

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 20, 2019**

CALL TO ORDER

President Jack Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 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 Petterle, seconded by Director Joly the Board approved the minutes from the August 6, 2019 meeting as presented by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Potter Valley Project

Mr. McIntyre announced he will attend the Eel Russian River Commission (ERRC) meeting in Ukiah this Friday in reference to the Potter Valley Project. He stated this is a quarterly meeting and all the topics are related to the Potter Valley Relicensing Project.

Marin Sanitary District Managers Meetings

Mr. McIntyre apprised the Board he has been attending monthly meetings with managers from other Marin special district's that provide wastewater treatment. He added that these meetings have been a good resource for local special district topics such as LAFCo, Public Safety Power Shutdown, Public Outreach, Emergency Preparedness, and waste water treatment issues/regulations.

Director Baker asked if there were over twenty special districts for water and/or wastewater treatment including West Marin. Mr. McIntyre replied that he is not sure of the total number but there are many, and this group includes six East Marin sanitary districts providing wastewater treatment and disposal.

Interactive Election Map

Mr. McIntyre advised that Board that work continues with the demographers and IT to develop an interactive election map on our website. He added this map will allow our customers to zoom in for a detailed street map to help identify Division boundaries.

Director Baker asked if we are working with Marin Map. Mr. McIntyre replied that IT is currently just working with our demographers. Director Baker asked if Marin Map was still the key site for County mapping functions, or were there others. Mr. McIntyre replied that Marin Map is still active.

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 reported on the recent PG&E power outage in Novato and how the shutdown impacted the District. Mr. Clark stated that power went out at 11:00 p.m. and came back on around 1:30 a.m. Mr. Clark added he and Mr. McIntyre have been working with safety consultant Dave Jeffries who is a safety planner and is contracted with the City of Novato and Novato Fire Protection District to work on emergency planning. He added Mr. Jeffries will also be providing consulting services to train our staff over four sessions in September on emergency planning. Director Joly asked if we were taking into consideration that some of the staff may not be able to get to District headquarters. Mr. McIntyre confirmed, adding that a similar exercise was done with Mr. Jeffries in 2015 when training for a dam failure event. Director Baker asked who Mr. Jeffries worked for in the past. Mr. McIntyre replied he used to work for the Novato Police Department.

Mr. Vogler announced that the second and final SCWA aqueduct shut down occurred today near Kastania and the South Petaluma Blvd. Hwy. 101 overpass and there were no

issues. He added that in preparation for the work, we topped off all of our storage tanks, noting both Ghilotti Construction and Caltrans worked on the project and everything went smoothly. Director Baker asked if the shutdown affected both us and MMWD. Mr. Vogler replied that we informed MMWD that they could not take any water during that time.

Director Joly thanked Mr. Vogler for preparing the hard copies of the Master Plan for the Board. Mr. Vogler reaffirmed that the Board should submit any questions they have to him by September 3rd and depending on the extent of the questions we may adopt the Master Plan at the subsequent meeting. Director Fraites stated that there was an incredible amount of information in the report and thanked Mr. Vogler and staff for doing a fantastic job. Director Joly agreed.

Mr. Vogler also mentioned that NMWD was awarded a \$900,000 grant from CalOES and FEMA for hazard mitigation work on the Oceana Marin Ponds. He added the work would consist of armoring the berms around both of the ponds so we don't have significant erosion during storms. Director Joly stated that this is great news.

MONTHLY PROGRESS REPORT

The Monthly Progress Report for July was reviewed. Mr. McIntyre stated water production in Novato is down 7% from one year ago. In West Marin, water production is down 13% from July one year ago. Recycled Water production is up 21% from one year ago. Stafford Treatment Plant production is down 14% from one year ago. Mr. McIntyre noted that Stafford Lake is at 75% of capacity, which is 58% above last year's storage. In Oceana Marin, the treatment pond free board levels look good and irrigation discharge occurred. Under Safety/Liability we currently have 124 days without a lost time injury.

Mr. McIntyre also advised the Board that over the last three months we have had leaks in the Bel Marin Keys area, adding that Mr. Vogler is investigating and also checking with Novato Sanitary District to see if they are having any settlement issues. Director Baker noted that this area has been a problem for decades. Mr. McIntyre concurred. Director Joly asked if there is an HOA or organization out there that we notify and asked if there were any customer complaints. Mr. Arendell replied that we notify each impacted customer and there were no complaints. Director Baker asked if the breaks were only on Montego Key and Mr. McIntyre replied that we also had a repair on Del Oro Lagoon. Director Baker asked if Novato Sanitary District has both gravity and pressure sewer lines in the area. Mr. Vogler replied yes, and added he made outreach to the NSD Assistant General Manager to look at their records.

