

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 19, 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.

Novato Resident Pari Danadoost, Covello Group employees Gary Skrel and JD Brosnan, Petaluma Self Storage applicant representatives Bob Karn and Steve Butler, and two representatives from Novato Chevrolet, and District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES – JUNE 21, 2016

On motion of Director Petterle, seconded by Director Baker 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

MINUTES – JUNE 28, 2016

On motion of Director Fraites, seconded by Director Baker, 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

Water Rights Project

Mr. DeGabriele advised the Board that today Sonoma County Water Agency (SCWA) received approval to release the Draft Environmental Impact Report for their Fish Habitat Flows & Water Rights Project. He stated that they intend to release the document for public review on August 19th so in the next month the District can expect to receive SCWA's formal notice to withdraw their current petition and application with the State Water Resources Control Board to increase water right diversion amounts above 75,000 acre feet. Mr. DeGabriele noted that the Technical

Advisory Committee has met in Ad Hoc session to review a letter which is proposed to come from the Water Advisory Committee once SCWA officially notifies the District of the withdrawal. He informed the Board that the letter will state the Water Contractors understanding that the Restructured Agreement remains valid and that the District should continue to rely on the delivery entitlements therein for planning purposes and that SCWA will secure additional Water Rights in the future when projected demands project that the need is timely.

Oceana Marin Homeowners Meeting

Mr. DeGabriele informed the Board that he and Mr. McIntyre attended the Oceana Marin Homeowners meeting on Saturday July 16th. He stated that it was well attended and that they gave customers an overview of last Fiscal Year performance and an update on the rate increase, Sewer Connection Fee increase and the Master Plan. Mr. DeGabriele informed the Board that Mr. McIntyre reviewed a plan to perform a vulnerability analysis and develop a hazard mitigation plan to hopefully be eligible for FEMA funding for some of the work. He noted that Director Rodoni also attended the meeting.

Self-Certification

Mr. DeGabriele advised the Board that the District received an inquiry from the State Water Resources Control Board about the District's Self Certification of supply calculation. He stated that the District has responded with additional information which has also been posted to the District's website.

OPEN TIME

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

Pari Danadoost addressed the Board as a 20-year North Marin Water District customer complaining that even though she had paid her bill she had her water service disconnected two times in the past month. Staff at the meeting were unaware of the circumstances and advised that they would look into the situation and provide Ms. Danadoost a response on the following day.

Director Rodoni suggested Ms. Danadoost enroll in the automatic payment service offered by the District.

STAFF / DIRECTORS' REPORTS

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

Director Fraites and Director Baker reported that the Grossi Dairy is again spreading manure near Stafford Lake which will negatively affect water quality and asked what staff can do to prevent such practice. Mr. DeGabriele replied that a complaint to the San Francisco Bay Area Regional Water Quality Control Board will be pursued.

Ms. Young advised that she will be on vacation when the next Board meeting occurs and that Engineering Secretary Eileen Mulliner will attend in her absence.

Mr. McIntyre asked that item #8 on tonight's agenda, Novato Chevrolet Fire Service Water Agreement, be pulled from the consent calendar as the agreement included with the agenda packet references only one APN yet the property encompasses two parcels and should reflect that fact. A revised agreement has been prepared and is available for the Board to consider on the regular Action Calendar.

MONTHLY PROGRESS REPORT

Mr. DeGabriele provided the Board with the July Monthly Progress Report. He stated that water production in Novato from June 2015 through June 2016 is down 32% compared to same period in 2013. He noted that the total Fiscal Year water production in Novato was the lowest volume since 1978 and did not meet the estimated actual included in the prior meeting budget presentations. Mr. DeGabriele informed the Board that Novato potable production is the District's best estimate as Sonoma County Water Agency (SCWA) continues to have problems with their metering of deliveries into Marin County. He advised the Board that staff is hopeful to have final production numbers in September and that the information provided to the State Board shows the SCWA metered information which staff believes to be incorrect, but indicates that in June 2016, water production was up 42% from June 2013. He informed the Board that in West Marin water production is down 30% from June 2015 through June 2016 compared to 2013. He stated that Stafford Treatment Plant production for the fiscal year totals 1,850 AF about 80% of the fiscal year goal for Stafford production and Recycled Water production in Novato this fiscal year totaled 140MG, slightly less than last fiscal year. Mr. DeGabriele advised the Board that Lake Mendocino holds nearly 81,000AF, Lake Sonoma 229,000AF and Stafford Lake 3,000AF as of this date. He noted that Novato rainfall for the fiscal year was 21.5", about 80% of average. He also advised the Board that 91 customers were off for over 4 hours as a result of a broken valve and main on Center Road last month. Mr. DeGabriele stated that complaints and service orders were down both for the

month of June and for the fiscal year and the quarterly report on customer service questionnaires show about 40% of questionnaires are being returned and virtually all reflect good performance by the District.

