

**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
August 18, 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, 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. Director Rick Fraites arrived at 7:08 p.m.

West Marin Resident, Chris Pack, Novato Residents Toni and Jim Shroyer and Alexis Petterle, Vali Cooper & Associates Ken Sinclair, District employees Robert Clark, (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

AYES: Director Baker, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Fraites

ABSTAIN: None

**GENERAL MANAGER'S REPORT**

**North Bay Water District**

Mr. DeGabriele advised the Board that last Friday he met with Tito Sasaki, the former Sonoma County Farm Bureau President and wine grape grower in Sonoma Valley to find out more about the North Bay Water District. He stated that he learned that it was formed in 1963 by a group of farmers in Sonoma County with interest to get water from Lake Berryessa and at that time farmers in the Green Valley area near Fairfield were also working on acquiring access to Lake Berryessa water and it did get to the Green Valley area but not Sonoma County. He continued to state that the North Bay Water District was formed in Sonoma County and covers a U or V shaped area in Sonoma County along the Hwy 37/116 route in Sonoma Valley into the Petaluma Valley bounded by the Petaluma River and that it appears to have been formed as a landowner voter irrigation district

and is hoped to be used as a component of the Groundwater Sustainability Agency (GSA) in Sonoma Valley and Petaluma Valley to represent agricultural interests. Mr. DeGabriele opined that it would be informative as time goes on to learn more from Sonoma County Water Agency about the GSA formation plans in Sonoma County. He noted that he will ask that they make a presentation to the District in the future.

#### Executive Summary - LAFCO

Mr. DeGabriele reminded the Board that at the last meeting the Board received a copy of the Executive Summary of the LAFCO Water Study. He stated that he is preparing comments on the study now, but is not certain he will have them available for the next meeting for Board review. He advised the Board that he is coordinating the comments with the other agencies addressed in the study so that may delay the comment submittal and that he has also scheduled a meeting on September 24<sup>th</sup> with the LAFCO Executive Officer to discuss the report and the recommended consideration of expanding the District's sphere of influence into Sonoma County and in West Marin, where we now have outside service customers.

#### Gallagher Well Supply

Mr. DeGabriele informed the Board that in West Marin the District continues to use the Gallagher Well supply but has determined that this year the Park Gage continually records flow above the minimum 8cfs, yet the Gallagher Gage is below that amount. He noted that there is other water entering the watershed from San Geronimo Creek but it is a very small amount, so most but not all of the Lagunitas Creek stream flow is being released by Marin Municipal Water District. He stated that staff believes that the reach of stream between the Park and the Gallagher Gage was a contributing reach, so the District is not certain if in fact water is being lost to the groundwater, someone else is diverting it or if the Gallagher Well operation is depleting the stream flow. Mr. DeGabriele stated that the District may have to purchase water from MMWD for release to make certain that the District does not violate water right provisions.

#### Out Of the Office

Mr. DeGabriele informed the Board that he will be on vacation from August 19<sup>th</sup> to August 28<sup>th</sup> and Mr. McIntyre will be Acting General Manager.

### Mirabel Fish Passage Tour

Mr. DeGabriele reminded the Board that the Mirabel Fish Passage Tour and Water Education Building Dedication is next Wednesday and to make reservations with Ann DuBay at Sonoma County Water Agency if a Board member wishes to attend.

### Prop 1 Funding

Mr. DeGabriele advised the Board that Division of Water Rights announced last week that \$30M in Prop 1 money will be available for turf removal and toilet replacement rebates. He stated that the District's customers will be eligible and staff has posted that notice on Facebook. He advised the Board that the District is trying to coordinate a press release with Sonoma Marin Saving Water Partnership or Marin Municipal to get the word out sooner, rather than waiting for the Fall Waterline newsletter.

### **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:

Robert Clark advised the Board that there was a fire in the pump motor at the Kastania Pump Station. He informed the Board that a second pump is available and Sonoma County Water Agency is working on getting the control system online. He stated that the Aqueduct Energy Efficiency Project is now full of water and should be on line also negating the need for Kastania Pump Station operation. Mr. Clark advised the Board that in the next few days the District will know whether SCWA will get the second pump on line and that currently both the District and MMWD water delivery needs are being met from SCWA via gravity flow conditions.

