

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 17, 2018**

CALL TO ORDER

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. 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), and Julie Blue were also in attendance. Paul Smedshammer from Core Utilities also in the audience.

MINUTES

On motion of Director Joly, seconded by Director Grossi the Board approved the minutes from the April 3, 2018 meeting as presented by the following vote:

AYES: Director Fraites, Grossi and Joly

NOES: None

ABSENT: Director Baker

ABSTAIN: Director Petterle

Director Baker arrived at 6:03 p.m.

GENERAL MANAGER'S REPORT

During the General Manager's report, Mr. McIntyre talked about the recent manager's meeting on April 5th with City of Novato, Novato Sanitary District and Novato Fire Protection District. Also mentioned was the meeting with Marin County and other local potential participants regarding the proposed NorthBay WATER organization on April 9th and their upcoming workshop on April 23rd. Today, Mr. McIntyre attended the Sonoma County Water Agency Board meeting where he spoke in favor of the FY19 Water Transmission System budget. In addition, Mr. McIntyre announced that we have a new Receptionist/Cashier, Monica Juarez due to the vacancy created when Lia Solar was promoted to the Engineering Services Representative position. Mr. McIntyre discussed the recent Ethics training and reminded the Board that direct communication between a majority of the Board,

either serially or all together on any water district matter should be avoided outside of Board meetings whether in person, by phone or by email.

OPEN TIME

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

Mr. Vogler provided an update on the Ridge Road Waterline Replacement Project and answered a question from Director Baker regarding the project work limits.

MONTHLY PROGRSS REPORT

The Monthly Progress Report was reviewed for March. Water Production is up 18% compared to a year ago in March. For the period from June through March water production is up 9% compared to this same period last year. At the end of March, Stafford Lake is at 62% capacity and Novato has received 16.1 inches of rainfall, well below the average of 24.5 inches. On the Russian River, Lake Mendocino holds over 71,000AF and Lake Sonoma nearly 220,000AF. Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments, which shows that the District has over \$17M invested earning a rate of return of 1.4%.

ACTION CALENDAR

SONOMA-MARIN SAVING WATER PARTNERSHIP FIRST AMENDED MOU

Mr. McIntyre explained the primary changes in the Sonoma-Marín Saving Water Partnership First Amended MOU which includes: replacement of the reference to the California Urban Water Conservation Council (CUWCC) with its new name, the California Water Efficiency Partnership (CalWEP); yearly water conservation funding requirements now based on total potable water production; streamlining the process for adding new signatories, and lastly establishing the effective date as the date that six signatories have executed the MOU.

On the motion of Director Petterle, and seconded by Director Baker, the Board approved the Sonoma-Marín Saving Water Partnership First Amended MOU:

AYES: Director Baker, Fraités, Grossi, Joly and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

INCREASE CORE UTILITES MONTHLY SUPPORT PAYMENT

Mr. Bentley discussed the role Core Utilities plays as support to North Marin Water's day- to - day operations which includes IT infrastructure (servers, workstations, internet access, firewall, switches, hubs, virus protection email, backup and phone system), in addition to SCADA support and treatment plant process controls. Paul Smedshammer provided an overview of his history with the District and summarized CORE Utilities services and a general discussion ensued.

On the motion of Director Baker, and seconded by Director Joly, the Board approved a \$1,000 increase Core Utilities monthly support payment by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

OCEANA MARIN SEWER SYSTEM FINACIAL PLAN UPDATE

Mr. Bentley explained how the financial plan; along with a proposed 5% rate increase will help keep the Oceana Marin System solvent through FY23.

On the motion of Director Petterle, and seconded by Director Baker, the Board approved the Oceana Marin Sewer System Financial Plan Update by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

WEST MARIN WATER SYSTEM FINANCIAL PLAN UPDATE

Mr. Bentley provided an update of the West Marin Water System Financial Plan and proposed a 4.5% water rate and bimonthly service charge to help pay for upcoming capital improvement projects in West Marin. Director Baker commented that the District has been making significant infrastructure upgrades in West Marin to the credit of past Director Dennis Rodoni. He also suggested that Julie Blue be provided an opportunity to visit the District's West Marin facilities including Oceana Marin.

