

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 17, 2019**

CALL TO ORDER

President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 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 Tony Arendell (Construction/Maintenance Supervisor) and Robert Clark (Operations/Maintenance Supervisor) were also in attendance.

MINUTES

On motion of Director Petterle, seconded by Director Baker the Board approved the minutes from the December 3, 2019 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

District Holiday Party

Mr. McIntyre reported the Holiday Party had a great turn out with about a hundred attendees, which included fifteen retirees and a majority of the Board. He also acknowledged Ms. Kehoe and the Holiday Committee for their good work in organizing the event. Director Baker also thanked all the people that put it together.

Potter Valley Project Update

Mr. McIntyre informed the Board that he and Mr. Vogler participated in a Common Interest Agreement conference call with the Agency and other water contractors for a Potter Valley Project update on the Planning Agreement (PA) partners efforts to identify a viable PVP project moving forward. He reminded the Board that the PA partners include Sonoma County Water Agency, Mendocino County Inland Water and Power Commission, Cal Trout, Humboldt

County and Round Valley Indian Tribe. Mr. McIntyre advised the Board that all the partners, with the exception of Round Valley Indian Tribe, contributed \$100,000 to hire a consultant for the feasibility study. He noted the draft feasibility study is anticipated to be ready as early as late January 2020. Director Baker asked if there are any criteria for an entity or tribe to request becoming a new partner. Mr. McIntyre replied that the Planning Agreement partners are not expected to approve any new members since the project is well underway and they need to move quickly.

TAC Budget Subcommittee

Mr. McIntyre announced a TAC budget subcommittee has been formed to review the proposed FY21 Sonoma County Water Agency Water Transmission System budget. Mr. McIntyre noted that Ms. Blue will again be on the subcommittee, and they will work with the Agency to refine the budget. He added in March, Lynne Rosselli from Sonoma County Water Agency will provide a budget presentation to the Board and in April it will be presented to the WAC for approval before action by the SCWA Board of Directors.

Lagunitas Streambank Stabilization Project

Mr. McIntyre announced the Lagunitas Streambank Stabilization project 90% design submittal was just received and is being reviewed. He added the District also received a draft funding contract from Natural Resources Conservation Service (NRCS) and it is being reviewed by our legal counsel. Mr. McIntyre noted an agreement with NRCS will be brought back to the Board at a future meeting.

Holiday Schedule

Mr. McIntyre announced he will be out of the office from December 19th through December 27th and Mr. Vogler will be in charge during his absence.

Leveroni Creek Embankment Repair

Director Joly asked how the meeting went with Indian Valley Golf Course (IVGC) management to discuss funding for the planned Leveroni Creek Embankment Repair project. Mr. McIntyre responded that at the December 5, 2019 meeting, he and Mr. Vogler reviewed the project with IVGC management and that more project cost discussions are expected in early 2020. He added that once there is a better understanding of overall project costs, staff will come back to the Board with a cost sharing proposal.

OPEN TIME

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

Mr. Vogler discussed the repairs to the dam concrete apron, noting that the almost 70 year old gunite is deteriorating in many locations. Director Baker asked if over time the weather cause the concrete to crack and deteriorate. Mr. Vogler replied yes, adding that the wave action also takes a toll on the material as some of the wire becomes exposed and the gunite surface becomes thinner and thinner. Mr. McIntyre added that there is a Capital Improvement Project (CIP) identified within the next five years to overlay the existing concrete apron. Director Baker asked if it was a coating. Mr. McIntyre replied that our dam consultant recommended either a gabion basket overlay or 6-inch concrete overlay.

MONTHLY PROGRESS REPORT

The Monthly Progress Report for November was reviewed. Water production in Novato is up 31% from one year ago and up 4% year to date. In West Marin, water production is down 7% from November one year ago and down 13% year to date. Recycled Water production is down 14% from one year ago and up 8% fiscal year to date. Stafford Treatment Plant produced 99 MG in November and production is up 64% fiscal year to date. The Board was apprised that Stafford Lake is at 37% capacity, Lake Sonoma is at 84% capacity and Lake Mendocino is at 114% capacity. Under Safety and Liability we had 246 days without a lost time injury.

Mr. McIntyre noted that PG&E is back on schedule with their monthly billing, which is reflected in this month's Energy Cost tabulation. Additionally, Mr. McIntyre reported that under Utility Performance Metrics, we had one event with a leak that occurred at the intersection of Olive and Railroad that resulted in a service interruption to twelve customers for five hours. Director Joly asked if there was anything unusual about this event. Mr. Arendell replied that this intersection has a lot of buried utilities, adding that years ago concrete was placed around the water main to protect it from other utility work and therefore it took quite a bit of time to jackhammer the concrete off in order to repair the leak.

On the Summary of Complaints and Service Orders, the Board was apprised that the total numbers are down 7% from November one year ago and there were no unusual trends in complaints and service orders for the month.

Julie reported on the November 2019 Investments, where the District's portfolio holds \$23M earning a 2.22% average rate of return. She added the District purchased a CD for 1.75% which is a great rate considering the current market.

