

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 20, 2017**

CALL TO ORDER

President Petterle 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, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, Acting District Secretary Eileen Mulliner, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler. Director John Schoonover and District Secretary Katie Young were absent.

District employees Robert Clark (Maintenance/Operations Superintendent), Tony Arendell (Construction/Maintenance Superintendent) and Pablo Ramudo (Water Quality Supervisor) were in the audience.

MINUTES

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

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

GENERAL MANAGER'S REPORT

Marin LAFCo

The General Manager informed the Board that he attended the Marin LAFCo meeting on June 8, 2017. The City of Novato is proposing to extend the 20 year term of the Urban Growth Boundary and other regulatory changes and this item will be on the November ballot. There is a short deadline to review and comment however the Directors instructed the General Manager to request additional time to review if necessary.

OPEN TIME

President Petterle 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 Petterle asked if staff or Directors wished to bring up an item not on the agenda and there was no response.

PUBLIC HEARING: PROPOSED FY18 EQUIPMENT BUDGET

Mr. Bentley provided the Board with the final review for the Proposed FY17/18 Equipment Budget. He noted that there were no changes since the previous review. He stated that the budget is set at \$210K for the upcoming year which is less than last fiscal year and that the more expensive items are a replacement metals analyzer for the lab (\$105K) and \$63,000 for two small vehicles.

Director Fraites inquired about the upgrade to the existing Closed Circuit TV system. Mr. Clark responded that there are two systems, one at the Stafford Treatment Plant and one at the District office

President Petterle opened the public hearing at 7:16 p.m.

Hearing no comments, President Petterle immediately closed the public hearing at 7:16 p.m.

On motion of Director Fraites, seconded by Director Baker, the Board approved the FY18 Equipment budget as presented by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

PUBLIC HEARING: FY18 & FY19 NOVATO CAPITAL IMPROVEMENT PROJECTS BUDGET

Mr. Bentley provided the Board with the final review of the FY18 & FY19 Novato Capital Improvement Projects Budget. He stated that there were no changes since the last review. He advised the Board that there are four major projects including \$4.7M for the Advanced Meter Information System, \$12M for the Office and Yard Building Refurbish, \$2M for the San Mateo Tank Recoat and \$1M for the San Mateo 24" Inlet/Outlet Pipeline Project.

President Petterle opened the public hearing at 7:16 p.m.

Hearing no further comment, President Petterle immediately closed the public hearing at 7:16 p.m.

On motion of Director Baker, seconded by Director Fraites, the Board approved the FY18 & FY19 Capital Improvement Projects Budget as presented by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

PUBLIC HEARING: FY18 PROPOSED NOVATO WATER OPERATIONS BUDGET

Mr. Bentley provided the Board with the final review for the FY18 Proposed Novato Water Operations Budget. He advised the Board that there were no changes since the last review.

Mr. Bentley stated that the \$28.2M budget is up 1% from the previous fiscal year. Water sales have been similar to those of last year and the cost to purchase water has gone up 6.8% and the 5% rate increase effective June 1, 2017 will help offset that. He advised the Board that with the elimination of the Assistant General Manager position there is a slight reduction in staff from 55.7 to 55.2.

President Petterle opened the public hearing at 7:30 p.m. and hearing no comment immediately closed the public hearing at 7:30 p.m.

On motion of Director Fraites, seconded by Director Baker, the Board approved the FY17/18 Novato Operating Budget as presented and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

PUBLIC HEARING: FY18 PROPOSED RECYCLED WATER SYSTEM BUDGET

Mr. Bentley provided the Board with the final review of the FY18 Proposed Recycled Water System Budget. He stated that budgeted sales for recycled water for next year are projected at 160MG and the operating expenses are projected to increase by 4%. The \$15.6M Recycled Water Expansion Project in the Central Novato Service Area will be completed in FY18. The District received a \$6.6M State Revolving Fund Loan as well as Federal and State Grant funding of \$5.8M and will receive a contribution of \$1.7M from Marin Country Club to pay for the expansion.

President Petterle opened the public hearing at 7:37 p.m.

Hearing no comments, President Petterle immediately closed the public hearing at 7:37 p.m.

On motion of Director Baker, seconded by Director Joly, the Board approved the FY18 Novato Recycled Water System Budget and authorized the General Manager to pay demands arising from execution of the budgeted expenditure plan by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSENT: Director Schoonover

MONTHLY PROGRESS REPORT

Mr. McIntyre provided the Board with the Monthly Progress Report for May 2017. He stated that water production in Novato is up across the board versus the same period last year (15% for Novato potable water, 13% for recycled water). The production at Stafford Treatment Plant is up 9%. Mr. McIntyre advised the Board that in West Marin, water production is up 6% compared to last year.

