

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 7, 2015**

CALL TO ORDER

President Baker 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 and Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Thirteen members of the public along with 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 Schoonover, seconded by Director Fraites and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

Employer Assisted Housing Loan

Mr. DeGabriele advised the Board that former employee Miguel Venegas repaid his Employer Assisted Housing fund of \$138K.

Marin Local Agency Formation Commission

Mr. DeGabriele advised the Board that this Thursday he will be attending the Marin LAFCO meeting to hear the discussion of the Municipal Service Review for all water agencies in Marin County prepared by LAFCO staff. He informed the Board that at the May 14th LAFCO public hearing, the report will be considered and that Director Rodoni will be commended for his 14 years of service as a LAFCO commissioner.

OPEN TIME

President Baker 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 Baker asked if staff or Directors wished to bring up an item not on the agenda and there was no response.

CONSENT CALENDAR

On the motion of Director Fraites, seconded by Director Petterle and unanimously carried, the following items were approved on the consent calendar:

GRANULAR ACTIVATED CARBON REPLACEMENT

The Board approved the purchase of the replacement GAC from the Calgon Carbon Corporation.

REQUEST FOR PROPOSAL: ON-CALL CONSTRUCTION SERVICES

The Board approved staff to issue a Request for Proposal for on-call construction services. The primary objective of the proposed alternate contracting approach is to improve emergency response to broken water mains resulting from disasters. An additional benefit of this approach is improved flexibility to accommodate more efficient completion of small District projects in a timely and cost-effective manner.

CSW/STUBER-STROEH ENGINEERING SERVICES FY15-16 CONTRACT – MISCELLANEOUS ENGINEERING SERVICES

Staff requested a FY15-16 Miscellaneous General Services Agreement contract with CSW/Stuber-Stroeh to assist staff with both District and developer workload demands with a not to exceed limit of \$60,000. The Board authorized the General Manager to execute an Agreement for FY15-16 Consulting Services between NMWD and CSW/Stuber-Stroeh.

ACTION CALENDAR

DROUGHT EMERGENCY WATER CONSERVATION REGULATIONS – SET PUBLIC HEARING

Ryan Grisso, Water Conservation Coordinator, provided the Board with a brief summary of the Drought Emergency Water Conservation Regulations that were enacted last year along with Ordinance 28. He advised the Board that on March 17, 2015, the State Board re-adopted the Emergency Water Conservation Regulations with amendments. Mr. Grisso stated that on March 26, 2015 an Ad Hoc meeting of the Sonoma County Water Agency Technical Advisory Committee was held to consider a coordinated response under the Sonoma-Marín Saving Water Partnership. He advised the Board that the parties agreed that the SMSWP approach would limit outdoor irrigation to no more than 3 days per week and not on consecutive days.

Mr. Grisso asked that the Board set a public hearing for April 21, 2015 at 7 p.m. to adopt the resolution to comply with the current SWRCB Emergency Water Conservation Regulations.

Mr. DeGabriele advised the Board that the proposed amended resolution includes what the State Board has already authorized and what the Governor ordered in his Executive Order on April 1, 2015. He stated that the Executive Order directs the State Board to add further restrictions to save water but is unsure at this time if additional restrictions will be added by the State Board. Mr. DeGabriele informed the Board that the State Board's public hearing and enactment will be on May 5th or 6th and staff will monitor the decisions.

Mr. DeGabriele informed the Board that various water contractors are going forward immediately with restrictions and amending the regulations tonight at their Board meetings, others are waiting until the State Board enacts the regulations. He stated that the Governor's Executive Order indicates water suppliers are to reduce water production compared to 2013.

Director Rodoni questioned how staff will regulate the three days a week of water and asked if West Marin will have a moratorium on new connections.

Mr. Grisso advised the Board that the resolution will be for both Novato and West Marin customers and that West Marin would not have a connection moratorium.

Director Rodoni stated that customers need to be informed and educated on the regulations. Mr. Grisso stated that it will be enforced and that staff will be aware of the water wasters and use public outreach to get the message across.

Director Fraites asked if the District has the authority to levy fines. Mr. DeGabriele stated that the District does have the authority to fine water wasters up to \$500.

On motion of Director Schoonover, seconded by Director Petterle and approved by the following vote, the Board set a public hearing for April 21, 2015 to consider adoption of the updated resolution to comply with the current SWRCB Emergency Water Conservation Regulations:

AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

NOES: None

12-INCH CAST IRON PIPE BURSTING PROJECT: SOUTH NOVATO BLVD – ROWLAND BLVD TO SUNSET PARKWAY CONTRACT AWARD – TEAM GHILOTTI INC.