Director Grossi announced that he heard there will be another development project at Indian Valley College to provide fifty to sixty workforce housing units. Mr. Vogler asked if the

units will be on the college campus. Director Grossi confirmed. Director Fraites asked if it was actually on campus property, or on the open space. Director Grossi replied on campus property. Director Fraites asked if the units were for faculty or low income housing. Director Grossi replied faculty and maybe students, adding they are doing the same at the Kentfield campus.

CONSENT ITEMS

Director Fraites asked to pull Item 6 for further discussion.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved Item 7, authorizing the General Manager to execute the Addendum to the Land-Use Agreement for CIMIS Station #187, Black Point by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

(Item 7) ADDENDUM TO THE LAND-USE AGREEMENT FOR CIMIS STATION #187, BLACK POINT

In 2003 a land-use agreement was executed for the re-location of California Irrigation Management Information System (CIMIS) Station #63 from Valley Memorial Cemetery to an area located in the Novato Sanitary District irrigation fields to the south of Highway 37 (now called Station #187, Black Point). As part of this relocation the CIMIS station's data-logger required a cellular modem for communicating the weather data back to the Department of Water Resources (DWR). The CIMIS station data-logger required a cellular modem and North Marin Water District was responsible for the installation and monthly services charges for the telephone service. The Department of Water Resources has now developed a secure network to retrieve data and will assume responsibility for payment of the monthly cellular fees, therefore this addendum will transfer the modem to a secure DWR network and DWR will pay the monthly cellular charges.

(ITEM 6) FINAL ANNUAL REPORT FISCAL YEAR 2018-2019

The Annual Report was originally provided at the December 17th meeting and minor changes were made as shown. Upon approval the final copy will be distributed at the next meeting.

Director Fraites requested the electoral division information for each Board Member be listed on the Board of Directors page of the annual report.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved

Item 6, with the requested additional information on the Board of Directors page of the Final Annual Report Fiscal Year 2018-2019 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ACTION ITEMS

REQUEST FOR EXCEPTION TO BILL ADJUSTMENT POLICY – 400 WOOD HOLLOW

DRIVE

Ms. Blue explained the Bill Adjustment Policy requires use in excess of 150% of normal as the threshold to qualify for a bill adjustment, therefore she was recommending the Board deny the request. She added she sent Ms. Dadnia the report and invited her to attend the meeting, however she declined. Ms. Blue noted that in 2019 Ms. Dadnia used 3% less water than in 2018 and that there was not reasonable basis for staff to give Ms. Dadnia an adjustment based on our current bill adjustment policy. Director Grossi asked if the consumer had submitted a request a year ago. Ms. Blue replied the last request she made was in 2013. Director Petterle stated the Board is usually sympathetic, but not in this case. Director Joly commented that staff did an excellent job with follow up and the memo.

On the motion of Director Petterle, and seconded by Director Baker the Board denied the request for exception to Bill Adjustment Policy for 400 Wood Hollow Drive by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PRE TANK 4A – BUDGET AUGMENTATION AND CONSTRUCTION CONTRACT AWARD

Mr. Vogler reminded the Board that at the second meeting in November he requested the Board pull the PRE Tank 4A agenda item. He added that doing so allowed staff to spend more time to review Piazza's bid which was about three times higher than the engineer's estimate. Mr. Vogler stated the additional research concluded that Piazza's bid was well founded for concrete tank construction after discussions with other contractors. Mr. Vogler explained after staff reviewed other materials and methods which included steel tank alternatives, the comparison of cost, life of product and visual impacts, the concrete tank was still the best option at this confined West Marin location. Director Petterle asked if the District is

subject to the Public Contract Code. Mr. Vogler replied that as a County Water District we do not have to comply with the Public Contract Code, however we typically do so for transparency and noted this project was publically bid and per the Public Contract Code this is a valid bid. Director Petterle asked if the Board originally rejected the bid. Mr. Vogler replied, no, the item was pulled from the agenda. Director Baker noted there are a lot of factors, including the weather and the road. He stated he was glad we are using Piazza Construction, because they are a good contractor that has experience in both West Marin and Sonoma County, and they are not as aggressive in their pricing. Mr. McIntyre noted Piazza Construction has done previous projects with the District.

Director Grossi expressed concern that our estimate was so far off, even though he understands the complexity of the project. Mr. Vogler replied that our consultant relied on the 2005 Olema Tank Project as an example and then escalated costs. Mr. Vogler explained that he believes the estimate was off due to the restricted access location at the top of a hill and a very competitive bidding climate. Director Grossi asked if we put it out to bid again, if we would get more bidders. Mr. Vogler replied the risk would be timing with environmental permit requirements, bird nesting season, etc. He added the contract is to build in 2020, if we rebid we will lose the 2020 construction window and the project will be pushed out another year, noting we need to construct between March and October. Director Baker noted that we could even end up paying more by delaying the project. Director Joly stated that due to the decreased contractor availability it is increasing the bid price, which is a red light warning that future projects will be at a higher cost. Director Fraites stated Mr. Vogler made a good argument for concrete tanks and wondered if in the future we will use them instead of steel. Mr. Vogler replied in West Marin's coastal climate concrete is preferred, but not in Novato. He added in Novato, steel is the way to proceed as the coating interval is longer in the East Marin environment.