On the motion of Director Petterle, and seconded by Director Baker, the Board approved the West Marin Water System Financial Plan Update by the following vote:

AYES: Director Baker, Fraitas, Grossi, Joly and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

INFORMATION ITEMS

AMI UPDATE

Mr. Clark provided an update of the Advanced Meter Infrastructure (AMI) project. Over the first month of the project Ferguson staff has converted just over 800 services to the new AMI system, and to date 4% of the project is fully complete. The project is expected to run through November 2018 with 19,946 service conversions. There was a general discussion about the project and pending Opt-Out policy. Mr. Bentley reported that a revised Opt-Out policy will return to the Board at the next meeting for consideration.

INITIAL REVIEW-FY19 & FY20 CAPITAL IMPROVEMENT PROJECT BUDGET

Ms. Blue discussed the initial review of the FY 19 & FY20 Capital Improvement Budget. A two year plan was presented, which included projects recommended for Novato Water, Recycled Water, West Marin Water and Oceana Marin Sewer enterprises. In addition, a debt service schedule was included detailing the principal and interest payment amounts required to fund prior and current CIPs. Additional review of the CIP budgets for Novato Water and Recycled Water is scheduled for May 15 and additional review of the West Marin Water and Oceana Marin Sewer CIP budgets is scheduled for June 5. Director Joly asked that more information be provided in the future on the District's total indebtedness as it relates to the proposed expenditures.

INITIAL REVIEW- PROPOSED BY FY 18/19 EQUIPMENT BUDGET

Ms. Blue provided an initial review of the proposed FY 18/19 Equipment Budget including a chart showing ten years of equipment purchases and a 5-Year Vehicle and Replacement Plan. Director Petterle commented that he recently observed one of the District's trucks with paint peeling off the tailgate. Robert Clark reported that this vehicle will be going to auction soon.

2018 WATER YEAR CONDITIONS UPDATE

Mr. McIntyre presented the 2018 Water Year Conditions Update noting good news in the current rainfall totals. The Kent Lake gauge on Lagunitas Creek was 31.6 inches which is 3.6 inches above the minimum "normal" year threshold of 28.0 inches thereby preventing a need to call for mandatory water conservation in the West Marin water system. On the Russian River, Sonoma

County Water Agency declared dry year conditions as of March 1, however with the current rainfall events, there is a good chance that water supply conditions on the Russian River will return to Normal on May 1.

NBWA-CONFERENCE RECAP-APRIL 1, 2018

Director Fraites reported that there was a discussion on global warming, which will cause the bay to continue to rise causing many negative consequences. Director Fraites stated the Sonoma County Water Agency General Manager, Grant Davis, provided a presentation on future flooding and Congressman Huffman spoke about how things are going in Washing D.C. Director Baker also attended the meeting and commented on the Army Corp of Engineers presentation well as the panel of guest speakers from Napa County and the Sonoma Resources Conservation District regarding lessons learned from the October 2017 fires. Mr. McIntyre, also in attendance at the conference, reported that SWRCB Vice Chair, Steve Moore, talked on water issues and stated that the State Water Board is focusing on rewarding water projects that provide regional solutions.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements-Dated April 5th and April 12th, Self-Insured Workers' Comp – 3rd Quarter Status Report, Notice of Proposed Rate Increase Letter- Novato Service Area, Public Outreach Plan for 2018 and FY 18 3rd Quarter Labor Cost Report. Mr. McIntyre asked the Board for any input related to the proposed Outreach Plan prepared by Water Conservation Coordinator, Ryan Grisso.

The Board also received the following news articles: Effort to ventilate budgets advances, Development plans in flux at Novato site, Sonoma County launches first test of 'groundwater banking' to bolster supplies, Marin school fountain closed amid lead contamination tests, and Alex Petterle Obituary.

ADJOURNMENT

President Fraites adjourned the meeting at 7:22 p.m.

Submitted by



Theresa Kehoe
District Secretary