

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
March 15, 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, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Valley Memorial General Manager George Estes, Clayton Smith from the Marin Collation, Mike Jolly, Novato Resident, and District employee Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

NOES: None

**GENERAL MANAGER'S REPORT**

**Personal Commission NFPD**

Mr. DeGabriele advised the Board that the Novato Fire Protection District has asked that he serve on their personnel commission. He informed the Board that the committee is appointed by the NFPD Board and meets two times per year in a perfunctory mode, but does meet when there is an appeal of disciplinary action to make a recommendation to the NFPD Board. He opined that he does not believe the time commitment is too extensive and he has agreed to participate.

**Clair Hill Water Agency Award for Excellence**

Mr. DeGabriele informed the Board that the ACWA staff has suggested that the District submit the Aqueduct Energy Efficiency Project for the Clair Hill Water Agency Award for Excellence. He stated that it is his understanding that there are not many entries this year and the ACWA has extended the deadline. He noted that the Award would be presented at ACWA spring conference in Monterey and the Agency receiving the award will get to select three finalists to receive a \$5K ACWA scholarship.

### **OPEN TIME**

President Schoonover asked if anyone in the audience wished to bring up an item not on the agenda and the following item was discussed:

Clayton Smith from Mill Valley and representing the Marin Coalition, invited the Board and Staff to attend a luncheon presentation on April 6, 2016 by Lynn Ingram, UC Berkeley Professor of Earth and Planetary Science and Geography. He stated that the program topic is "A Long Term History of Climate Change in California."

### **STAFF / DIRECTORS' REPORTS**

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

Director Baker recapped his visit to Sacramento as part of the North Bay Water Reuse Authority Day in the Capitol contingent.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele provided the Board with the Monthly Progress Report for February. He stated that February water production in Novato is down 44% versus 2013 and year-to-date down 33%. He advised the Board that in West Marin, February water production is down 14% compared to 2013 and down 27% year-to-date. Mr. DeGabriele informed the Board that Stafford Treatment Plant is scheduled to start up on April 1st and that Recycled Water production continued on a limited basis in February as it was a dry month and several large landscape irrigators needed water.

Mr. DeGabriele advised the Board that water supply through March 14<sup>th</sup> shows that Stafford Lake is spilling, Lake Mendocino holds nearly 95,000AF and Lake Sonoma nearly 285,000AF. He noted that rainfall in Novato since March 1st has totaled over 4" and total rainfall is 20.07", slightly shy of average for this date. He informed the Board that at Oceana Marin freeboard is good in both the treatment and storage ponds; however, the collection system experienced very high infiltration and inflow during the recent storm events.

Director Rodoni suggested that staff identify a comparative water year to compare I&I and see if recent improvements have made a difference.

Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments showing the District has \$12.4M in reserves and the Investment Portfolio is earning 0.62% rate of return.

Director Rodoni asked about the outstanding invoices with Caltrans. Mr. Bentley stated that the turnaround time is usually 45 to 60 days.

## **ACTION CALENDAR**

### **RATE INCREASE LETTER TO NOVATO CUSTOMERS**

Mr. Bentley advised the Board that California law requires that customers be notified of a water rate increase at least 45 days prior to the public hearing where the Board considers adoption of the proposed increase. He stated that the public hearing will be held on May 17th and a 5% rate increase is proposed to be effective on June 1<sup>st</sup> for Novato customers. He informed the Board that the commodity rate is proposed to increase 7% and no increase is proposed to the bi-monthly service charge. Mr. Bentley stated that the combination of the commodity rate and bi-monthly service charge is estimated to increase the cost of water for the typical Novato residential customer by \$2.85 (5%) per month. Mr. Bentley advised the Board that in addition, enactment of a Temporary Drought Surcharge is proposed, which would increase District revenue by another 4% should it be adopted. He explained to the Board that should the State Board rescind the Emergency Water Conservation Regulations, the Board would not have to implement the Temporary Drought Surcharge.

Director Schoonover suggested that staff put the amount per month in dollars with the percentage increase in parenthesis at the beginning of the letter.

Mr. Bentley walked the Board and staff through the annual Water Cost Calculator that is available on the District website. He provided multiple examples of the rate increase structure for both residential and non-residential customer profiles in the Novato and West Marin service areas. He noted that in the rate increase letter, customers are advised to go onto website, type in their water account number and their name as it appears on the bill to use the Water Cost Calculator.

Director Petterle suggested that the language regarding the Water Cost Calculator be moved to the first page of the letter so that customers see it first.

There was a lengthy discussion regarding wording of the letter by the Board especially about the Temporary Drought Surcharge. Director Rodoni asked that the words "Revenue Recovery" be added in order to explain the reasoning for the surcharge.

Mr. DeGabriele stated that the State has continued their mandatory water restrictions through October 31st, but intends to consider rescission or adjustment of the mandatory drought regulation in April. He noted that the letter reflects that should the regulations be rescinded the Temporary Drought Revenue Recovery Surcharge would not be applied.

Director Rodoni asked if the State Board rescinds the restrictions or lowers the amount can there be a reduction in the Drought Surcharge.

Mr. Bentley stated that the Board can make that determination once the State decides in late April.

