

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 21, 2017**

CALL TO ORDER

President Petterle 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. Present were Directors Jack Baker, Rick Fraites, Michael Joly, Stephen Petterle, and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Assistant General Manager Drew McIntyre, Chief Engineer Rocky Vogler and Auditor-Controller David Bentley.

District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

Mr. DeGabriele advised the Board that there was an error in tonight's agenda and Item #8 – NBWRA Update and Path Forward was intended to be an action item.

On motion of Director Schoonover, seconded by Director Baker the Board approved the modification to the agenda by the following vote:

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

NOES: None

MINUTES

Director Baker provided amendments to the draft minutes from the previous meeting.

On motion of Director Schoonover, seconded by Director Baker the Board approved the minutes from the previous meeting as amended by the following vote:

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

NOES: None

GENERAL MANAGER'S REPORT

Marin Grand Jury

Mr. DeGabriele advised the Board that the Marin Civil Grand Jury members have asked for a tour of the Stafford Lake Water Treatment Plant. He noted that this is scheduled for Friday at 10:30am and will be led by Robert Clark.

Nicasio Community Water Supply

Mr. DeGabriele informed the Board that Supervisor Rodoni has asked that the District participate in a meeting with Marin Municipal to talk about how they can assist the Nicasio community with water supply. He reminded the Board that Marin LAFCo had recommended in their comprehensive Countywide Water Service Study to evaluate local needs in that area. He noted that Mr. McIntyre and he will attend the meeting next Monday.

Marin LAFCo

Mr. DeGabriele advised the Board that he and Mr. McIntyre met with the Marin LAFCo Executive Officer, Keene Simonds, last Friday as he is starting on the Sphere of Influence update for the District.

OPEN TIME

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

Tony Arendell advised that Novato Police Department informed the District that they will no longer provide after-hours answering service to the District. He stated that he is searching for alternatives and is evaluation three different companies. He will advise further when a new answering service has been identified.

Mrs. Young advised the Board that the District will hold an open house on 4/21 including a hot tap demonstration, water taste test and Automated Metering Information (AMI) video. She stated that the open house will also include recognition of the General Manager's retirement and food, soft drinks and dessert will be provided. She noted that invitations are forthcoming.

Mr. Bentley provided an update on the AMI pilot project advising that 9 meters remain to be installed and that Director Joly's meter will be included in the pilot phase. He further advised that an article will appear in tomorrow's Marin Independent Journal on the project.

Mr. McIntyre advised that he will attend and represent the District at the North Bay Water Reuse Authority State Capitol visit tomorrow.

MONTHLY PROGRESS

Mr. DeGabriele provided the Board with the Monthly Progress Report for February. He stated that water production is up by 21% year to date compared to last fiscal year but February production is still down 8% compared to February 2013, the State's benchmark for water conservation. He informed the Board that in West Marin, water production is down 2% compared to one year ago year-to-date and down 25% compared to February 2013. He advised the Board that today Novato has received over 38" of rain and Stafford Lake is still spilling. He noted that this month was the 13th wettest February with 1998 being the wettest February on record. Mr. DeGabriele informed the Board that on the Russian River, Lake Mendocino holds just under 80,000AF and Lake Sonoma just over 245,000AF, both of these reservoirs are slightly encroaching into their respective flood control pools. He stated that at Oceana Marin, District staff are doing a great job controlling the storage and treatment pond water levels and that discharge to the disposal fields continues. He noted that the District is still receiving a high number of bill complaints but total complaints are down 24% compared to February 2016.

Mr. Bentley provided the Monthly Investment Report, and stated that to-date the District holds \$12.6M in its investment portfolio down \$857,000 from last month due to payments associated with construction of the recycled water central service area expansion project and the average weighted portfolio rate of return was 0.91%.

ACTION CALENDAR

RATE INCREASE LETTER TO NOVATO CUSTOMERS

Mr. Bentley reminded 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 said increase. He stated that a public hearing is scheduled for Tuesday, May 16, 2017 at 7:00 PM at the District office. He noted that the May 16th date requires that the letters be mailed by April 1, 2017. Mr. Bentley advised the Board that postage, stationary and copying cost to distribute the letters to customers is estimated at \$10,300. He informed the Board that the proposed commodity and bimonthly service charge rate increase for Novato customers is 5%. He stated that the median single-family residential customer will see a \$2.75 per month increase (\$5.50 bimonthly) on their typical bill.

Mr. Bentley advised the Board that the Annual Water Cost Calculator on the District's website allows each customer to see the impact of the proposed increase based upon their water use over the past 12 months. He showed examples to the Board.

Director Baker stated he had suggested edits to the letter in order to make it flow better.

Director Fraites asked how many consecutive years of rate increases the District has had.

Mr. Bentley responded that he doesn't have the information currently but the District had a 5% increase last year, and 3% the year prior. He stated that for future budget projections to propose annual 5% increases. He noted that back in the mid 1990's there were several years without rate increases when development in Novato was booming and a large amount of connection fees were collected.

President Petterle suggested that language be included to clarify that billing is bi-monthly.

Director Joly inquired about having an infrastructure surcharge. Mr. Bentley responded that the District has an annual budget of \$2.5M each year in "pay go" for Capital Improvement Projects and continues to improve the District's maintenance management program.

Mr. McIntyre advised the Board that the Novato water master plan will be updated this year and a part of that update will be to closely look at long term infrastructure replacement costs.

On motion of Director Fraites, seconded by Director Baker, the Board approved mailing the rate increase letter to customers by the following vote:

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

NOES: None

NBWRA UPDATE AND PATH FORWARD

Mr. McIntyre advised that the primary focus of the meeting was to review alternatives for continued participation in NBWRA now that Phase I activities are expected to be completed in 2018. For many months, NBWRA member agencies have discussed how to share the costs for administration, program development, federal/state advocacy and public outreach.

Since the District is not participating in Phase 2, the cost difference between Alternative 1 versus Alternative 2 is only attributed to state advocacy. At the NBWRA Board meeting on Monday, March 27, 2017 a decision will be made which path will be taken for the 2017/18 year. Staff is recommending that the Board approve participation at the Alternative 2 level.

On motion of Director Schoonover, seconded by Director Baker the Board approved annual participation at the Alternative 2 level by the following vote:

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

NOES: None

INFORMATION ITEMS

RATE INCREASE NOTICE ON WATER BILL

Mr. Bentley advised the Board on the rate increase message that is being included on each water bill mailing as of March 16th.

STAFFORD DAM SAFETY REPORT

Mr. McIntyre provided the Board with a chronological review of Stafford Dam starting from construction in 1951 and including major improvements/studies over the years to ensure its' safety and long term reliability.

Director Joly inquired if someone rated the dam. Mr. McIntyre stated that the State rates the dam as a High Hazard Dam, meaning that if a catastrophic failure occurs, more than 1,000 people will be impacted.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Pipe Worker Assistant Promotion, Potter Valley Project Relicensing Stakeholder Meeting, and Public Policy Facilitating Committee Meeting.

The Board received the following news articles: Governor Brown Appoints Doduc, Esquivel to State Water Board, Water District to test high-tech meters, and Marin's dams deemed safe.

ADJOURNMENT

President Petterle adjourned the meeting at 8:06 p.m.

Submitted by



Katie Young
District Secretary