Director Fraites stated that on the road to Stafford Treatment Plant he noticed there is a

repair that needs to be done near the Leveroni Creek culvert and asked when that work will start. Mr. Vogler replied that it is in the permit process phase now and it should start next year. Director Joly asked if we have another wet year, will we have some erosion issues. Mr. Vogler replied that it should not jeopardize the access road, but we still want to get the work done soon.

Mr. McIntyre reported on the Summary of Complaints and Service Orders. The Board was apprised that the total number is down 16% from July one year ago. He noted an increase in-house generated work orders due to staff creating tags to investigate potential leaks based on AMI alerts. Director Joly stated he noticed two customer reports on strong chlorine odor, which is what he experience recently. He noted Mr. Ramudo stated this was from Sonoma County Water Agency's system not ours.

Ms. Blue reported on the July 2019 Investments, where the District's portfolio holds \$18.9M earning a 2.40% average rate of return. Ms. Blue noted the LAIF rate is 2.38%. She noted it was the second month in a row that the LAIF decreased and we will need to continue to watch that.

Director Joly asked what we budgeted for Novato potable water sales this fiscal year. Ms. Blue reported we budgeted 2.6 billion gallons for Novato for the year.

PRELIMINARY FY 2018-2019 FINANCIAL STATEMENT

The Quarterly Financial Statement for Fiscal Year 2018-2019 was presented by Ms. Blue. She reviewed the Novato, West Marin, Oceana Marin, and Recycled Water budgets and net income revenue. The District generated a net income of \$2.4M and noted at year end the ratio of total cash to budgeted annual operating expense stood at 107%. Ms. Blue noted that the auditors are here keeping staff busy and we will see final number in the future. Director Joly stated that the preliminary report looks very good.

CONSENT CALENDAR

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

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

NOES: None

ABSTAIN: None

ABSENT: None

WATER AGREEMENT BLUE BARN RESTAURANT, 819 GRANT AVENUE, APN 153-063-04

The Board approved the Water Service Agreement for Blue Barn Restaurant, 819 Grant

Avenue in Novato. This agreement is for a restaurant renovation project that includes a building addition with outdoor patio at the rear of the building facing Cain Lane.

LEONARD CHARLES & ASSOCIATES – CONSULTING SERVICES AGREEMENT CEQA SERVICES WEST MARIN THM REMOVAL PROJECT

The Board authorized the General Manager to execute a Consulting Services Agreement with Leonard Charles and Associates for CEQA Services for the West Marin THM Removal Project. An Initial Study needs to be prepared to examine potential environmental impacts related to the proposed construction of a carbon adsorption system located at the PRE Tank 1 parcel to treat disinfection by-products.

ACTION ITEMS

CONTRACT AWARD FOR NMWD TRENCH RESTORATION PAVING – FY20

Mr. Arendell reported that out of eleven recently solicited paving contractors, McLellan was the only bidder for the NMWD project. He noted that McLellan has had an excellent working relationship with NMWD and they go out of their way to ensure that District paving needs are met. Mr. Arendell explained that bid pricing is up this year due to higher labor and material costs.

Director Baker asked if we have some of our crew inspecting when McLellan is paving. Mr. Arendell replied not typically. Director Baker asked if the valves are being properly raised and flush with the pavement. Mr. Arendell responded that McLellan does a good job. Mr. McIntyre added that District crews are now marking the valves with thermoplastic bands. He explained previously they use to paint on circles and they would need to go back and repaint them frequently. Mr. Arendell added that the new thermoplastic markings have an even width and are reflective which makes it easier to find in an emergency. Mr. Arendell noted that Marin Municipal Water District has been using this product for a long time and they last much longer.

Director Joly asked if since McLellan was the single supplier for paving, did we feel comfortable with the cost, and could we consider bringing some of this work in house. Mr. Arendell replied McLellan does a great job, the City and County never complain about them, and they have all the equipment to do the work. Director Grossi commented that no one wants to bid on the little jobs anymore. Director Fraites added that McLellan did a paving job on the private street he lives on and did an excellent job.

On the motion of Director Joly, and seconded by Director Fraites the Board approved the Contract Award for NMWD Trench Restoration Paving to W. K. McLellan Company by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

AUTHORIZE VACUUM EXCAVATOR REPLACEMENT PURCHASE

Mr. Clark explained that our crews use this type of equipment to dig holes. He added they are especially useful when working in busy streets. Mr. Clark stated after reviewing bids from three vendors, Ditch Witch had the highest ranking score with a positive rating on twelve of the fourteen specific ranking criteria with a cost of \$116,500.

