

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 16, 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 Rick Fraites, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, and Auditor-Controller David Bentley. Director Jack Baker and Chief Engineer Drew McIntyre were absent

Novato Resident, Mike Jolly, District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

AYES: Directors Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Baker

GENERAL MANAGER'S REPORT

CSMART Meeting

Mr. DeGabriele advised the Board that he attended a CSMART TAC meeting last Wednesday. He stated that there was continued discussion to refine adaptation actions in preparation for issuance of a draft report by the end of this month. He noted that the grant funding ends April 30th, but the County is figuring out how to keep the effort going. Mr. DeGabriele stated that the final adaptation report is due to the CA Coastal Commission by the end of April. He advised the Board that there were questions of how to fund the adaptation actions. He stated that State representatives were at the meeting and suggested that Enhanced Infrastructure Financing Districts (EIFD) be established to take on the projects. He noted that the EIFDs ostensibly would get money from property tax increments as assessed values increase, similar to redevelopment agencies of the past.

Friends of Novato Creek

Mr. DeGabriele advised the Board that he had a conversation with Sue Latanzio of Friends of Novato Creek about how to broaden the scope of their efforts. He followed up with the City of Novato on the trash concerns in the Hamilton/Ammo Hill area and contacted Friends of Petaluma River to find out how they fund their staff and resources.

Grossi Dairy

Mr. DeGabriele advised the Board that he, Robert Clark and Pablo Ramudo met with the Grossi Dairy on Friday. He stated that it was a good discussion, but there is a lot more to go. He informed the Board that internally staff has discussed some goals to strive and achieve before the next rainfall season to improve ranch manure management and resulting water quality.

Meeting with SCWA

Mr. DeGabriele informed the Board that this Thursday he and District legal counsel Carl Nelson will meet with Sonoma County Water Agency and their legal counsel to discuss the Russian River Water Rights, Potter Valley Project, Biological Opinion/RRIFR and other issues so the District can understand where they're headed and hopefully can continue to support their decisions in the future.

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 there was no response.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Board with the Monthly Progress Report for January. He stated that water production in Novato during January was down 13% and year-to-date down 30% from 2013. He informed the Board that in West Marin, January water production was down 26% from January 2013 and that water production in 2013 is the metric the State Board is using for measurement to comply with the Emergency Urban Water Conservation Regulations. Mr. DeGabriele advised the Board that Stafford Lake rainfall and storage is a little below average, but hopefully will be on track at the end of this fiscal year. He noted that Stafford Lake is now at 81% of capacity. He informed the Board that on the Russian River, Lake Mendocino has encroached into

the flood control pool and holds over 100% of its water supply pool, Lake Sonoma is 10,000AF below the top of water supply pool and holds 235,000AF.

Mr. DeGabriele informed the Board that a Pipeworker twisted his knee, in late January and he is now back to work but on modified duty and the District had to restart the lost time calendar.

Mr. DeGabriele reviewed the Summary of Complaints and Service Orders and advised the Board that complaints were down considerably, 33%, in all categories, except that in-house generated work orders were up by almost 60%. He noted that he queried the consumer service staff and they stated that there were a lot more meter dig outs that were flooded from this winter's rain.

Mr. Bentley reviewed the Monthly Report of Investments showing the District holds \$11.5M in reserves, earning a 0.63% rate of return.

ACTION CALENDAR

REQUEST TO SOLICIT FINANCIAL AUDIT PROPOSALS

Mr. Bentley advised the Board that staff is requesting to solicit financial audit proposals to perform the annual audit for a four year period. He reminded the Board that Charles Z. Fedak and Company has held the contract for the last four years. He stated that a preliminary letter will be sent to firms who have expressed interest in conducting the independent audit in the past and those indicating continued interest will be requested to submit a proposal.

On motion of Director Rodoni, seconded by Director Fraites, the Board authorized staff to solicit proposals to perform the District's annual audit for a four-year period by the following vote:

AYES: Directors Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Baker

AGREEMENT WITH AMI METER UPGRADE PROGRAM PROJECT MANAGER

Mr. Bentley advised the Board that in November the District requested proposals from five firms that had verbally expressed interest in recommending hardware selection and installation oversight of an Advanced Metering Infrastructure (AMI) system. He noted that Utiliworks Consulting was the only company to submit a proposal. He informed the Board that Utiliworks is headquartered in Louisiana, but has team members assigned to other accounts in the Bay Area and Northern California. He stated that Utiliworks is a small boutique firm, which specializes in AMI and will assist in identifying the appropriate technology, develop a cost benefit analysis, and road map for a pilot project to confirm effectiveness. Mr. Bentley advised the Board that should a pilot project move forward; Utiliworks would manage same and provide an assessment and recommendation for

overall project implementation for the District. He informed the Board that some of the budgeted \$500K for the work and not expended by the consultant would be used on hardware, software and any materials needed for the AMI pilot study. He noted that the consultant work is scheduled to be wrapped up by the end of January 2017.

