

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 20, 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, and John Schoonover. Also present were General Manager Chris DeGabriele, Acting District Secretary Eileen Mulliner, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. Director Rodoni and District Secretary Katie Young were absent.

Gary Skrell, The Covello Group, Silas Valentino from the Point Reyes Light, and District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) 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, and Schoonover

NOES: None

ABSENT: Director Rodoni

GENERAL MANAGER'S REPORT

Notice of From State Water Resources Control Board (SWRCB) – September 2, 2016

Mr. DeGabriele reminded the Board of the SWRCB notice of violation letter for failure to meet water conservation standard and requesting additional information. He stated that his request to the State Water Resources Control Board to rescind the notice has not yet been fulfilled. He noted that the SWRCB has advised they will keep the notice in place until the District receives more information from the meter manufacturer regarding an appropriate adjustment factor to apply to the District's June report and if it does turn out that the adjustment brings the District back into compliance, the SWRCB will rescind the notice. Mr. DeGabriele informed the Board that the District expects to get information from Sonoma County Water Agency this week and SCWA knows the importance of the requested information from the meter manufacturer.

Water Technology Alliance

Mr. DeGabriele advised the Board that District staff has been invited to meet with the Water Technology Alliance consisting of three Danish Water Utilities interested in sharing knowledge on integrated water resources, smart water distribution, optimizing treatment and energy efficiency. He noted that they will meet with staff here in October and have previously met with Central Marin Sanitation Agency staff.

District Headquarters Upgrade

Mr. DeGabriele informed the Board that District staff reviewed proposals from architects on the District headquarters upgrade and have selected three to interview on October 5th.

Out of the Office

Mr. DeGabriele informed the Board that he will be out of the office and out town all next week and Mr. McIntyre will be acting General Manager.

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 asked if there had been any feedback from Mountain Cascade on rejection of their bid protest, action taken by the Board at the previous meeting. Mr. McIntyre responded that nothing had been received from Mountain Cascade on that topic and that Mountain Cascade is recommended for award of the Recycled Water Expansion Central Service Area - East Construction Contract on tonight's agenda.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Board with the Monthly Progress Report for August. He stated that water production in both Novato and West Marin is up compared to last year, but still down compared to the State Board's 2013 metric, down 10% year to date in Novato and down in 17% West Marin from 2013. He advised the Board that Recycled Water production is up and is on-par with 2013 and up 12% compared to last year. Mr. DeGabriele informed the Board that Oceana Marin storage levels are going up and explained the Capital Improvement Project of dosing siphon repairs that needs to be made but informed the Board that there has been a temporary fix in place so the

District will be able to continue to discharge through September and into October and the project will take about a week in late October to make the permanent repairs.

Director Baker asked if staff had to wait for the ponds to reach a certain level before performing the repair. Mr. Clark responded no.

Mr. DeGabriele provided the Board with the Summary of Complaints and Service Orders and pointed out that the service leaks are up this month compared to a year ago, as are high bill complaints. He noted that the high bill complaints are resulting in a lot of customers requesting bill adjustments under the Board policy. He stated that overall the complaints and service orders for the month are up by 60% compared to a year ago.

Mr. Bentley stated that compared to a year ago for the first two month the District has given \$16,900 in bill adjustments, a year ago \$8,600.

Mr. Bentley reported on the August 2016 Investments, where the District's portfolio holds \$12,480,000 earning a 0.77% rate of return.

CONSENT CALENDAR

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

AYES: Director Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

CALPERS RESOLUTION TO REDUCE DISTRICT CONTRIBUTION

The Board approved Resolution 16-24 entitled: "Resolution of the Board of Directors of the North Marin Water District for Employer Paid Member Contributions." The approved Resolution is to reduce the District's paid employee contribution to 0.0% for Classic members effective October 1, 2016.

ESA – GENERAL SERVICES AGREEMENT

The Board approved a General Consulting Services Agreement with ESA with a not-to-exceed limit of \$30,000 for the Recycled Water Central Service Area Expansion project. The first task will be for pre-construction plant surveys, construction monitoring and reporting for the Central Service Area project.

KTA-TATOR, INC – CONSULTING SERVICE AGREEMENT

The Board approved a General Consulting Services Agreement with KTA-TATOR Inc with a not-to-exceed limit of \$20,000 to provide on-going professional consultation for coating/corrosion engineering and inspection. The first task order amount of \$13,300 to be funded under this agreement will be for coating evaluation and structural assessment services associated with the San Mateo Tank Rehabilitation project.

BIENNIAL REVIEW OF NMWD'S CONFLICT OF INTEREST CODE (MULTI-COUNTY)

The Fair Political Practices Commission requires that the District's conflict of interest code be reviewed every two years. In reviewing the District's code, District legal counsel recommended including the Assistant General Manager position in the code with reportable items consistent with the GM and attorney. The Board approved the submittal to the FPPC of the District's proposed non-substantive changes to the conflict of interest code.

ACTION ITEMS

SALARY SCHEDULE REVISION

Mr. Bentley informed the Board that the San Francisco Bay Area All Urban Consumers Price Index increased 3.06% over the twelve months ending August 31, 2016. He stated that in accordance with the Memorandum of Understanding with the North Marin Water District Employee Association, effective each October 1 of each year, though 2017, employees will receive a cost of living adjustment equal to the percentage change in the CPI-U, less 0.3%. He stated that employees will also receive a 1.6% salary increase as an offset to the additional 1.6% employees will contribute toward the cost of the in CalPERS retirement benefit. He noted that accordingly, the total salary increase effective October 1, 2016 calculates to 4.4%.

