

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
April 19, 2016**

**CALL TO ORDER**

President Schoonover 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 Chief Engineer Drew McIntyre.

Joe Wiley and Joan Pugh Newman from Wiley & Price, Ken Sinclair from Carollo Engineers, Novato Residents Ed Grundstrom and Mike Jolly, District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

**CLOSED SESSION**

President Schoonover adjourned the Board into closed session at 7:01 p.m. in accordance with Government Code Sections 54954.5 and 54956.9 – Pending Litigation.

**OPEN SESSION**

Upon returning to regular session at 7:40 p.m., President Schoonover stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

**MINUTES**

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

AYES: Director Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Baker

**GENERAL MANAGER'S REPORT**

**SCWA Board Meeting**

Mr. DeGabriele advised the Board that he attended the Sonoma County Board of Directors meeting today where they unanimously approved the FY2016/17 Sonoma County Water Agency budget.

### Marin County Board of Supervisors

Mr. DeGabriele informed the Board that he also attended the Marin County Board of Supervisors meeting and commented on the Local Coastal Program Development Code provisions related to Public Facilities including water supply facilities.

### North Bay Watershed Association Conference

Mr. DeGabriele informed the Board that he and Directors Baker and Fraites and Drew McIntyre will be attending the North Bay Watershed Association Conference this Friday.

### National Marine Fishery Services

Mr. DeGabriele advised the Board that he and Mr. McIntyre will be meeting with the NMFS next Monday to discuss the District's comments on the Steelhead Recovery Plan.

### **OPEN TIME**

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

Novato Resident, Ed Grundstrom requested that the Board absorb the increase in the purchased water cost from Sonoma County Water Agency by using reserves and not institute a rate increase this year. He suggested that rate payers could use a break from increases.

Novato Resident Mike Jolly questioned the proposal to raise rates during a period where customers have shown great restraint in water use to comply with the District and the State Water Resources Control Board requirements. He suggested taking out a newspaper advertisement thanking customers for their restraint and explaining the fixed cost business model of the District.

### **STAFF/DIRECTORS REPORTS**

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

Robert Clark advised the Board that the Stafford Treatment Plant started up in early April and is producing water for the Novato community. He noted that Stafford Lake is full and as of today is no longer spilling.

### **QUARTERLY FINANCIAL STATEMENT**

Mr. Bentley reviewed the 3rd Quarter Financial Statement for the first nine months of this fiscal year; the District generated a net loss of \$226K and saw a net cash decrease of \$1.18M. He stated that Operating Revenue came in 15% under budget and Operating Expense came in 9% under budget. He advised the Board that Novato water consumption was 14% less than the prior

year during this same period and total Operating Revenue is down nearly \$1M due the consumption decrease.

Mr. Bentley informed the Board that the Recycled Water sales are down 6% and that there is \$280K in recycled water fund reserves. He advised the Board that West Marin water sales are down and that the system financial balance is \$1.1M. He stated that in Oceana Marin there is \$389K in reserves.

### **MONTHLY PROGRESS REPORT**

Mr. DeGabriele provided the Monthly Progress Report for March. He stated that water production is down 19% compared to a year ago and down 24% compared to 2013. He noted that for the period from June through March water production is down 33% compared to this same period in 2013 pursuant to the State mandate. Mr. DeGabriele informed the Board that at the end of March, Stafford Lake was spilling and Novato had received 21.1" of rainfall, slightly less than average. He stated that on the Russian River, Lake Mendocino holds over 86,000AF and Lake Sonoma nearly 245,000AF. The Board was informed that 38% of customer service questionnaires were returned, an improvement over past receipt and 99% of customers indicate the District is doing a good job. Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments, which shows that the District has just over \$13M invested earning a rate of return of 0.65%.

### **CONSENT CALENDAR**

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

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

NOES: None

### **PACK ANNEXATION SEWER SERVICE AGREEMENT**

Director Baker requested this item be removed from the consent calendar to inquire whether the District was aware that the existing Pack residence in Dillon Beach was an approved multifamily structure. Mr. McIntyre advised that District staff was not aware of this fact until the LAFCo determination was made and it appears that the Marin County Assessor had made the determination at some prior date. He further stated that the proposed sewer service agreement would limit the property to one single family dwelling unit and one additional dwelling unit.

On motion of Director Baker, seconded by Director Petterle, the Board approved annexation of the Pack property at 35 Ocean View Avenue in Dillon Beach to the Oceana Marin Improvement

District and Resolution 16-09 entitled: "Resolution of the Board of Directors of North Marin Water District Ordering the Annexation of Territory Within Said District to Improvement District No. OM-3 Of North Marin Water District" by the following vote:

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

NOES: None

### **RECORD RETENTION PROGRAM- DESTRUCTION OF RECORDS**

The Board authorized Destruction of Records pursuant to the District's Record Retention Program. Records will be destroyed on April 27th. The Board and staff were invited to bring in personal records for shredding at a cost of \$7 per bankers box. The Board approved Resolution 16-10 entitled: "Resolution of the Board of Directors of North Marin Water District to Approve Destruction of Certain Records."

### **LAWN BE GONE SHEET MULCHING PROGRAM**

The Board authorized a new agreement with McAghon Landscaping for continuation of the "Lawn be Gone" sheet mulching program for an amount not to exceed \$12,000. This is an alternative program to the District's "Cash For Grass" program. District customers are provided materials (cardboard and wood chip mulch) which are placed directly on top of turf to eliminate the need for irrigation in the future. To date 15 customers have participated in this program and converted 8,600sqft of lawn. New authorization will enable another 17,500sqft of turf to be converted to low-water use landscape area.