Mr. McIntyre advised the Board that staff had a bid opening on February 20, 2015 for the 12-inch cast iron pipe bursting project on South Novato Blvd. and that there were four prime contractors that attended. He noted that three bids were received ranging from \$122,700 to \$163,940 and that the engineer's estimate for the work was \$130,000. Mr. McIntyre stated that Team Ghilotti Inc. submitted the lowest responsive bid of \$122,700 and a bid evaluation was performed. He reminded the Board that Team Ghilotti Inc was the contractor for the Gallagher Well Pipeline project which

was successfully completed in December 2014 and that they have done pipe bursting in the past. Mr. McIntyre informed the Board that the project will commence in the summer to prevent interference with school traffic.

President Baker asked if Team Ghilotti would be doing the pipe bursting work or bringing a subcontractor in to complete the bursting. Mr. McIntyre stated that a subcontractor will do the bursting of the pipe but the project will be coordinated through Team Ghilotti and District crews.

On motion of Director Schoonover, seconded by Director Petterle and approved by the following vote, the Board approved award of the contract to Team Ghilotti, Inc. and authorized the General Manager to execute an agreement with Team Ghilotti, Inc. for \$122,700 and a contingency of \$12,300:

AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

NOES: None:

FY15 NOVATO RECYCLED WATER CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET AUGMENTATION

Mr. McIntyre advised the Board that with the accelerated design work on the Recycled Water Central Service Area Expansion Project in effort to qualify for low interest rate SRF loans from the State of California as well as any potential available grant funds, staff is requesting a budget augmentation for this fiscal year of \$150,000 to the Novato Recycled Water Capital Improvement Project.

On motion of Director Fraites, seconded by Director Rodoni and approved by the following vote, the Board approved augmentation of the Novato Recycled Water budget for an additional \$150,000:

AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

NOES: None:

LAND SURVEY CONTRACT TO BKF ENGINEERS – RECYCLED WATER EXPANSION – CENTRAL SERVICE AREA

Mr. McIntyre advised the Board that as part of the accelerated work on the Central Service Area Recycled Water Expansion Project staff identified the need for a topographic and utility survey design of the 5.8 mile pipeline and on February 12, 2015, solicited proposals for the survey. He stated that the Request for Proposal was sent to eight firms and four firms submitted proposals. Mr. McIntyre informed the Board that BKF Engineers submitted the lowest cost proposal of \$49,210 and based on the review of the submitted proposals, staff recommends awarding the contract to BKF Engineers.

Director Fraites asked if the pipeline was along the freeway, south of HWY. 37. Mr. McIntyre stated yes and that there is a gap in the area that was already surveyed with the CalTrans encroachment permit so there will be no need to survey that area again.

On motion of Director Petterle, seconded by Director Fraites and approved by the following vote, the Board authorized the General Manager to execute a survey contract with BKF Engineers in the amount of \$49,210 with a contingency not to exceed \$10,000:

AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

NOES: None:

JUNIOR ACCESSORY DWELLING UNITS

Mr. DeGabriele reminded the Board of the letter received from Mayor Jeanne McLeamy of the City of Novato advising that the Novato City Council amended the zoning code to create a new junior accessory dwelling unit classification and also requested that the District consider waiving connection fees for junior accessory dwelling units. He advised the Board that staff met to review the request from the City and determined that a connection fee should be charged. He stated that District Regulation 1 currently identifies a Facilities Reserve Charge of \$6,100 for a dwelling unit without kitchen facilities and landscape, and this classification was established to accommodate group housing quarters. Mr. DeGabriele provided several options for the Board to consider: 1) \$6,100 plus a bi-monthly service charge for a meter as is currently charged for regular accessory dwelling units; 2) \$6,100 only; 3) a compromised amount based on a calculation of incremental water demand and equal to \$2,645; or 4) \$0 as requested by the City of Novato.

Mr. DeGabriele informed the Board that staff received a letter from Marin Builders Association to waive the connection fee as well as a letter from Marin Environmental Housing Collaborative. Mr. DeGabriele stated that in the past decade, the District has totaled over \$70M in major project expenditures and continues to work on the Aqueduct Energy Efficiency Project and Recycled Water Expansion. He noted that Marin Builders Association members have either been awarded that major project work or been subcontractors on those projects. He stated that nearly \$30M of that total is for Recycled Water to improve the reliability of Novato's water supply.

Mr. DeGabriele advised the Board that the City has not limited the number of people that may reside in a junior accessory dwelling unit, only limited the size. He stated that people in Novato that have constructed or converted additional dwelling units in the past have paid connection fees and pay a bimonthly meter charge. He noted that the District has cooperated with the City in the past in reducing connection fees for additional dwelling units and for public parks where the entire

community benefits. He believes that waiving the connection fee for this affordable housing effort may open the door for other affordable housing projects to request similar treatment.