Mr. Clark advised the Board that staff is contemplating going to 4 day/week residential Recycled Water fill station schedule and that last week the District distributed 21,000 gallons at the fill station.

Mr. McIntyre advised the Board that he and Director Schoonover will participate in the North Bay Water Reuse Authority Congressional Staff tour stop on August 20<sup>th</sup> at Hamilton Field.

Mrs. Young informed the Board to save October 1<sup>st</sup> at 10am for the Aqueduct Energy Efficiency Project dedication to be held at Olompali State Park.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele provided the Board with the July Monthly Progress Report and stated that water production was down 21% compared to one year ago and the customers have done a great job conserving. He advised the Board that in West Marin water production is down 23% compared to one year ago and Stafford Treatment Plant is producing good quality water. Mr. DeGabriele informed the Board that Recycled Water is down from a year ago and the District is encouraging recycled water users to use as much water as possible. He advised the Board that water storage in Lake Sonoma is at 78% capacity, Lake Mendocino is at 60% capacity and Stafford Lake has approximately 2,100AF.

Mr. DeGabriele advised the Board that there were 26 service line replacements in July and that the District crews have been very busy repairing leaks and breaks. He stated that high bill complaints are down compared to one year ago due to conservation and that there were several water quality complaints regarding metals in the water in Zone 1. He noted that the treatment plant was struggling to oxidize manganese at the treatment plant and the issues were resolved.

Director Rodoni requested that Mr. Bentley look at the budget implication of reduced water consumption and inform the Board of the projected revenue shortfall and also requested to look at the pros and cons of monthly billing.

Mr. Bentley provided the Board with the Monthly Report of Investments for July. He stated that the bank has a cash balance of \$11.9M and the average weighed portfolio is 0.58%.

### **CONSENT CALENDAR**

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

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

NOES: None

### **ACWA REGION 1 BOARD ELECTION**

The Board authorized the General Manager to concur with ACWA Region 1 Nominating Committee's recommended slate and sign the ACWA Region 1 Board Ballot. The District's David Bentley is a recommended candidate for the ACWA Region 1 Board.

### **REQUEST OUT-OF-STATE TRAVEL FOR STACIE GOODPASTER**

The Board authorized Stacie Goodpaster to travel out of state to attend the AWWA spring conference in Las Vegas, Nevada from October 25<sup>th</sup> through the 29<sup>th</sup>.

**RMC WATER AND ENVIRONMENT – CONSULTING SERVICES AGREEMENT**

The Board authorized the General Manager to execute a General Consulting Services Agreement between NMWD and RMC Water and Environment (RMC) with a not-to-exceed limit of \$50,000. The agreement is for RMC to provide outsourcing support for engineering services to assist staff with the District workload related to the Central Service Area Recycled Water Expansion Project.

**CALTRANS EASEMENT AGREEMENT (MAJAUSKAS) – REPLACEMENT EASEMENTS FOR NEW AEEP REACH C-D AQUEDUCT ALIGNMENT**

The Board approved the agreement and authorized the General Manager to execute said agreement with Majauskas, relinquishing a portion of its existing 1962 aqueduct easement and obtaining an in lieu replacement easement with virtually identical terms and conditions.

**ACTION CALENDAR**

**REVIEW REGULATION 4 – MULTIPLE SERVICE AND MULTI-FAMILY METERING**

Mr. DeGabriele advised the Board that he has received several inquiries from Novato customers about the District's policy regarding master-metering for apartment complexes as opposed to individual meters for each apartment unit and questioned the equity of that practice when compared to the cost for metering single-family homes and/or single-family homes with accessory dwelling units. He noted that because of these inquiries staff has reviewed Regulation 4 – Multiple Service and Multi-Family Metering. Mr. DeGabriele provided an overview of the District policy and stated that there were minor technical corrections needed to Regulation 4. He provided the Board with a comparison chart showing water use for single family dwelling units in Novato compared to both apartments in Novato and to Millworks. He stated that it showed that typical Novato apartments use approximately 48% of typical single-family residential consumption and Millworks apartments use approximately 49% of Novato apartments, reflecting the water conservation features required to be install in the Millworks development.

Mr. DeGabriele believes that the District practice of multi-family is effective and the connection fees are charged fairly. He noted that if the apartments were individually metered there would be increased maintenance and replacement costs.