Director Grossi asked if we have ever had to use an outside firm in the past for these services. Mr. Arendell replied that we never had to, and that our crews use this piece of equipment several times a day. Director Grossi stated they are handy, faster and cheaper than using a backhoe and remove the dirt quickly. Mr. Arendell added there is also a lot less breakage of utilities. Director Baker stated Novato Sanitary has the same type of equipment, and asked if it would be possible to share theirs. Mr. Arendell responded that Novato Sanitary uses a different type of machine. Director Joly stated that this appears to be an essential piece of equipment that we use on a regular basis and asked about the maintenance and warranty. Mr. Clark replied it has a warranty, and with the last vacuum we performed most of the maintenance during the last five years.

On the motion of Director Grossi, and seconded by Director Joly the Board approved the vacuum excavator replacement purchase by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

BUDGETED FY20 CHERRY HILL TANK NO. 2 RECOAT AND REHABILITATION – APPROVE BID ADVERTISEMENT

Mr. Vogler stated the scope of the project is to recoat and rehabilitate the 0.2 million gallon Cherry Hill Tank No. 2 including complete interior recoat and exterior over-coat, installation of a new mixing system, improvements to comply with current AWWA guidelines and roof rafter repairs if and where required. He added that staff hopes to advertise this week

and have a contractor on board by early October, with a projected completion in 120 days. Mr. Vogler stated the cost of work is estimated at \$320,000.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved the bid advertisement for the budgeted FY20 Cherry Hill Tank No. 2 Recoat and Rehabilitation by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

POTTER VALLEY PROJECT RELICENSING UPDATE – FERC ACCEPTANCE OF NOTICE

OF INTENT

Mr. McIntyre gave an update on the Potter Valley Relicensing project. He reported that staff continues to work with our legal counsel to ensure that NMWD stays both informed and engaged in the process. He added PG&E states that they will continue to own and operate the Project until a new license is issued or the Project is decommissioned. Mr. McIntyre added multiple efforts are currently underway to ensure that the retail water contractors are actively involved during Feasibility Study preparation. Mr. McIntyre stated that Valley of the Moon Water District uses the same legal firm as us and we are sharing legal fees to be as cost effective as possible.

Director Grossi asked how much of a role will NMWD play in this as we move forward. Mr. McIntyre replied that his role, as TAC chair, allows us to be very informed and involved through this process. Director Joly asked what is significant for the water contractors. Mr. McIntyre replied that water supply reliability and costs are the two drivers. He added that a new regional entity to operate PVP could be looking at tens of millions of dollars in costs and that the water supply component associated with PVP will need to be monetized. He added all water contractors should only have to pay costs proportional to the benefits they receive. Director Fraites stated that he understands there are thirty three tribe organizations involved and asked what their involvement is. Mr. McIntyre replied that Federal and State funding is key for the financial viability of a regional entity to operate PVP and this will require having the support of the tribes to be successful.

NBWA MEETING – JULY 12, 2019

Director Fraites reviewed the NBWA Meeting for July 12, 2019. He discussed the One

Water program which is made up of several agencies working together to save water and noted NMWD has been working with Novato Sanitary District and Las Gallinas Valley Sanitary District to provide recycled water to our customers. He added the San Francisco Bay Authority received funding for projects to help with water quality around the bay and the surrounding areas.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated August 8, 2019 and Disbursements – Dated August 15, 2019.

The Board received the following news articles: How will the Potter Valley Project impact Cloverdale?; County prepares for PG&E fire prevention blackouts; North Marin should reduce water into creek; Water district addresses Stafford lake release; MMWD picks nonprofit to livestream meetings; Wildfire prevention parcel tax pondered; PG&E losses surge over wildfire costs, bankruptcy; North Marin shifts elections to by-district; Field for November election almost set and County closer to buying in West Marin.

Director Joly, referring to the August 15th disbursements, asked how the three new generators, purchased at a cost of \$132,804 will be used and if more purchases will be required. Mr. Clark replied that these purchases are part of the Public Safety Power Shutdown response plan presented to the Board earlier this summer. He added that we will reevaluate our needs at the end of this fire season noting that equipment rental companies are now getting on board and have more portable generators available to rent

ADJOURNMENT

President Baker adjourned the meeting at 7:15 p.m.

Submitted by



Theresa Kehoe
District Secretary