

**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
June 25, 2013

**CALL TO ORDER**

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the Dance Palace, Point Reyes Station and the agenda was accepted as presented. Present were Directors Jack Baker, Stephen Petterle, and Dennis Rodoni. Also present were General Manager Chris DeGabriele, Secretary Katie Young and Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. Director Schoonover was absent.

Ken Drexler, West Marin resident, and District employee Robert Clark (Operations/Maintenance Superintendent) were in the audience.

**GENERAL MANAGER'S REPORT**

**Interconnection Agreement**

Mr. DeGabriele informed the Board that he met with Marin Municipal Water District's General Manager and respective legal counsel. He advised the Board that the meeting did not cover the anticipated legal review or scheduling component, and that MMWD requested additional changes to the agreement to improve their water supply reliability. He informed the Board that he requested a proposal for the District's next Board meeting and has scheduled a closed session for the July 16<sup>th</sup> meeting and requested District legal counsel, Bob Maddow, to attend.

Director Rodoni asked at what point does the District start charging the increased wheeling charge.

Mr. DeGabriele stated that the August 2012 letter to Marin Municipal noticed them that the wheeling charge would increase to \$50 per acre foot effective on September 25, 2012. He stated that Marin Municipal has received invoices at that rate but has paid invoices since that time based upon a \$10 per acre foot wheeling charge. David Bentley has sent a summary invoice for the amount in arrears.

**Fluoridation Advisory Committee Meeting**

Mr. DeGabriele informed the Board that he attended the second Fluoridation Advisory Committee Meeting and received a draft fluoridation preliminary engineering design report. He noted that he will be meeting this Thursday with Marin County Health Officer, Dr. Willis and Sonoma County Health Officer, Dr. Silver to discuss fluoridation.

**OPEN TIME**

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

Ken Drexler, West Marin resident, stated that he enjoys coming to a meeting once a year.

Director Rodoni stated that Mr. Drexler was an instrumental part of combining West Marin's accounting into one District rather than the original three improvement District's and the District is appreciative of his efforts in that regard.

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

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

### **PUBLIC HEARING/APPROVE: WEST MARIN WATER FY 2013/14 BUDGET**

Mr. Bentley provided the Board with the final review of the West Marin Water FY2013/14 Budget. He informed the Board that there is a proposed rate increase of 8%. He noted that the District sent out letters to customers inviting them to come to the public hearing and/or send in a letter of protest. He stated that the District received one protest letter from a customer in Olema and a couple of phone calls.

Mr. Bentley stated that the rate increase is comprised of a 5% commodity rate increase and a 20% service charge increase (\$30 bimonthly for the typical customer who has a 5/8" meter). He noted that the proposed rate increase is expected to generate \$57K in additional revenue. He stated that the main reason for this rate increase is to start putting money aside for the Gallagher Pipeline Project.

Mr. Bentley stated that the Capital Improvements in West Marin include \$200K for continued work on the Solids Handling Facility, \$100K to upgrade the Olema Pump Station for flood protection and to upgrade its SCADA remote terminal unit. Mr. Bentley stated that in the future there will be \$500K to replace the PRE Tank 4A in FY16 and \$1.6M in FY17 for the Gallagher Pipeline project.

Mr. Bentley informed the Board that the West Marin Water Operating Budget, is anticipated to realize a deficit next fiscal year of \$95K. He stated that the deficit represents the planned drawdown of the Bank of Marin loan funds borrowed to construct the Solids Handling Facility.

Mr. Bentley reminded the Board that the Annual Water Cost Comparison survey shows, even with the 8% proposed increase that NMWD West Marin customers are at the bottom of the list compared to seven other coastal agencies.

Ken Drexler asked if the bond for the Paradise Ranch Estates is paid off in 2020, will the customer's bill will be less \$16. Mr. Bentley answered yes.

Director Rodoni stated that two or three customers talked to him regarding the concern that the bi-monthly charge exceeds their water usage charge.

Director Baker asked if the usage was low because of weekend homes. Director Rodoni stated that most customers have no gardens and low usage.

President Fraites opened the public hearing and hearing no comment, closed the public hearing.

On motion of Director Baker, seconded by Director Rodoni the Board approved Resolution 13-10 entitled "Amending Regulation 54" effective July 1, 2013 to increase the West Marin Water commodity rates by 5% and the service charge by 20%, adopted the FY14 West Marin Water System Budget, and authorized the General Manager to pay demands arising from execution of the budgeted FY14 West Marin Water expenditure plan by the following vote.