On the motion of Director Petterle, and seconded by Director Baker the Board authorized the PRE Tank 4A budget augmentation of \$620,000 and authorized the General Manager to execute a construction contract with Piazza Construction in the amount of \$1,087,810 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

WATER RATE STUDY – BOARD AD-HOC COMMITTEE WORKSHOP DATE/TIME

Ms. Blue reviewed the updated timeline and status of the Water Rate Study events. She reminded the Board that the purpose of the upcoming January 14th Board Ad Hoc committee workshop is to create focused input from the Board in a timely manner. She added the Ad Hoc committee consists of Directors Grossi and Joly and at the meeting Mark Hildebrand will review rate models and specifics of the proposed rate structure changes. Director Petterle asked if the Ad Hoc committee meeting is open to the public. Mr. McIntyre replied that this meeting is not subject to the Brown Act, but if someone wanted to attend they will not be prevented from doing so. Director Petterle stated that since the Ad Hoc committee was appointed by the Board we should check with legal counsel to see if we need to advertise the meetings. Director Grossi stated that if there is no quorum, no notice is required. Mr. McIntyre replied that since this is not a standing committee public notification rules do not apply, but he will check with legal counsel. Director Joly asked if there is enough time between January 14th and when we have the Special Board Meeting Workshop on February 11th. Ms. Blue confirmed, stating the Ad Hoc committee will review the model on the 14th and, if needed, they can have another meeting to go over the updates before the February 11th meeting. She added that a second Special Board Meeting Workshop on the 25th of February is already on the outlined schedule if more discussion is needed. Director Grossi asked if the Water Rate Study report will be approved on March 3rd. Ms. Blue replied yes, adding at the same meeting the Board will approve the rate increase customer letter followed by a Public Hearing on May 19th to enact the new water rates. Director Joly asked when Lynne Rosselli from Sonoma County Water District will be coming to give her budget presentation. Mr. McIntyre replied in March. Ms. Blue added, it is the same timeline as before and the letter must be sent out forty five days in advance.

On the motion of Director Fraites, and seconded by Director Baker the Board approved the Water Rate Study Board Ad Hoc Meeting for January 14, 2020 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

ACWA FALL CONFERENCE – DECEMBER 3-5, 2019

Director Baker apprised the Board of his recent attendance at the ACWA fall conference. He stated there were many time slots with alternative topics to choose from and many were technical presentations. Director Baker stated Jennifer Burke from Santa Rosa Water was on a

panel and spoke about the fires, as did her counterpart from Paradise. He added that it was very interesting; he learned a lot and was glad he attended. Director Joly thanked Director Baker for attending.

NBWA MEETING – DECEMBER 6, 2019

Director Fraites summarized the December 6th NBWA Meeting. He noted that the Executive Director from the SF Bay Area Regional Water Quality Control Board spoke on several projects. Director Fraites also went on a tour near Novato Creek where the new wetlands project was discussed, including Deer Island and the interface work with Highway 37.

WAC/TAC MEETING – NOVEMBER 4, 2019

Mr. McIntyre summarized the November 4th WAC/TAC Meeting. He announced that the Sonoma Marin Saving Water Partnership won two 2019 EPA WaterSense Excellence Awards this year. He also provided the approved 2020 WAC/TAC schedule.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated December 5, 2019, Disbursements – Dated December 12, 2019, Press Release - Russian River Inflatable Dam Being Deflated Today, 2020 WAC/TAC Meeting Schedule, Annual Sick Leave Buy-Back, Disposal of Surplus Equipment, Letter to Vendors and Suppliers and Public Notice - City of Novato Notice of Action NMWD Lot Line Adjustment.

The Board received the following news articles: Firm hired to study options for Potter Valley Project; Water bill incentive for in-law units mulled – MARIN MUNICIPAL; and Blocked from Potter Valley Project planning group, Lake County interest look ahead- future of Lake Pillsbury uncertain.

Mr. McIntyre pointed out the notice in the Marin IJ in reference to the City of Novato lot line adjustments. He noted that the District continues to go through the process to combine two Rosalia Tank surplus parcels into one, with the goal to complete the adjustment in advance of the General Plan update.

Director Baker announced he had the pleasure to sit with Mr. Bentley our former Auditor-Controller at the holiday party. He added, after retirement, Mr. Bentley has gone back to work and is now temporarily working for the City of Novato as their Interim Finance Director. Mr. Baker stated the City is very fortunate to have Mr. Bentley

Director Joly wished all the Directors and staff Happy Holidays.

ADJOURNMENT

President Baker adjourned the meeting at 6:58 p.m.

Submitted by

A handwritten signature in cursive script that reads "Theresa Kehoe".

Theresa Kehoe
District Secretary