Mr. DeGabriele advised the Board that staff is only recommending minor clean up changes be considered by the Board to Regulation 4.

There was a discussion on EDU's in apartment buildings.

Director Fraites questioned the communication between the manager and the apartment dweller. Mr. DeGabriele stated that the District's relationship is with the property manager or the person who pays the bill.

Toni Shroyer questioned the legality of the District's practices and connection fee calculations. She asked that apartments and Millworks be compared to townhomes and condominiums not to single family residents. She asked that the Board not act on the Regulation 4 changes today and continue this discussion to a future meeting. Ms. Shroyer stated that she believes that Facilities Reserve Charges (FRC) for Additional Dwelling Units (ADU) are excessive and wants the same charges as the West Marin FRC. She requested the FRC for her ADU and all future ADUs be reduced by \$1,000.

There was a lengthy discussion about connection fees in West Marin versus Novato.

Director Rodoni stated that this discussion was not relevant to the agenda item and that staff is recommending minor technical corrections and if requested to do so, the Board could revisit this Regulation.

Director Petterle asked Mr. DeGabriele respond to Ms. Shroyer's comments.

Mr. DeGabriele advised the Board that the District's approach in establishing connections fees and metering has been around the since before he started at the District 24 years ago. He stated that West Marin is entirely separate water system, including budgets, charges etc and should not be compared to Novato. He advised the Board that he provided a chart to Ms. Shroyer regarding the Millworks apartments and Warner Creek. Mr. DeGabriele reminded the Board that the FRC was higher a year ago and that the District lowered it to \$10,000 at the request of the City of Novato.

On motion of Director Rodoni, seconded by Director Schoonover, the Board approved the minor technical changes to Regulation 4 and adopted Resolution 15-17 entitled: "Amending Regulation 4- Multiple Service And Multi-Family Metering" by the following vote:

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

NOES: None

Mr. and Ms. Shroyer left the meeting.

### **REVISE EQUIVALENT DWELLING FACTOR USED IN REGULATION 1**

Mr. Bentley provided the definition of an EDU and discussed the basic connection fees for water consumption of a single family home. He stated that the existing EDU parameter for Novato water is 636 gallons per day. He provided a chart which showed the average-day peak-month

demand in Novato in each of the past 10 fiscal years, for both the average and the median residential customer. He noted that the 10-year average of the means is 593 gpd and the 10-year average of the medians is 496 gpd, which rounds to 500gpd. Mr. Bentley stated that in West Marin the current EDU parameter is 295 gallons per day but when compared to a chart the 10-year average median is 270 gpd.

Mr. Bentley advised the Board that staff recommends moving to median use because the average is significantly higher than the median because the average includes homes that have significantly higher water use than that of a typical single-family home.

Director Rodoni suggested that the District consider allocation of EDUs for residential projects similar to water duty calculations developed for commercial projects, especially for apartments. He suggested that for bigger homes more than 1 EDU be charged.

Mr. Bentley reminded the Board the District's tier rate is based on collecting additional connection fees over time for large residential water users.

Mr. DeGabriele suggested the District look at the commodity rate structure, talk to other agencies and legal counsel.

Director Petterle asked that staff explore Director Rodoni's proposal further in the future.

On motion of Director Petterle, seconded by Director Fraites, the Board defined the average-day peak-month EDU parameter as the average of the typical (median) single-family detached home residential demand over the past 10-years, rounded to the nearest 10 gpd and Revised Regulation 1 to reduce the EDU parameter for Novato Water from 636 to 500 gpd, and reduce the EDU parameter for the West Marin Water from 295 to 270 gpd, effective for all new applications for service received after August 18, 2015, and adopted Resolution 15-18 entitled: " Amending Regulation 1 – New Service Connections" by the following vote:

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

NOES: None

**CONSENT FOR ANNEXATION TO NMWD – 35 OCEAN VIEW AVE.**

Mr. McIntyre advised the Board that Chris Pack was in the audience tonight regarding his application to the District for consent to annex into the Dillon Beach service territory at 35 Ocean View Ave. He stated that the owner is undertaking a remodel of the residence including the possible addition of approximately 300 sq/ft of living space. He advised the Board that the 0.08 acre parcel was formed by merging two adjacent parcels fronting Ocean View Ave and the other fronting Park Ave. He noted that Marin LAFCO is the lead agency for the territorial boundary annexation and the

District must declare its consent for the boundary change. Mr. McIntyre stated that once approved by LAFCO, staff will process an Oceana Marin Improvement District Annexation request for Board approval. He informed the Board that the parcel can be served by an existing gravity sewer main on Ocean View Ave and is identified as one of the six remaining parcels that can be considered for annexation.