Director Fraites advised the Board that he had a conversation with District legal counsel who instructed him to recuse himself and leave the room while this item was being discussed as he is a Board member and on the Executive Committee of the Marin Environmental Housing Collaborative.

Director Rodoni asked if the Novato Sanitary District had been requested to reduce or eliminate connection fees for junior accessory dwelling units. Mr. DeGabriele stated that NSD had received a similar request but has not made a determination yet.

Director Petterle asked if the junior accessory dwelling units are separately metered. Mr. DeGabriele responded that they are not.

President Baker asked if members of the audience would like to speak on this item and the speakers who supported a waiver of the connection fees for Junior Accessory Dwelling Units included: John Reynolds, 1st United Methodist Church; Paula Marks, Visiting Angels/Mairn Home Care Collective; Rachel Ginnis, Lily Pad Homes; Katie Crecilius, Novato Resident; Bob Pendoley, Marin Environmental Housing Collaborative; Carmen Surocco, Marin Housing Authority; Kiki LaPorte Coalition for Livable Marin; Casey Mazoni Marin Builders Association; and Brenda Gates.

Director Petterle thanked the public for coming to the meeting and for being so well organized and concise with their comments. He stated that he supports the public and believes that staff and the Board need to explore more options to accommodate the public.

Director Schoonover stated he wants to support the public but would like to see more controls on the units.

Director Rodoni advised the Board that the junior accessory dwelling unit doesn't expand the housing footprint and there should not be a connection fee. He stated that he believes there is a solution to the issue and that staff needs to figure out the impact on the water usage of the junior dwelling unit. He stated that the City should have called it a junior family unit since it is not an additional dwelling.

President Baker said that he was sympathetic towards the public and believes that the District should find out more information and digest the information given at the meeting before making a decision.

Director Petterle suggested that staff research the options more and meet within a couple of months to decide the connection fees.

President Baker informed the Board and public that this item will be tabled to a meeting at a future date and the Board will discuss with staff options for the connection fees of the junior accessory dwelling units.

The public left the meeting.

Director Fraites rejoined the meeting.

MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT ASSESSMENT

Mr. Clark advised the Board that the Marin/Sonoma Mosquito & Vector Control District is in the process of evaluating the need to increase the assessment property owners pay for their services and the current average annual fee is \$12.88 which is included as a line item on annual property tax assessments. He advised the Board that the District's 76 parcels throughout the service areas of Novato, West Marin and Oceana Marin are tax exempt and the District does not currently pay any fees. He noted that the District has 14 parcels that received some treatment from Marin/Sonoma Mosquito and Vector Control District.

Mr. Clark informed the Board that if the proposed assessment is passed, the District may be required to pay as much as \$495.58 in annual fees.

Director Rodoni asked what the District's obligation was to paying the assessments and that he was opposed to the additional assessments. Mr. Clark stated that the cost is a benefit assessment and would be levied to the District.

President Baker asked if the District was tax exempt. Mr. DeGabriele stated that yes the District is tax exempt but if District parcels receive benefits it is not exempt from the provisions of the benefit assessment law.

Director Petterle stated that he has never seen a public agency have to vote on fees and does not support paying the assessments. Mr. Clark responded that the District has six ballots to cast.

On motion of Director Fraites, seconded by President Baker and approved by the following vote, the Board authorized the General Manager to vote and approve the proposed additional annual assessments for improved Mosquito, Vector and Disease Control Services:

Ayes: Directors Baker, Fraites, and Schoonover

Noes: Directors Petterle and Rodoni

Abstain: None

Absent: None

INFORMATION ITEMS

UPDATE OF TITLE 22 ENGINEER'S REPORT (RMC ENVIRONMENTAL)

Mr. McIntyre advised the Board that the District's original Title 22 Engineers Report for the Distribution and Use of Recycled Water was prepared by RMC Environment in 2011. He noted that sufficient funds remain in the existing contract and staff will be making additions and modifications to the report. He informed the Board that the report will be modified to allow a District designated recycled water fill station for residential customers and update and expand the description of dual plumbing to allow not only recycled water for indoor toilet plumbing and outdoor use but for those with residential dual plumbing where the front yard common area is proposed to be irrigated with recycled water and the backyard is irrigated with potable water.

Director Rodoni asked if staff has considered a restriction on new turf in a new development except when served by Recycled Water. Mr. McIntyre stated that a regulation like that could come through water conservation rules and regulations.

Director Petterle stated that he was proud of what the District has done with Recycled Water and questioned whether Marin Municipal has done any expansion of their Recycled Water.

Mr. McIntyre informed the Board that MMWD has discussed recycled water expansion for years and is looking to expand Recycled Water to Peacock Gap Golf Course.

