

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 4, 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, Auditor-Controller David Bentley and AGM/Chief Engineer Drew McIntyre.

Novato Resident Alexis Petterle, District employees Carmela Chandrasekera (Associate Engineer) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

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

NOES: None

GENERAL MANAGER'S REPORT

ACWA Forum – July 24, 2015

Mr. DeGabriele informed the Board that the ACWA Forum on July 24th was well attended and provided a good overview of water issues statewide and in our region. He opined that it was one of the most informative Region 1 meetings to date.

District Picnic

Mr. DeGabriele informed the Board that the District picnic was a great success and that there were about 150 attendees including many family members, especially kids, a good number of retirees, a gorgeous day, a nice catered lunch and a fine send off for recent retiree John Mello.

West Marin Radio Station

Mr. DeGabriele advised the Board that he was interviewed on KWMR radio last Wednesday to update their listeners on the water supply conditions, the drought and the water use restrictions. He stated that it was an opportunity to talk about the Gallagher well and pipeline and was hopeful that it was well received.

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 the following items were discussed:

Tony Arendell, Construction Superintendent, advised the Board that the construction crew has been very busy this month repairing polybutylene service line leaks.

President Baker advised the Board that he appreciated the content presented at the ACWA Region 1 Forum.

PRELIMINARY FY 2014/15 FINANCIAL STATEMENT

Mr. Bentley reviewed the Financial Statement for FY 2014/15 and noted that it was preliminary until the outside auditors go through the financial books and make the final adjustments. He stated that overall 2.4BG of water was sold, the lowest volume since 1983 resulting in revenue down \$1.1M compared to last year, but expenses were also down and the net income totals \$1.2M. He advised the Board that 81% of the improvement project budget was expended and total reserves stand at \$14.2M.

Mr. Bentley informed the Board that in Novato water consumption was down 17% for the FY and at the end of FY2013/14 the District had made a \$2.1M payment to the CalPers side fund making revenue comparison somewhat skewed. He stated that \$689K in connection fee reserves were transferred to the Recycled Water fund to pay Recycled Water debt service and that 152MG of Recycled Water sales were made in FY15, with a net loss of \$373.

Mr. Bentley informed the Board that in West Marin water consumption was down 16% compared to FY14 but there was \$198K of net income. He advised the Board that in Oceana Marin the reserves stand at \$341K.

The Board thanked Mr. Bentley for the good report on last year's financial performance.

ACTION CALENDAR

LEGAL SERVICES FEE INCREASE – BOLD, POLISNER, MADDOW, NELSON & JUDSON

On motion of Director Petterle, seconded by Director Fraites, the Board approved the proposed Bold, Polisner, Maddow, Nelson & Judson fee increase to \$210 per hour effective January 1, 2016 by the following vote:

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

NOES: None

NOTICE OF COMPLETION FOR ATHERTON TANK REHABILITATION PROJECT (BLASTCO INC.)

Mr. McIntyre informed the Board that the Atherton Tank Rehabilitation Project is essentially completed and that the project was managed by Associate Engineer Carmela Chandrasekera. He provided the Board with a map of the location of the Atherton tank and stated that it is one of the largest tanks in Zone 1 on the north end and that the project was completed on time and below the engineer's estimate. Mr. McIntyre complimented Ms. Chandrasekera on her excellent work from start to finish on the tank rehabilitation project.

Carmela Chandrasekera informed the Board of Contract Completion for the Atherton Tank Rehabilitation and Coating Project. She stated that the tank was constructed in 1973 and had not been recoated in the intervening 43 years. She noted that the project took two years to complete and the project design and management was done in house. Ms. Chandrasekera advised the Board that temporary tanks were installed to accommodate surge pressures in the distribution system with this large tank out of service. She stated that features added to the tank include a new mixing system with now separate inlet and outlet ports inside the tank, a 2nd manway opening, seismic flex-tend coupling at the inlet/outlet pipeline, an air gap at the overflow pipe discharge, structural retrofit of the interior roof girder support ring, and recoating inside and out. Ms. Chandrasekera advised the Board that the total project cost is now estimated at \$1.75M including \$100K for tank perimeter paving that is yet to be completed. She noted that the Blastco Inc. contract cost was \$1.36M including \$10,083 in change orders.

President Baker asked if there was any problems with the neighbors. Ms. Chandrasekera stated that there were some noise complaints but there was a good relationship between the contractor and the neighbors.