### **ACTION CALENDAR**

### **RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – EAST PROJECT – APPROVE BID ADVERTISEMENT**

Mr. McIntyre requested the Board to provide approval for staff to solicit bids for the Recycled Water Expansion Central Service Area East Project. He explained to the Board that the project will include pipeline installation on public right-of-way east of Highway101, essentially extending transmissions lines from the Novato Sanitary District Recycled Water Production Facility through Vintage Oaks, including a crossing of the SMART Railroad and Novato Creek. He stated that estimated cost of the work is \$2.99M. He noted that bids are scheduled to be open on June 21st, with award on July 22nd and construction to be completed next May. Mr. McIntyre advised the Board that other elements of the Central Service Area Expansion project include the west project: pipeline installation west of Highway101 and the 101 crossing, Norman Tank Rehabilitation and finally private onsite retrofits both east and west of Highway101.

On motion of Director Baker, seconded by Director Petterle, the Board authorized bid advertisement of the Recycled Water Expansion Central Service Area-East Project by the following vote:

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

NOES: None

**WATER SHORTAGE CONTINGENCY PLAN FOR GREATER NOVATO AREA**

Mr. Grisso advised the Board that staff is working on the 2015 Urban Water Management Plan and as part of the plan staff would like to update the Water Shortage Contingency Plan to allow the Board the authority and flexibility to declare dry conditions and voluntary or mandatory water use restrictions and/or water use reduction mandates in response to a range of drought conditions including actions and response to the State water conservation orders. He stated that the new plan also authorizes collection of a Drought Revenue Recovery Surcharge.

On motion of Director Fraites, seconded by Director Rodoni, the Board approved Resolution 16-11 entitled: "Resolution of the Board of Directors of North Marin Water District Approving the Water Shortage Contingency Plan for Greater Novato Area" updating the Water Shortage Contingency Plan to be included in the 2015 Urban Water Management Plan by the following vote:

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

NOES: None

**APPROVE NOTICE OF COMPLETION FOR AEEP B3 PROJECT (GHILOTTI CONSTRUCTION INC.)**

Mr. McIntyre requested that the Board approve a Notice of Completion for the AEEP B3 Project to be filed. He stated that Ghilotti Construction completed the work for just under \$14M of which the majority is reimbursed by CalTrans. He explained that filing of the Notice of Completion provides subcontractors an opportunity to file claims in the next 35 days, at which time should no claims be filed, the project can be closed out.

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 AEEP B3 project by the following vote:

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

NOES: None

**SET PUBLIC HEARING – 2015 URBAN WATER MANAGEMENT PLAN**

Mr. McIntyre advised the Board that he, Ryan Grisso and Mr. DeGabriele have been working on the 2015 Urban Water Management Plan. He stated that the Board will need to set a public hearing date to consider comments on the plan. He noted that June 21<sup>st</sup> at 7:00 p.m. is the recommended date and time for the public hearing. Mr. McIntyre advised the Board that the document needs to be completed by July 1st.

On motion of Director Petterle, seconded by Director Baker, the Board set the public hearing to consider comments on the 2015 Urban Water Management Plan at 7:00 p.m. on June 21<sup>st</sup> at the District Administrative Office, 999 Rush Creek Place, Novato and directed staff to notify the City and County and notice the public hearing once per week for two consecutive weeks in the Novato Advance by the following vote:

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

NOES: None

**INFORMATION ITEMS**

**INITIAL REVIEW – FY 17 & FY 18 CAPITAL IMPROVEMENT PROJECT BUDGET**

Mr. Bentley provided the Board with the FY17 & FY18 Capital Improvement Project Budget which included the District's share of the Sonoma County Water Agency's Capital Improvement Projects funded through water rates. He stated that also included in the budget is the debt schedule which shows all four Districts. Mr. Bentley informed the Board that the FY17 CIP Budget is set for \$18.5M and \$11.8M for FY18. He advised the Board that there are three projects which will be financed including: the Radio Read Meter Retrofit, the Office/Yard Remodel and the Recycled Water Expansion for the Central Service Area.

Mr. Bentley advised the Board that an additional review of the Novato Water and Recycled Water Capital Improvement Budgets is scheduled for May 17th, and a public hearing and approval of the budgets is scheduled for June 21, 2016. He stated that an additional review of the West Marin Water and Oceana Marin Sewer Capital Improvement Budgets is scheduled for June 7th, with a public hearing planned for June 28th in Point Reyes Station.

**INITIAL REVIEW – PROPOSED FY 16/17 EQUIPMENT BUDGET**

Mr. Bentley provided the Board with the initial review for the Proposed FY16/17 Equipment Budget. He stated that the budget is set at \$245K for the upcoming year and that the more expensive items are a mini track loader, two replacement pickup trucks and a replacement lab information system.

Mr. Bentley advised the Board that an additional review of the FY16/17 Equipment Budget is scheduled for May 17th, and a public hearing and approval of the Budget is scheduled for June 21, 2016.

**COMMENT LETTER TO SWRCB- URBAN WATER CONSERVATION WORKSHOP**

Mr. DeGabriele advised the Board that they received the District's comment letter to the State Water Resources Control Board on the Urban Water Conservation Workshop to be held on April 20th. He stated that the District requests that the State Board rescind the Emergency Drought Water Conservation Regulations in the Sonoma-Marín region.

**MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements and Self-Insured Workers Comp – 3<sup>rd</sup> Quarter Report.

The Board also received the following news articles: Officials sign Huffman-backed pact to tear down hydroelectric dams and Wild and harnessed, Eel River a vital, troubled North Coast watershed.

The Board received the following miscellaneous item at the Board meeting: Comment Letter from City of Petaluma.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 8:24 p.m.

Submitted by



Katie Young  
District Secretary