AYES: Directors Baker, Fraites, Petterle, Rodoni

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

**PUBLIC HEARING/APPROVE: OCEANA MARIN SEWER FY 2013/14 BUDGET**

Mr. Bentley provided the Board with the final review of the Oceana Marin Sewer Budget for FY2013/14. He stated that there is a 12% sewer service charge increase proposed for FY14 that will generate an additional \$19K per year in revenue. He noted that the monthly service charge will be \$65 levied with the property tax bill (\$780/yr). Mr. Bentley stated that a letter was sent to all customers on May 8<sup>th</sup> regarding the proposed increase and the District did not receive any response.

Mr. Bentley stated that the proposed increase is for the SCADA remote terminal unit upgrade at the Tahiti Way Lift station and for future projects including lining the settling and treatment ponds in FY18 for \$400k. He stated that \$67K is projected in the budget for the Phillips & Associates contract for operation and maintenance services.

President Fraites opened the public hearing and hearing no comment, closed the public hearing.

On motion of Director Petterle, seconded by Director Baker the Board approved Ordinance 26 entitled "Ordinance of the Board of Directors of North Marin Water District Electing to Have Oceana Marin Sewer Charges be Collected on the Tax Roll of the County of Marin, State of California Commencing Fiscal Year 2013-14" amend Regulation 109, effective July 1, 2013, to increase the Oceana Marin Sewer service charge by 12% to \$780 per equivalent unit per year, and placing the proposed FY14 Oceana Marin sewer service charge on the tax roll of Marin, adopted the FY14 Oceana Marin Sewer System Budget, and authorized the General Manager to pay demands arising from execution of the budgeted FY14 Oceana Marin expenditure plan by the following vote:

AYES: Directors Baker, Fraithe, Petterle, Rodoni

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

#### **CONSENT CALENDAR**

On motion of Director Petterle, seconded by Director Baker the following items were approved on the consent calendar by the following vote:

AYES: Directors Baker, Fraithe, Petterle, Rodoni

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

#### **POLICY FOR ON-CALL AND STAND-BY DUTY**

Revisions to Board Policy Number 26 – Policy for On-Call and Stand-By Duty were approved at the May 7<sup>th</sup> meeting. Since that time, Field Service Representatives have requested that their on-call duty not be classified as scheduled overtime and thus will no longer be eligible for compensatory time off.

The Board approved the revised policy for On-Call and Stand-By Duty.

#### **CONTRACT FOR DRAFTING SERVICES FY13-14 – ABEREGG**

The Board authorized the General Manager to execute a new agreement for drafting services between NMWD and Mr. Aberegg for miscellaneous drafting services with not-to-exceed limit of \$20,000.

**SUPPORTING THE SUMMER 2013 20-GALLON CHALLENGE WATER CONSERVATION  
PUBLIC AWARENESS PROGRAM**

The Board adopted Resolution 13-11 entitled “The North Marin Water District supporting the Summer 2013 20-Gallon Challenge Water Conservation Public Awareness Program”.

**ACTION CALENDAR**

**PHILLIPS & ASSOCIATES AGREEMENT EXTENSION**

Robert Clark informed the Board that he wants to extend the current agreement for contract operation and maintenance services at Oceana Marin with Phillips and Associates for six months. He advised the Board that in those six months staff will sit down with Phillips and Associates and produce a better scope of work to be more time and cost efficient. He noted that he wanted Phillips and Associates to have clear expectation of the District requirements to and look at the specifications to make sure that there are no more issues with emergency situations. Robert Clark is requesting that the Board extend the contract until December 31, 2013.

Director Baker asked if there was a way the District could get a better response time on emergency calls. Robert Clark informed the Board that he will be having a discussion with Phillips & Associates about their response time and setting up an on-call calendar with them, along with consequences for not responding on time etc. Director Baker asked where the majority of the Phillips & Associates emergency on-call employees are coming from. Robert Clark answered that most come from Fairfield but need to drive to Petaluma to pick up a truck. He noted that during an emergency someone must report within 2 hours.

On motion of Director Rodoni, seconded by Director Petterle the Board authorized the General Manager to execute Amendment 1 to the Oceana Marin Wastewater Collection and Treatment Systems Operation and Maintenance Contract Agreement with Phillips and Associates, extending the contract term to December 31, 2013 by the following vote:

AYES: Directors Baker, Fraites, Petterle, Rodoni

NOES: None

ABSTAIN: None

ABSENT: Director Schoonover

**INFORMATION ITEMS**

**WEST MARIN CAPITAL IMPROVEMENTS PROJECTS – FY 12-13 PRELIMINARY YEAR-END PROGRESS REPORT**

Mr. McIntyre provided the Board with a preliminary year-end status report on the District's performance in completing budgeted FY12-13 Capital Improvement Projects (CIP's) in West Marin (including Oceana Marin) service territories. He stated that a total of eight CIP's were originally budgeted in FY12-13, during the year, two were added and two were carried over and one was dropped. Mr. McIntyre informed the Board that the overall progress in completing West Marin CIP's was 75%. He noted with the exception of PRE Well #3 Replacement, the FY12-13 remaining West Marin completed projects were within the original budget.

