

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 18, 2012**

CALL TO ORDER

President Fraitres called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Steve Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

North Marin Water District Employee Association Representatives Kerry Lemos, Brad Stompe, and Nancy Williamson, District employees Doug Moore (Construction/Maintenance Superintendent) and Dianne Landeros (Accounting/HR Supervisor) were in the audience.

CLOSED SESSION

President Fraitres immediately adjourned the Board into closed session for:

In accordance with Government Code Section 54957.6; Conference with Labor Negotiators; District's Designated Representatives – Chris DeGabriele and David Bentley; Employee Organization – North Marin Water District Employee Association.

OPEN SESSION

Upon returning to regular session at 7:42 p.m., President Fraitres stated that during the closed session the Board had discussed the issues and no reportable action had been taken.

MINUTES

On motion of Director Schoonover, seconded by Director Baker and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

ACWA Conference

Mr. DeGabriele informed the Board that during the recent Association of California Water Agencies Conference there were two items that were of a concern. He stated that there is concern that the State of California will somehow target special district reserves to fill the remaining gap in the budget even with the passage of Prop 30. Mr. DeGabriele noted that on the federal side it was mentioned that a regulatory avalanche is coming from the administration. He stated that in the last 90 days over 6,000 advanced notices of rulemaking have been issued and that the cabinet members are exiting.

Miles Ferris Retirement

Mr. DeGabriele informed the Board that on Monday, the 10th of December he attended Miles Ferris' retirement party and noted that he was the Director of Utilities in Santa Rosa for the past 27 years.

Public Policy Facilitating Committee Meeting

Mr. DeGabriele informed the Board that on Thursday, December 20th he will be attending the Public Policy Facilitation Committee meeting which will include an overview of this years progress on compliance with the Russian River Biological Opinion.

Mr. DeGabriele reminded the Board that there will only be one Board meeting in January on the 15th.

OPEN TIME

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

District's Employee Association Representative Kerry Lemos addressed the Board stating that the Employee Association believes that the proposed tentative agreement is a compromise and hoped in the future for more open dialogue between management and the Employee Association.

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:

Mr. Bentley informed the Board that the Lauren Wayne claim has been closed.

President Fraites stated that all current Board Committee/Association Assignments will remain as is.

MONTHLY PROGRESS REPORT

Mr. DeGabriele reported that through November water production in Novato and West Marin was up 4% and that Stafford Treatment Plant produced 355 million gallons and is currently shut down for maintenance. Mr. DeGabriele stated that the Stafford Lake through November has had 7.6" of rain, and that the lake elevation is at 180.2 ft. Mr. DeGabriele advised that the Oceana Marin storage and treatment ponds are in good shape during the winter season. He noted that it has been 322 days with no lost time/accidents. Mr. DeGabriele stated that in November there were six polybutylene and one copper service lines replaced. He said that the Summary of Complaints

and Service Orders for the month of November were up 34% from November 2011 due to high bill complaints and service repairs.

David Bentley noted that the total of bill adjustments was \$64,000 compared to a year ago at \$35,000 due to larger bills and more customers requesting bill adjustments.

Mr. Bentley informed the Board that the Monthly Report of Investments showed that the cash balance decreased by \$1.3M during November, to \$8.9M. He noted that \$6.2M has been advanced for the recycled water expansion project pending receipt of grant and SRF Loan funds. Mr. Bentley stated that the District's investment portfolio is earning 0.41% interest.

ACTION CALENDAR:

APPROVE: SALARY AND BENEFITS AGREEMENT WITH NMWD EMPLOYEE ASSOCIATION

Mr. Bentley informed the Board that the District has come to an agreement with the District Employee Association regarding salary and benefit changes to the existing labor agreement. He stated that the employee vote on the proposed package was 28 for, 15 against. He stated that there are five main parts to the agreement: 1) the District employees will contribute an additional 5% towards the cost of medical insurance; 2) employees will contribute 1.6% per year toward the cost of the CalPERS retirement benefit accumulating to an 8% contribution over the next five years; 3) employees will receive a 1.6% annual salary increase to offset the cost of the retirement contribution; 4) there will be a cost of living adjustment awarded annually based on the change in the San Francisco Bay Area Consumer Price Index minus 0.3%; and 5) this is a six year agreement. He noted that the District calculates the annual labor cost increase is anticipated to be 2.4% for each of the next six years.

Director Baker opined that although the proposed agreement is not universally applauded by employees, that the contract is better for employees than other agencies where employees are receiving cuts or nothing at all.

On motion of Director Baker, seconded by Director Petterle and unanimously carried the Board authorized the General Manager to execute the revised Memorandum of Understanding with the NMWD Employee Association.

APPROVE: SALARY AND BENEFITS AGREEMENT WITH NMWD UNREPRESENTED EMPLOYEES

Mr. DeGabriele informed the Board that after the tentative agreement was reached with the Employee Association, he spoke with the unrepresented employees who agreed to accept the same package.

On motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the Board approved the salary and benefits changes for unrepresented employees consistent with the represented employee agreement.

APPROVE: SALARY SCHEDULE REVISION

Mr. Bentley stated that CalPERS has a new requirement that all salary schedules must be approved and adopted in a public meeting. He recommended that the Board approve the new salary schedule effective January 1, 2013, which includes all salaries except the General Manager, which is done by resolution.

On motion of Director Petterle, seconded by Director Baker and unanimously carried, the Board approved the District Salary Schedule for salaries effective January 1, 2013.

APPROVE: CALPERS RESOLUTION TO REDUCE DISTRICT CONTRIBUTION

Mr. Bentley informed the Board that on December 12, 2012 the NMWD Employee Association approved a Tentative Agreement revising the Memorandum of Understanding (MOU) with the District. He stated that Section 12 of the MOU provides that employees will contribute 1.6% of salary toward the cost of the CalPERS retirement benefits. He noted that this provision would be effective as of January 1, 2013. Mr. Bentley stated that effective October 1, 2013 and each subsequent October 1 through the year 2016, employees will contribute an additional 1.6% of their salary toward the retirement benefits until employees are paying a total of 8% toward the cost of CalPERS retirement benefits. Mr. Bentley recommended that the Board execute the resolution reducing the District contribution into CalPERS.

On motion of Director Baker, seconded by Director Petterle and unanimously carried, the Board authorized President Fraites to execute the Resolution 12-25 titled "Resolution of the Board of Directors of North Marin Water District for Employee Paid Member Contributions."

Mr. DeGabriele expressed his gratitude towards the Board for adopting all of the provisions, along with commending David Bentley, Dianne Landeros and the Employee Association negotiators for all of their hard work and determination to conclude negotiations.

INFORMATION ITEMS

SCWA WATER SUPPLY STRATEGIES ACTION PLAN UPDATE 2012

Mr. DeGabriele informed the Board that the Water Advisory Committee will be given the opportunity to see the update of the Water Supply Strategies Action Plan at their February meeting and will be asked to vote on the update prior to the plan going to Sonoma County Water Agency Board. He stated that he has provided the NMWD Board a preview of the changes and comments.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Wiley Price & Radulovich, LLP announcement of new partnership and Public Policy Facilitating Meeting Agenda.

The Board also received the following news articles: Fish & Farmers Happy in Dry Creek, Supervisor's aide Liza Crosse appointed to MMWD board, Plans for Stafford Lake bike park in Novato on track, Santa Rosa picks new utilities director, and Editorial: Liza Crosse is a good choice for Marin Municipal Water District Board seat.

ADJOURNMENT

President Fraites adjourned the meeting at 8:06 p.m.

Submitted by

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

Katie Young
District Secretary