taken care of. He added we need to get out in front of it, talk about the costs and people will need to pay for what they don't want to lose. Director Grossi asked Mr. Vogler if we will get into the same detail in West Marin. Mr. Vogler replied yes, but not as frequently as Novato.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements- Dated July 18, 2019, Disbursements- Dated July 25, 2019, Disbursements- Dated August 1, 2019, and Marin IJ Public Notice –NMWD Ordinance 38 Summary.

The Board received the following news articles: Editorial – Time to put MMWD on camera; 269 PG&E equipment issues found in Marin – INSPECTION RESULTS; Editorial: Coalition of agencies, environmentalists sees future for aging dam; Wetlands flood control project slated for 2020; POWER STRUGGLES – Generators; LINES IN THE SAND – Resort,

DILLON BEACH; and State tackles drinking water cleanup – BILL SIGNED; Water supplies higher than normal, but savings urged – MARIN RESERVOIRS.

Director Joly asked Ms. Blue about the \$825,000 CalPERS item listed on the Disbursements, and wanted to know if this was an unfunded liability payment. Ms. Blue replied that yes it is the CalPERS unfunded pension liability, which the District has to pay annually. She added that all CalPERS participating agencies are responsible for making annual payments. Director Joly asked about the cost for last year. Ms. Blue replied it was around \$650,000 and it is increasing each year. She added we save money if we pay monthly and the employer contribution is through the payroll.

CLOSED SESSION

President Baker adjourned the Board into closed session at 7:43 p.m. in accordance with Real Property Negotiators as allowed under Government Code 54956.8. Property: Recycled Water Supply; District Negotiators: General Manager, Auditor-Controller, and Legal Counsel; Negotiating Party: Bay Clubs (aka StoneTree Golf Course); under Negotiation: Price and Terms of Payment.

CLOSED SESSION

Upon returning to regular session at 7:49 p.m., President Baker stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

ADJOURNMENT

President Baker adjourned the meeting at 8:06 p.m.

Submitted by



Theresa Kehoe
District Secretary