Mr. Bentley provided the Board with the Monthly Report of Investments show that the District holds just over \$13M, earning 0.72% rate of return. He noted that North Marin's rate of return was better than that reported by CalPERS for the multi-billion dollar California pension fund.

CONSENT CALENDAR

On the motion of Director Petterle, seconded by Director Fraites the Board approved the following items on the consent calendar except item #8 - Novato Chevrolet Fire Service Water Agreement, by the following vote:

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

NOES: None

WATER SERVICE AGREEMENT – PETALUMA SELF STORAGE

The Board approved a Water Service Agreement for the Petaluma Self-Storage facility located at 2645 S. Petaluma Blvd. The District currently provides water service to this parcel through a 1" meter set in 1984 for a truck stop and restaurant. Proposed facilities for this project include: 600 ft. of main extension, a 6" fire service, two fire hydrants and two 5/8" water services. Estimated cost is \$106K. The Board approved Resolution 16-20 entitled: "Authorization of Execution of High Pressure Outside District Boundaries Water Service Facilities Construction Agreement with 2645 Petaluma South Storage LLC."

WATER SERVICE AGREEMENT – NOVATO THEATER RENOVATION

The Board approved a Water Service Agreement for the Novato Theater Renovation at 924 Grant Ave. The existing 1.5" meter located at the back of the building on Scown Lane will be removed and replaced with a new 1.5" meter and a 4" fire service on Grant Ave. New facilities include: 30ft of main extension, 4" fire service at an estimated cost of just under \$70K. The Board approved Resolution 16- 22 entitled: "Water Service Facilities Construction Agreement for Novato Theater Restoration."

RATIFICATION OF REGULATION 109 – OCEANA MARIN SEWAGE FACILITIES CONNECTION CHARGE

The Board approved Regulation 109 regarding the Sewage Facilities Connection Charge. The current sewage connection charge is \$15,200. Effective October 16th, the charge will increase to \$22,600 and effective July 1, 2017 the charge will increase to \$30,000.

ACTION CALENDAR

WATER SERVICE AGREEMENT – NOVATO CHEVROLET FIRE STORAGE

Mr. McIntyre asked that this item be removed from the Consent Calendar as the agreement included with the agenda packet references only one APN yet the property encompasses two parcels and should reflect that fact. He advised that the initial service to this property was established in 1966, with a 1” meter and a 5/8” meter added in 1969 for irrigation. He informed the Board that new water facilities include: 50ft of main extension, 6” fire service and the estimated cost is just over \$41K.

On motion of Director Petterle, seconded by Director Fraiters, the Board approved authorization of the Water Service Agreement with Novato Chevrolet and Resolution 16-21 entitled: “Authorization of Execution of Water Service Facilities Construction Agreement with Novato Investments” by the following vote:

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

NOES: None

REGULATION 1 – NEW SERVICE CONNECTIONS

Mr. DeGabriele informed the Board that staff proposes revisions to Regulation 1 – New Service Connections which clarifies provisions for Facilities Reserve Charge for Public Parks. He stated that the revision clarifies that public parks must be owned, operated, maintained and managed by a public agency to qualify for reduced Facilities Reserve Charge and further clarifies that a community recreation facility that is not developed, constructed, operated or maintained with public funds is not a public park.

On motion of Director Fraiters, seconded by Director Petterle, the Board approved Regulation 1 and Resolution 16-23 entitled: “Revision of North Marin Water District Regulation 1 – New Service Connection” by the following vote:

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

NOES: None

REQUEST FOR ARCHITECTURAL SPACE PLANNING AND CONCEPT PROPOSAL

Mr. DeGabriele requested Board approval for staff to solicit architectural proposals for space planning and concept design for the District Headquarters Facility Upgrade. He advised the Board that staff will solicit proposals from area architects who have worked on similar public agency projects (Novato Sanitary, Napa Sanitary, City of Santa Rosa, Alameda County Water District) and select the architect not on cost but on qualifications based on their project approach, experience

with similar evaluations and the project manager/team experience. He stated that once an architect is identified staff will negotiate a firm scope of work and come back to the Board for approval prior to proceeding. He noted that staff is hopeful that the architects work will give staff a better idea of the alternatives and costs to improve the headquarters facilities.

Director Rodoni asked that the District consider possible housing included with the District Headquarters upgrade.