Mr. Pack provided a narrative with references to how the Marin County Local Coastal Program, and Dillon Beach Community Plans discuss affordable housing and additional dwelling units. He advised the Board that he desires to have the flexibility to include sewer service for any future second unit constructed above the existing garage fronting Park Ave.

Mr. McIntyre advised the Board that staff recommends that no future dwelling units on the parcel be provided sewerage service by the District.

On motion of Director Schoonover, seconded by Director Petterle, the Board declared its consent with the requested annexation and service to the subject parcel subject to LAFCO approval of the territorial boundary annexation and pursuant to District regulations including payment of all charges for annexation and service by the following vote:

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

NOES: None

Mr. Pack left the meeting.

#### **WATER DAMAGE CLAIM SETTLEMENT – 329 GRANDVIEW**

Mr. Bentley reminded the Board of the water damage at 329 Grandview caused by the break of the polybutylene service line. He stated that staff contacted DB Claims, the District's Risk Manager and put them in contact with Miller Pacific Engineering in Novato, who was tasked with assessing the integrity of the driveway foundation and managing the repair and cleanup of the property. He noted that the work was scheduled to be completed on August 7<sup>th</sup> and that staff is requesting \$25,000 to make the payments to all parties involved.

On motion of Director Petterle, seconded by Director Schoonover, the Board authorized the Auditor-Controller to settle the claim with the customer at 329 Grandview and pay DB Claims and Miller Pacific for their services, with a total estimate of \$25,000 by the following vote:

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

NOES: None

**AEEP REACHES A-D/MSN B3 PROJECT: APPROVE CONSTRUCTION CONTINGENCY CEILING INCREASE**

Mr. McIntyre reminded the Board of the approved contract to Ghilotti Construction for the Aqueduct Energy Efficiency Project back in February 2014 with a construction contingency of 5%. He noted that in November 2014, the Board approved an increase in the contingency ceiling to 10%. He provided the Board with a letter from the District's Construction Manager, Vali Cooper & Associates, which states that they expect that additional change orders will exceed the 10% authorization limit within the next couple of months and recommends increasing the construction contingency from 10% to 15%. Mr. McIntyre informed the Board that construction change orders are primarily due to increased costs associated with delayed CalTrans construction work highway relocation. He stated that approximately 80% of the contingency will be reimbursed by CalTrans.

On motion of Director Petterle, seconded by Director Fraithe, the Board approved a construction contingency cost ceiling increase from \$1,230,000 to \$1,845,000 (15%) by the following vote:

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

NOES: None

**MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, Scrap Metal Receipts, Picture of Recycled Water at Sinaloa Middle School, and Special Districts Nomination Results.

The Board also received the following news articles: Marin hits conservation goals for second straight month, Wastewater treatment process remove some pharmaceuticals, Close to Home: taking the lead on water conservation, Region 1 Forum Focuses on Marin Water Management, Activists see Sonoma County winegrowers' proposed bill as a 'water grab' and Bike park set to open.

The Board received the following miscellaneous item at the Board meeting: Robert Ortiz Valentine's Obituary and the following news article: Novato fire board president resigns amid allegation of ethic violations.

President Baker recognized the obituary of Bob Valentine a real gentleman in the local construction industry, a concrete construction specialist and contractor on the District's Amaroli Tank project.

**CLOSED SESSION**

President Baker adjourned the Board into closed session at 8:53 p.m. in accordance with Government Code Sections 54954.5 and 54956.9(a) for Conference with Legal Counsel- Venegas Claim (Case 1502779) – Pending Litigation and in accordance with Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.

**OPEN SESSION**

Upon returning to regular session at 9:18 p.m., President Baker stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

**ADJOURNMENT**

President Baker adjourned the meeting at 9:19 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Katie Young", written in a cursive style.

Katie Young  
District Secretary