On motion of Director Petterle, seconded by Director Fraites, the Board approved the rate increase letter with the mentioned changes the Board requested by the following vote:

AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

NOES: None

Director Petterle requested that once the changes have been made that the Board receive a copy of the letter at the next Board meeting.

**WATER SERVICE AGREEMENT – VALLEY MEMORIAL PARK OFFICE EXPANSION**

Mr. McIntyre reminded the Board of the March 1st meeting when the Valley Memorial Park requested the District reconsider the unique conditions of the cemetery and reduce the required Facilities Reserve Charge (FRC). He advised the Board that the agreement has been revised to collect FRC payments for all equivalent dwelling units (EDU's) now, yet allow two of the EDU's to be posted with cash or irrevocable letter of credit at an approved financial institution in the Novato area and following three years from occupancy approval of the new office expansion, the District will evaluate required FRC's based on the EDU calculation derived from actual peak bi-month water use. He noted that the FRC's not required based on the evaluation for the two EDU's on deposit will be returned to the applicant.

Director Petterle asked if the account was an escrow account and if the account was interest bearing. Mr. McIntyre stated that it is a letter of credit which allows the District to have full access to the funds or Valley Memorial Park provides cash.

Director Baker expressed concern about the letter of credit expiring. Mr. Bentley Stated that the District will review the terms of the letter of credit and suggested to Mr. Estes a 36 month term.

On motion of Director Fraites, seconded by Director Petterle the Board approved the Water Service Agreement with Valley Memorial Park and Resolution 16-6 entitled: "Authorization of Execution of Water Service Facilities Construction Agreement with Valley Memorial Park Inc." by the following vote:

AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

NOES: None

Mr. Estes thanked the Board and left the meeting.

## **INFORMATION ITEMS**

### **MARIN BAYWAVE ADAPTATION VULNERABILITY EVALUATION**

Mr. DeGabriele provided the Board with information on the Marin BayWAVE Adaptation Vulnerability Evaluation. He stated that District staff met with the County of Marin staff working on the Eastern Marin Shoreline sea-level rise projection and potential effects on local facilities. He advised the Board that District facilities that may be impacted include: the Deer Island Recycled Water Facility, the Recycled Water Transmission Pipeline from Las Gallinas to Hamilton, the intertie valve with Marin Municipal at Highway 37, the cathodic protection anode bed at Bel Marin Keyes and various air valves and fire services in potentially inundated areas. He noted that the District Administration Headquarters and Corporation Yard may also be affected but are not yet identified on the sea-level rise mapping as being impacted. Mr. DeGabriele informed the Board that a draft report by the County is expected sometime this summer.

### **RUSSIAN RIVER BIOLOGICAL OPINION PUBLIC POLICY FACILITATING COMMITTEE**

Mr. DeGabriele provided the Board with information on the Public Policy Facilitating Committee (PPFC) meeting held on March 3<sup>rd</sup> that was attended by himself, Director Petterle and Director Rodoni. He stated that the meeting included a tour of the Mirabel Fish Passage Improvement Project which includes new fish screens, a new fish ladder and a viewing gallery for both public and scientific monitoring of fish passing the summer dam at Mirabel. He informed the Board that reports were given on the Dry Creek Habitat Enhancement Project, the Corps of Engineers funding for the Dry Creek Habitat Enhancements and a Safe Harbor Agreement between Sonoma County Water Agency and the National Marine Fisheries Service, which provides a 35-year operating window to protect the SCWA from endangered species “take” as the Biological Opinion projects are undertaken and maintained. Mr. DeGabriele advised the Board that Sonoma County Water Agency can enter into voluntary cooperative agreements with landowners providing them protection from endangered species, provided the landowner submits a farm management plan and adheres to best management practices. He noted that the PPFC also received a report on the Estuary Management and Final Jetty Study at the mouth of the Russian River and the Fish Flow Draft Environmental Impact Report intended to evaluate lower flows in the Russian River and a new hydrologic index at Lake Mendocino.

### **TECHNICAL ADVISORY COMMITTEE MEETING – MARCH 7, 2016**

Mr. DeGabriele provided a summary of the Technical Advisory Committee Meeting held on March 7<sup>th</sup>. He stated that the TAC unanimously recommended that the Sonoma County Water Agency budget for Fiscal Year 2016/17 be recommended for approval by the Water Advisory

Committee at a Special Meeting to be held on April 4<sup>th</sup>. He advised the Board that the District's purchased water rate is proposed to increase 6.6% to \$830 per acre foot.

Mr. DeGabriele advised the Board that Sonoma-Marín Saving Water Partnership's intent to promote the "Take It From the Tap" campaign has been delayed until mid-May due to concerns about lead in the water supply serving Healdsburg schools.

### **MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, 25 Giacomini Renter, and GFOA Certificate of Achievement for Excellence in Financial Reporting.

The Board received the following news articles: Southern California water giant agrees to buy delta island and Marin slips below monthly goal for saving water, but on track overall savings.

The Board also received the following news articles at the meeting: Report: East Bay chlorine hazard still considerable despite drastically fewer rail shipments and AP poll: Americans split over safety of US drinking water.

### **ADJOURNMENT**

President Schoonover adjourned the meeting at 8:07 p.m.

Submitted by



Katie Young  
District Secretary