On motion of Director Fraites, seconded by Director Petterle, the Board authorized staff to solicit architectural proposals for space planning and concept design for the District headquarters facility upgrade by the following vote:

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

NOES: None

PURCHASE OF HR RECRUITMENT LICENSE (NEOGOV)

Mrs. Young requested approval from the Board to purchase a NEOGOV license and to enter into a Service Agreement with NEOGOV for online services to post job openings, receive job applications, track applicant status and online interview scheduling. She stated that NEOGOV has been used by the City of Novato, West County Wastewater District, Alameda County Water District, City of Benicia and City of Hercules among others. She stated that staff is hopeful that this online approach will broaden the District's outreach and attract more and qualified applicants for future District job openings.

On motion of Director Petterle, seconded by Director Rodoni, the Board authorized the General Manager to enter into a Service Agreement with NEOGOV in the amount of \$8,803 by the following vote:

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

NOES: None

REVISE CHIEF ENGINEER JOB DESCRIPTION AND AUTHORIZE RECRUITMENT

Mr. DeGabriele provided the Board with changes to the Chief Engineer job description and asked that the Board approve recruitment for the position. He informed the Board that the final filing date for the Chief Engineer will be September 30th with interviews by the Board and selection on November 1st, this timing will enable the NEOGOV job posting to be in effect and attract candidates.

Director Baker expressed concern about the residency requirement, requiring the Chief Engineer to live within 10 miles of the District service territory within two years of employment and about the change in the job description broadening education and professional registration of the position beyond civil or mechanical engineering disciplines.

Mr. DeGabriele stated that he has discussed the change with Mr. McIntyre and believes that the District should attempt to attract as many candidates as possible. He stated that the residency requirement has previously been established by the Board and is required for the General Manager, Auditor-Controller, District Secretary, Construction Superintendent and Maintenance Superintendent and believes it is beneficial to the District.

Director Rodoni requested that the Employee Assisted Housing Policy be brought back to the Board for review and possible reinstatement.

On motion of Director Petterle, seconded by Director Fraites, the Board approved the changes to the Chief Engineer job description and authorized recruitment by the following vote:

AYES: Director Fraites, Petterle, Rodoni and Schoonover

NOES: Director Baker

RMC WATER AND ENVIRONMENT (RMC) – GENERAL SERVICES AGREEMENT

Mr. McIntyre requested the Board approve a General Consulting Services Agreement with RMC Water and Environment (RMC) for an amount of \$50,000. He advised the Board that RMC has been assisting the District with the Recycled Water Expansion and initially their effort will continue to be for Recycled Water Engineering Support.

On motion of Director Petterle, seconded by Director Fraites, the Board authorized the General Manager to execute a General Consulting Services Agreement between NMWD and RMC with a not-to-exceed limit of \$50,000 by the following vote:

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

NOES: None

RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – CONSTRUCTION MANAGEMENT SERVICES CONTRACT AWARD

Mr. McIntyre requested that the Board approve the Construction Management Services for the Recycled Water Expansion in the Central Service Area to Covello Group in the amount of \$1,048,950. He stated that five firms submitted proposals and Covello was selected after interviews with staff. He reminded the Board that Covello was the construction manager for the Recycled Water North Service Area and completed the Phase 2 Recycled Water South Service Area

construction management. Mr. McIntyre introduced Gary Skrel and Construction Manager JD Brosnan from Covello Group whom were in the audience. Mr. McIntyre informed the Board that the Central Service Area estimated total project cost is \$14.8M, however, it's expected that additional grant monies will temper the cost with a total District responsibility of just under \$9M.

Director Rodoni asked whether the executed contract can be cancelled if grant or loan money is not received. Mr. McIntyre responded that the District can cancel the contract with a 30 day notice.

On motion of Director Fraites, seconded by Director Petterle, the Board authorized the General Manager to execute an agreement between The Covello Group and the District for construction management services on a time and expense basis with a not-to-exceed limit of \$1,048,950 plus a \$105,000 contingency by the following vote:

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

NOES: None

INFORMATION ITEMS

BULK CHEMICAL PURCHASES

Robert Clark updated the Board on bulk chemical purchases through the Bay Area Chemical Consortium (BACC) advising that the District saved about \$9K on chemical purchases this year by participating in the BACC.

NBWA MEETING – JULY 8, 2016

Director Baker advised that he attended the North Bay Watershed Association meeting on July 8th.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements, Fleet Fuel Economy – Gasoline, Ltr. To DWR re AMI Funding, SWRCB Draft Drinking Water Fee Regulations Ltr., California State Senate Ltr. Supporting Senate Bill 163, Oceana Marin Association General Meeting Agenda, and David Guhin selected as Director of Planning and Economic Development.

The Board received the following news articles: NMWD raises rates, hopes for improvements, How bad is water management in California? , and Stanford scientists find 'water windfall' beneath California Central Valley

ADJOURNMENT

President Schoonover adjourned the meeting at 8:01 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, stylized initial "K".

Katie Young
District Secretary