Director Fraites asked how many meters would be installed. Mr. Bentley stated that the number of meters to be included in the Pilot study is not yet determined and will be addressed by the consultant.

Director Fraites informed staff the Marin Municipal Water District received a grant and asked what the possibility of the District receiving a grant would be. Mr. Bentley stated that MMWD's grant was for irrigation meters only and he is not aware of any grant opportunity for the District's Pilot Study.

Director Fraites asked what the cost effectiveness is of AMI. Mr. Bentley replied that the cost/benefit analysis is part of consultant scope to determine effectiveness.

Director Rodoni requested that an extensive customer outreach program be implemented early on to address any perceived "smart meter" impacts which may arise in the community.

Director Petterle questioned employee impacts and was advised that it's not anticipated there would be any resulting staff reduction but there may be repurposing of staff to customer service/water conservation needs in the future, should full AMI implementation move forward.

On motion of Director Petterle, seconded by Director Rodoni, the Board authorized the General Manager to execute an agreement with Ulliworx to provide project planning services and oversee deployment and assessment of the AMI Pilot Project for a fee not to exceed \$218,700 by the following vote:

AYES: Directors Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Baker

INFORMATION ITEMS

WATER CONSERVATION MID-YEAR UPDATE (JULY – DECEMBER 2015)

Ryan Grisso, Water Conservation Coordinator provided the Board with the Water Conservation Mid-Year Update for July – December 2015. He stated that the Cash For Grass Rebates are the big story and since 1989 there has been 1.1MSF turf replaced in Novato. He informed the Board that the toilet/washer rebates are proposed to continue as now and offered are

authorized through calendar year 2016 (both High-Efficiency and Ultra-High Efficiency) with grant money still available. He informed the Board that the Sonoma Marin Saving Water Partnership Fair Display will be set up in the District's Administration Building Lobby later this spring.

MID-YEAR OPERATIONS/MAINTENANCE 2015/16 UPDATE

Robert Clark, Operations/Maintenance Superintendent provided the Board with the Mid-Year 2015/16 Update and advised the Board that the safety incidents were mostly field related and staff is looking back at the root cause of those accidents to try and prevent them from occurring in the future. He informed the Board that Shawn Kane was promoted to Storekeeper/Safety Coordinator last spring and is doing a great job. Mr. Clark stated that there have been several opportunities for training with other local agencies including a Stafford Dam failure flood inundation table top exercise.

2016 URBAN AREA ANNUAL WATER COST COMPARISON

Mr. Bentley provided the Board with the 2016 Urban Area Water Cost Comparison, which indicates that Novato's cost of water for a typical single-detached family home totals \$672 per year and is ranked 10th out of the 17 agencies with which the District compares. He stated that in Novato, the median single family residential household annual consumption has dropped to 100,500 gallons, so even though the District's rates have increased, water consumption has fallen and many customers pay less than prior years due to the conserved water.

DRAFT PLANNING WORKSHOP SUMMARY – FEBRUARY 9, 2016

Mr. DeGabriele provided the Board with the draft of the planning workshop summary for review and comment and informed them that the final summary will be brought back for approval at the March 1st meeting.

MARIN LAFCO COUNTYWIDE WATER SERVICE STUDY – FINAL REPORT

Mr. DeGabriele advised the Board that he attended the LAFCo meeting last Thursday and LAFCo unanimously accepted the Final Countywide Water Service Study Report and adopted a Resolution. He informed the Board that there were two changes from the prior report, discussed at the January 15th meeting, including: 1) amended recommendation in response to the East Shore Planning Group request for community input regarding a potential boundary change for North Marin in the Inverness, Tomales Bay and Marshall vicinity, and 2) removal of the recommendation to explore and discuss potential to establish community waste water systems in the small West Marin communities.

Mr. DeGabriele advised the Board that the District will receive a hard copy of report for the District library.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Novato Flood Protection and Watershed Program Community Meeting, and Marin LAFCo Notice of Special Meeting.

The Board received the following news articles: Marin water conservation efforts slip in January, but still ahead of goals and To make the most of rain, state needs Delta tunnels.

ADJOURNMENT

President Schoonover adjourned the meeting at 7:38 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is written in a cursive, flowing style.

Katie Young
District Secretary