Mr. Bentley advised the Board that the 1.6% CalPERS retirement contribution shifted from the District to employees serves to offset the 4.4% salary increase, thereby rendering a net labor cost increase of 2.6%.

On motion of Director Baker, seconded by Director Fraitess, the Board approved the updated District Salary Schedule to be effective October 1, 2016 by the following vote:

AYES: Director Baker, Fraitess, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

BID ADVERTISEMENT – RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – NORMAN TANK REHABILITATION PROJECT

Mr. McIntyre reminded the Board that part of the Recycled Water Expansion Project in the Central Service Area is the Norman Tank Rehabilitation Project which consists of an interior/exterior recoat and seismic upgrade of a 0.5MG surplus tank to be re-purposed for Recycled Water Storage and upgrade of Plum Tank Controls. He advised the Board that the project is ready to go out for bid advertisement with a bid opening date of November 15, 2016 and estimated construction completion date of July 31, 2017. Mr. McIntyre advised the Board that the current Engineer's Estimate for the project is \$760K and includes a 10% contingency.

On motion of Director Fraites, seconded by Director Petterle, the Board authorized bid advertisement of the Recycled Water Central Service Area- Norman Tank Rehabilitation Project.

AYES: Director Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – EAST: AWARD CONSTRUCTION CONTRACT (MOUNTAIN CASCADE INC.)

Mr. McIntyre advised the Board that the East project includes construction of 1.9 miles of recycled water pipeline including approximately 7,300 ft. of 16-inch PVC pipe, 2,300ft of 12-inch PVC pipe, and approximately 750ft of 16-inch welded steel pipe. He informed the Board that the bid opening for this project was on July 7, 2016 and five bids were received ranging from \$3.5M to \$4.3M. He noted that the engineer's estimate was \$2.99M. Mr. McIntyre advised the Board that Mountain Cascade submitted the lowest responsive bid of \$3,520,219. He stated that a bid evaluation was performed by The Covello Group, the District's hired construction manager and the analysis shows that Mountain Cascade complied with the bidding requirements.

On motion of Director Baker, seconded by Director Petterle, the Board awarded the contract to Mountain Cascade Inc and authorized the General Manager to execute an agreement with Mountain Cascade Inc. by the following vote:

AYES: Director Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

COMMENTS ON SCWA FISH HABITAT FLOWS AND WATER RIGHTS PROJECT DEIR

Mr. DeGabriele informed the Board that SCWA staff has now been directed by their Board to extend the public comment period and add public hearings on the Fish Habitat Flows and Water Rights Project DEIR. He stated that the new comment period and additional hearing dates were identified in a Press Release issued by SCWA distributed on September 16th and provided to the Board at tonight's meeting. Mr. DeGabriele provided the District Board the option to hold off submitting comments now until the further public hearings are held.

On motion of Director Fraites, seconded by Director Baker the Board authorized the District's comment letter for submittal on the Fish Habitat Flows and Water Rights Project Draft Environmental Impact Report by the following vote:

AYES: Director Baker, Fraites, Petterle, and Schoonover

NOES: None

ABSENT: Director Rodoni

COMMENTS ON STAFFORD LAKE MASTER PLAN DRAFT INITIAL STUDY

Director Petterle excused himself from the meeting at 7:28 p.m. due to a conflict of interest with this item.

Mr. DeGabriele provided a review of the Stafford Lake Master Plan Initial Study and stated that its most likely there will be more environmental review in the future. He advised the Board that the District is asking for the County to recognize the backwater effects during peak flooding conditions and is also concerned about the swimming lagoon and potential discharge to the lake. He noted that the District would like the County to incorporate sediment collection if a vehicular bridge is installed, install a new drinking water line to the park and also include a sewer line extension.

Director Fraites pointed out that the draft comment letter on the Stafford Lake Master Plan Draft Initial Study had the word "potential" twice in the District's Comment #3. Mr. DeGabriele advised that comment would be corrected.

On motion of Director Baker, seconded by Director Fraites, the Board authorized submittal of the comments on the Draft Initial Study and Mitigated Negative Declaration for Marin County Stafford Lake Park Master Plan by the following vote:

AYES: Director Baker, Fraites, and Schoonover

NOES: None

ABSTAIN: Director Petterle

ABSENT: Director Rodoni

Director Petterle returned to the meeting.

INFORMATION ITEMS

FY16 – OPERATIONS/MAINTENANCE YEAR END REPORT

Mr. Clark provided the Board with the Operations/Maintenance Year End Report.

TAC MEETING- SEPTEMBER 12, 2016

Mr. DeGabriele provided a brief summary of the September 12, 2016 Technical Advisory Committee Meeting. He advised the Board that Mr. Bentley did a great job with his presentation to the TAC on the District's tier rates effectiveness in reducing consumption.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements.

ADJOURNMENT

President Schoonover adjourned the meeting at 7:53 p.m.

Submitted by



Eileen Mulliner
Acting District Secretary

