

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 20, 2018**

CALL TO ORDER

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly and James Grossi. Director Stephen Petterle was absent. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Maintenance/Operations Superintendent), Tony Arendell (Construction/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor), and Julie Blue were also in attendance. Lynne Rosselli from the Sonoma County Water Agency was also in the audience.

MINUTES

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the March 6, 2018 meeting as presented by the following vote:

AYES: Director Baker, Fraites, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

GENERAL MANAGER'S REPORT

During the General Manager's report, Mr. McIntyre discussed current rainfall activity and the possibility of mandatory water conservation in West Marin if MMWD's Kent Lake gauge doesn't receive the minimum rainfall threshold of 28-inches before April 1 for normal year conditions. Mr. McIntyre also talked about the upcoming North Bay Water Workshop No. 3 on March 26th and the Upper Russian River Managers meeting on March 28th.

PRESENTATION ON DRAFT FY 19 SCWA WATER TRANSMISSION SYSTEM BUDGET

Lynne Rosselli from Sonoma County Water Agency gave a presentation on the FY18-19 Proposed Budget and Rates Water Transmission System. During the presentation, Ms. Rosselli answered questions from various Board members.

OPEN TIME

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

Director Baker summarized the meeting with Supervisor Rodoni in reference to potential formation of the North Bay Water organization

MONTHLY PROGRSS REPORT

Mr. McIntyre discussed current water production in both the Novato and West Marin service areas and how it compared to previous years. Novato water production is up 13% in February vs. last year and down 10% from 2013. West Marin water production is up 31% compared to last year at this time. Consumption is not up as high and staff is continuing to investigate possible meter inaccuracies as well as investigate the distribution system for potential water leaks. Mr. McIntyre informed the Board that Stafford Lake is at 48% capacity, Lake Sonoma is at 85% capacity and Lake Mendocino is at 88% capacity. He stated that safety and liability trends remain normal, the current rate of days without a lost time accident continues to grow at 124 days and there was a decrease in high bill complaints.

Mr. Bentley provided the Monthly Investment Report and discussed the Districts current Investment Portfolio which has a cash value of \$14,877,300 and a market value of \$14,834,006. The weighted average Portfolio rate was 1.29% compared to 1.24% the previous month.

CONSENT CALENDAR

On the motion of Director Baker, and seconded by Director Joly the Board approved the following items on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Grossi, and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

GHD INC. GENERAL SERVICES AGREEMENT

The Board approved the GHD Inc. General Consulting Services Agreement.

ACTION CALENDAR

AUTHORIZE AFFIRMATIVE VOTE FOR SCWA FY 19 WATER TRANSMISSION BUDGET

Mr. McIntyre reported that the proposed Sonoma County Water Agency budget results in an effective North Marin Water District rate increase of 4% with future annual purchase water rate increases of up to 6%. The Board previously approved payment of \$1.28M to opt out of the Agency's bond issuance which adjusts the commodity rate increase to 0.9%. Mr. McIntyre reminded the Board that a TAC Ad Hoc subcommittee, which included David Bentley, was formed in December and met twice in January to negotiate with the Agency. The Technical Advisory Committee unanimously approved the FY19 SCWA budget on March 5, 2018. Mr. McIntyre stated that staff's recommendation is to approve the budget as presented.

On the motion of Director Joly, and seconded by Director Baker, the Board approved the SCWA FY 19 Water Transmission System Budget by the following vote:

AYES: Director Baker, Fraitas, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

AMI OPT-OUT POLICY

Mr. Bentley presented a proposal for an AMI Opt-Out Policy. Currently nine customers have requested not to have the AMI meters installed. The reasons varied from privacy to health concerns. Staff recommended to go forward with the program and allow those that "opt-out" to read their own meters which would be audited by staff annually, creating an adjustment billing if the reported information was incorrect. A \$5 per bill surcharge was recommended to offset staff time and postage. After much discussion from the Board it was decided to table the AMI Opt-Out Policy allowing time for a legal review and further analysis.

RATE INCREASE LETTER TO NOVATO CUSTOMERS

Mr. Bentley advised the Board that California law requires that customers be notified of a water rate increase at least 45 days prior to the public hearing. A revised draft which included minor changes was given to the Board at the meeting. He stated that a public hearing is scheduled for Tuesday, May 15th; therefore the letters must be mailed by March 31, 2018. Mr. Bentley advised the Board that postage, stationary and copying cost to distribute the letters is estimated at \$10,500.

He informed the Board that the proposed commodity and bimonthly service charge rate increase for Novato customers is 4.5%. He also stated that the median single-family residential customer will see a \$2.50 per month increase or \$5 bimonthly on their typical bill.

On the motion of Director Baker, and seconded by Director Joly, the Board approved mailing the rate increase letter to customers by the following vote:

AYES: Director Baker, Fraitcs, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

CLAIM FOR DAMAGES - TROIA

Mr. Bentley discussed the claim against the District. The Troias had a leak in their basement caused by puncturing a waterline running behind the sheetrock apparently while hanging a picture, and were unable to determine its source for months. During this time there was a service line leak up the street from their house that resulted in water running onto their property. The District hired an outside water restoration company to dry out the basement, and it was then discovered that the claimants had a leak behind their wall which was causing the water damage to their basement. The claimants however still believe that an oak tree in their backyard may have been damaged or killed by the service line leak. Staff recommends the Board deny the claim, which will start the clock allowing the Troias six months to settle and sign a release or file in civil court, should they pursue this claim.

On the motion of Director Baker, and seconded by Director Joly, the Board approved denying Troias claim for damages by the following vote:

AYES: Director Baker, Fraitcs, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

INFORMATION ITEMS

2018 URBAN AREA WATER COST COMPARISON

Mr. Bentley summarized the 2018 survey showing that even when including North Marin's proposed 4.5% rate increase, the total annual water cost for a NMWD single-family home will rank

8th from the top of the 16 agencies we compare to. The median Novato single-family household's consumption is at 86,600 gallons, which is down 4,300 from the prior year. Of interest, fourteen of the sixteen comparison agencies increased their water rates over the past year.

2ND QUARTER FY 17/18 – WATER QUALITY REPORT

Mr. Ramudo presented the 2nd Quarter FY 17/18-Water Quality Report. It was reported that Novato and Point Reyes met the federal and state primary and secondary water quality standards during the second quarter of the fiscal year 2017-2018.

STAFFORD LAKE SPILL/RAINFALL HISTORY

Mr. Clark discussed the Stafford Lake Spill and Rainfall History. Over the past 20 years Stafford Lake has reached full capacity and spilled over 16 of the 20 years. Staff does not expect the lake to fill this year.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements-Dated March 8 and March 15th, 2018, Rate Increase Notice on Water Bill and Why your water provider is fighting California's ban on watering sidewalks.

The Board also received the following news articles: House, DA, assessor candidates file, and Marin's rare fish have off season as rain fluctuates.

ADJOURNMENT

President Fraites adjourned the meeting at 7:59 p.m.

Submitted by



Theresa Kehoe
District Secretary