Mr. DeGabriele stated that MMWD does have an item on their agenda advising their Board that the original route through China Camp State Park might be a hurdle to route recycled water pipelines.

ADVANCED METERING INFRASTRUCTURE

Mr. Bentley informed the Board that \$5M is proposed for an Advanced Metering Infrastructure (AMI) project in the Capital Improvement Projects budget which will be reviewed at the next Board meeting. He stated that the District has been following the evolution of the meter reading technology for the past two decades and believes that the technology has improved to the point where a \$500,000 pilot study at the District is appropriate. He advised the Board the AMI technology collects water use data hourly and transmits a digital signal on demand using a very low-power signal, thus requiring line-of-site proximity for data collection.

Mr. Bentley provided several advantages to using AMI: 1) reduced water loss, the District would be able to see within 24 hours if a large amount of water is being used; 2) customers can track their water use on the internet by the hour; 3) monthly billing; 4) reduced labor requirement; 5) increased customer satisfaction; and 6) enhanced staff safety.

Mr. Bentley stated that City of San Francisco has over 180,000 homes using AMI and Marin Municipal Water District has received a \$1M grant for a pilot project to install Advanced Meters on their large irrigation accounts. He noted that Santa Rosa is moving forward with full implementation of AMI throughout the city. He advised the Board the proposed FY16 budget includes \$500,000 for a pilot program to work through the process of installing approximately 1,000 Advanced Meters on large user accounts throughout town. He noted that assuming the pilot project proves Novato-wide installation feasible; money could be borrowed to complete installation through an SRF Loan or through Bank of Marin.

Mr. Bentley stated that the Board would have more opportunities to discuss this program through the CIP review process but he wanted to inform in advance due to the magnitude of the project cost.

Director Fraites asked if the meter was equivalent to a smart meter. Mr. Bentley stated that it is similar technology.

President Baker expressed his concern about the device being in a hostile environment underground and intolerable for water. Mr. Bentley stated that 10% of California is using AMI.

Director Petterle stated that he supported the program but believes there are advantages to meter reading, such as seeing irrigation valves, problems with the meter and that meters need periodic eyes-on checking.

Mr. DeGabriele advised the Board that staff is conducting a small pilot program on the advance metering at two new developments of Walnut Meadows and Mt. Burdell place which are funded by the developer.

Mr. Bentley informed the Board that he will continue researching the devices and speak with the City of San Francisco and the City of Santa Rosa.

WAC/TAC MEETING – APRIL 6, 2015

Mr. DeGabriele provided a summary of the April 6, 2015 Water and Technical Advisory Committee meeting to the Board. He stated that Lake Mendocino is just under 63,000AF at 57% capacity and Lake Sonoma is at 215,000AF. He advised the Board that it is likely that Sonoma County Water Agency will file for a Temporary Urgency Change Petition to keep more water in Lake Mendocino, reducing releases into the upper Russian River.

Mr. DeGabriele provided a table with the regional average per gallons per capita per day. He stated that in comparison, the water contractors are doing well compared to 2013.

Mr. DeGabriele stated that the Water Advisory Committee approved the SCWA budget for next year and that the District's rates will rise 5%. He noted that the Sonoma County Board of Supervisors will consider the budget at their April 21st meeting.

Mr. DeGabriele informed the Board that the meeting was adjourned into a press conference where the Sonoma County Water Agency celebrated their achievement for Carbon Free Water by 2015.

NBWA MEETING – APRIL 3, 2015

President Baker advised the Board that he attended the North Bay Watershed Association Meeting on April 3rd and that there were two speakers: Mike Parnuss, Napa City Manager, who recapped the Napa Earthquake and how the city handled it, along with the FEMA and state procedures taken to get reimbursed and the second speaker, Rick Thomas, from the Napa Watershed and Flood Control District who reviewed the Napa Flood Control project with a powerpoint presentation.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Presentation of GFOA Certificate of Achievement for Excellence in Financial reporting, Update – Polybutylene Pipe Population, February 2015 Furniture/Equipment Auction Income, Direct Deposit of Disbursements, CA-NV AWWA Governing Board, and Salinity (3/17).

The Board received the following news articles: The West Marin Newspaper War comes to an amicable end, Point Reyes Light and West Marin Citizen negotiations, Huffman tries again to force Coast Guard sale, Despite flush reservoirs, Sonoma County water officials stress need for conservation.

The Board also received the following news articles at the meeting: WAC/TAC Meeting – April 6, 2015 Update, Letter from Marin Environmental Housing Collaborative, Gov. Brown defends excluding farms from drought restrictions, and Marin water board look to limit outside watering to three days a week.

ADJOURNMENT

President Baker adjourned the meeting at 8:55 p.m.

Submitted by



Katie Young
District Secretary