Regarding Safety and Liability, Mr. McIntyre stated that the District was up to 300 days without a lost time accident through May 30, 2017.

During May, the high bill complaints were 15% lower than a year ago.

Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments showing that the District portfolio holds just over \$11M, up approximately \$120K from one month ago and is earning 0.96% interest.

CONSENT CALENDAR

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

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

ADVERTISEMENT FOR SAN MATEO TANK REHABILITATION

The San Mateo Tank Rehabilitation is a project that includes interior/exterior re-coating, installation of a new mixing system, miscellaneous improvements to comply with current AWWA guidelines and roof rafter repairs. The San Mateo tank has been in service for over 50 years and has never been recoated.

The existing tank coating was tested for lead and the tank exterior contains lead based paint and that removal and disposal in accordance with regulations will be required. The tentative construction completion date is spring of 2018. The engineer's estimate for the rehabilitation contract is \$1.6M and staff will keep the Board apprised of the bids received.

ANNUAL WATER QUALITY REPORT - NOVATO

The Board received a draft of the Novato Annual Water Quality Report for review. The report is required from water suppliers by the Safe Drinking Water Act. Customers will receive an

insert in their bill informing them the report is available on our website. Customers with electronic billing will be sent an email with a link to the report on our website.

ANNUAL WATER QUALITY REPORT – POINT REYES

The Board received a draft of the Point Reyes Annual Water Quality Report for review. The report is required from water suppliers by the Safe Drinking Water Act. Customers will receive an insert in their bill informing them the report is available on our website. Customers with electronic billing will be sent an email with a link to the report on our website.

ACTION CALENDAR

OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE – FIRST READING

Mr. Bentley provided the Board with the first reading of the Oceana Marin Sewer Service Charge Increase Ordinance to increase the Oceana Marin Sewer Service Charge to \$86 per month effective July 1st. He advised the Board that the reading of the ordinance must be done at two consecutive meetings. He noted that the next reading will be done at the Board meeting on June 27th at the Dance Palace in Point Reyes Station.

Mr. Bentley also informed the Board that Regulation 109 which establishes the Oceana Marin Sewer Service Charge also establishes the Oceana Marin Sewer Rate which is proposed to increase to \$1,032 for each dwelling unit. He stated that the increase will also be considered at next week's public hearing.

On the motion of Director Fraites, seconded by Director Joly the Board approved the reading of the Oceana Marin Sewer Service Charge Increase Ordinance by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: Director Schoonover

INFORMATION ITEMS

SECOND REVIEW – FY18 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGETS

David Bentley provided the Board with its second review of the West Marin water and Oceana Marin sewer budgets. He informed the Board that there some changes since the initial review. West Marin Water had a total operating expense reduction of \$27,000 and Oceana Marin Sewer budget had a reduction of \$17,000. These reductions were due to changes in Materials, Services and Supplies, reallocation funds for staff time to Novato Potable Water and reduced workers' compensation insurance. He reminded the Board that for West Marin water a 5% rate

increase is proposed. Mr. Bentley stated that at Oceana Marin, a 10% increase is proposed (\$8 per month) or \$86 per year).

NORTH BAY WATER REUSE AUTHORITY UPDATE – MAY 22, 2017

Drew McIntyre informed the Board that he attended the May 22nd NBWRA meeting. The fourth amended MOU is expected to be presented at the August 28 meeting. District legal counsel has reviewed the initial changes and staff is planning on bringing the draft MOU to the Board for consideration at a future Board meeting. After completion of the Phase 1 Title 16 program in 2018, the District will re-evaluate continued participation.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Single Audit FY17, and Final Payment – Novato & West Marin EDA Loans.

The Board also received the following news articles: In Loving Memory: Dietrich Stroeh, Jury sees \$1 billion shortfall in Marin public pensions, Fluoridation to continue in Marin’s water, Marin Voice: Agencies wise to invest in future benefits costs today, California ordering inspections at aging dams after crisis, AND PPIC Report Validates Local Drought Planning and Storage Investments.

CLOSED SESSION

President Petterle adjourned the Board into closed session at 7:54 p.m. with Real Property Negotiators (David Bentley & Drew McIntyre) regarding 42 Spinosa Way, Novato, CA (Government Code Section 54956.8).

OPEN SESSION

Upon returning to regular session at 8:20 p.m., President Petterle stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

ADJOURNMENT

President Petterle adjourned the meeting at 8:20 p.m.

Submitted by



Eileen Mulliner
Acting District Secretary