Mr. McIntyre reminded the Board that during FY13 the Pt. Reyes Solids Handling Project coastal permit approval from the Marin County Community Development Agency has been worked on. He noted that the Coastal Development Permit application was submitted in October 2012 and since that time the District has been working on responding to supplemental requests for information including an expanded biological site assessment, wetlands delineation and Lagunitas Creek set back mapping, all of which has been completed by the District and/or consultants. Mr. McIntyre advised the Board that as a result of the work, it has been determined that the proposed project falls within the Marin County's Local Coastal Plan (LCP) 100 foot wetlands buffer. He noted that the permit may be authorized with future planned revisions to the LCP, a including 50 foot wetland buffer. Mr. McIntyre informed the Board that he and the General Manager met with the County planning staff and Supervisor Kinsey to discuss the situation and project and discussed other options besides having to wait for the amended LCP. He stated that the District will continue to work with the County to get the project started.

Mr. McIntyre advised the Board that the Point Reyes Well #3 costs increased from the original budget of \$165k to \$182K. He noted that the updated cost includes not only construction of the replacement well but also conversion of the existing Well #3 into a monitoring well. He stated that all permits are now completed and the replacement well has been in operation for approximately two weeks.

Mr. McIntyre informed the Board that the last West Marin Water System Master Plan was prepared in 2001. He stated that staff has budgeted for completion of an update in FY13-14.

**CALIFORNIA PROPERTY TAX REPAYMENT TO WEST MARIN DISTRICTS**

Mr. Bentley reported to the Board that the State of California has received a refund with interest of money borrowed by the State of California from the District's FY10 property tax revenue. He stated that the full amount \$6,760 plus 2% interest per year was received last Thursday.

**BOARD REVIEW OF DISTRICT POLICIES - #13 – BOARD OF DIRECTORS COMPENSATION AND PROCEDURE**

Mr. DeGabriele reminded the Board that at the April 16<sup>th</sup> meeting the Board reviewed Board Policy #13 – Board of Directors Compensation and Procedure and suggested changes. He stated that one change was that in the original policy the request for reimbursement of actual and necessary travel was triggered when 100 miles from the District service area and the Board felt that was too great of a distance. Mr. DeGabriele proposed a revision where the threshold for reimbursement of travel expenses would occur when outside Marin or Sonoma counties.

Mr. DeGabriele stated that the second issue the Board was concerned with was in regards to the Director's compensation. He noted that the Board has been compensated at \$100 per meeting since 1982 and that the current Water Code enables a 5% increase per year. He stated that the escalating \$100 by 5% every year since 1982, would equal \$432. Mr. DeGabriele informed the Board that if the District used a CPI escalator annual increase the amount would equal \$242.

Mr. DeGabriele stated that he spoke with legal counsel regarding the increase and advise that any increase must be adopted by an ordinance, following a public hearing. He noted that once the ordinance is adopted the new compensation rate would go into effect 60 days later.

Director Rodoni suggested a change of wording for the travel reimbursement.

Director Petterle asked if the Board decides to move forward with a public hearing, can the ordinance have a series of increases. Mr. DeGabriele stated that legal counsel advises that can be incorporated.

Director Rodoni stated that it is healthy to have elections and that a raise in compensation may be one more element for people to consider serving on the Board.

President Fraites and Director Petterle both stated that the Board and staff should keep the discussion going on this item and come up with a recommendation.

**MISCELLANEOUS**

The Board received the following miscellaneous information: Disbursements, Outstanding Invoice- Rossi, Emergency response in Oceana Marin – Sunday, May 26, 2013, and Marin County Open Space Non-Conforming Use Thank You letter.

The Board also received the following news article: NMWD recognized for financial reporting.

Mr. DeGabriele informed the Board that precautionary letters were handed out to customers in West Marin regarding a fire hydrant that was knocked over on Kyleswood. He stated that 40 customers were affected and that staff tested the water and the results came back normal.

**ADJOURNMENT**

President Fraites adjourned the meeting at 8:17 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young". The signature is written in a cursive style with a large, looping "Y" and "G".

Katie Young  
District Secretary