President Baker asked if the Atherton Tank was in full service. Ms. Chandrasekera stated that it was in service starting on June 27, 2015.

President Baker thanked Ms. Chandrasekera for the presentation.

On motion of Director Petterle seconded by Director Fraites the Board authorized the General Manager to execute and file a Notice of Completion for the Atherton Tank Rehabilitation Project by the following vote:

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

NOES: None

INFORMATION ITEMS

MARIN LAFCO COUNTYWIDE WATER STUDY – DRAFT EXECUTIVE SUMMARY

Mr. DeGabriele advised the Board that Marin LAFCO has almost completed their comprehensive Municipal Service Reviews for Public Water Utilities in Marin County. He stated that the effort started almost two years ago and the Draft Executive Summary included in the Board packet will be considered as part of the full report during a noticed public hearing at the LAFCO August 13th meeting. He believes that the Marin LACFO will open the public hearing and take comments from interested parties and continue the item to its September 10th meeting.

Mr. DeGabriele informed the Board that District staff has had an opportunity to comment on the Agency Profiles prepared by Marin LAFCO for the Novato and West Marin areas and although the District provided data as requested to Marin LAFCO and made extensive comments, the LAFCO study reflects their independent projections of population, water demand, and water supply and do not match data calculated by the District.

Mr. DeGabriele advised the Board that District staff will review the full report and be prepared to make comments for the Board's consideration at its meeting on September 1st.

NORTH BAY WATER REUSE AUTHORITY BOARD MEETING – JULY 27, 2015

Mr. DeGabriele provided a brief summary of the North Bay Water Reuse Authority Meeting that was held on July 27th. He stated the financial report was reviewed and that Napa Sanitation District shared a cost benefit calculation showing Napa received grants related to NBWRA totaling \$14.16M and their costs totaled \$1.86M resulting in a benefit/cost ratio of 7.6.

Mr. DeGabriele advised the Board that there was a workshop about the NBWRA Phase 2 project and that there was substantial critique from the NBWRA Board on information provided in support of a request for action and even more discussion on how to improve funding for the region and expand membership. He stated that the consultant recommended to identify projects in three areas: Phase 2 projects fully covered in the Feasibility Study; Projects mentioned in the Phase 2 Feasibility Study but not moving forward at this time; and Projects outside the Feasibility Study current scope.

Mr. DeGabriele advised the Board that on August 20th, there will be a multi-day tour by Bureau of Reclamation Staff of the NBWRA and Central Valley area projects. He noted that Director Schoonover and Mr. McIntyre will be attending.

WAC/TAC MEETING – AUGUST 3, 2015

Mr. DeGabriele provided a summary of the WAC/TAC meeting held on August 3rd. He stated that the Sonoma Marin Saving Water Partnership total water production was down 22% from June 2013. He stated that Cynthia Murray gave a presentation about the North Bay Water Sustainability Coalition and stated that business entities are trying to promote water conservation among industries. Mr. DeGabriele informed the Board that there was a presentation from Sonoma County Water Agency on the project to install 20 isolation valves to control potential future aqueduct breaks.

Mr. DeGabriele advised the Board that Ann Dubay reported that the SCWA Board and Sonoma County Board of Supervisors approved principals for Sustainable Groundwater Management Act implementation in March and work is ongoing among the cities and county groups on specific recommendation for formation of groundwater management agencies.

Mr. DeGabriele informed the Board that there was discussion about the Chair and Vice Chair nominations for the WAC.

Director Rodoni reminded the Board that the Sonoma County Water Agency will conduct a tour of the Mirabel Fish Wn ay Improvement Project on Wednesday, August 26 at 4pm prior to the Grand Opening of the new Water Education Facility located adjacent to the Wholer bridge.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements and Third District Court Applies Streambed Alteration Requirements to Existing Water Deliveries.

The Board received the following news articles: Modified sales tax measure on ballot, Santa Rosa Reduces Water Use by 30% in June and California Water Use Fell by 27% in June.

The Board also received the following miscellaneous item: WAC/TAC Meeting – August 3, 2015 and the following news articles at the meeting: City Manager Michael Frank Announces Resignation, Healdsburg giving recycled water away for free, Novato Councilwoman Kellner won't seek third term, and Sewer District settles.

Mr. DeGabriele pointed out the Appeals Court Decision regarding Streambed Alteration Agreement and stated that the decision could impact everyone and could become very costly.

ADJOURNMENT

President Baker adjourned the meeting at 8:02 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" at the end.

Katie Young
District Secretary