

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 24, 2014

CALL TO ORDER

President Rodoni called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the Dance Palace, 503 B Street, Point Reyes Station 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.

West Marin residents Ken Drexler, Susan Nelson, Greg Fernando, Michael Meng, and Laura Arndt, and District employees Carmela Chandresekra (Associate Engineer), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

GENERAL MANAGER'S REPORT

AWWA Conference

Mr. DeGabriele advised the Board that he will be out of the office on Wednesday and Thursday this week attending the AWWA conference in Monterey and David Bentley will be acting General Manager in his absence.

StoneTree Golf Course

Mr. DeGabriele informed the Board that he and Drew McIntyre will be meeting with Ann Mullroy from StoneTree Golf Course on Friday regarding their concerns mentioned at the rate hearing on May 20th.

National Marine Fisheries Services

Mr. DeGabriele advised the Board that the National Marine Fisheries Services (NMFS) issued a draft Multi Species Recovery Plan addressing the Coho Salmon and Steelhead in Lagunitas Creek and Novato Creek. He informed the Board that he will be meeting with NMFS next week to get a better understanding of the document and guidance. Mr. DeGabriele said he is mostly concerned about the proposed action to provide passage around Stafford Dam. He noted that the document does not create a legal obligation but can be a baseline for requirements in the future.

ACWA Conference

Mr. DeGabriele informed the Board that he and David Bentley will be attending the ACWA conference in Eureka on July 10 & 11 and Drew McIntyre will be acting General Manager in his absence.

Next Board Meeting

Mr. DeGabriele reminded the Board that the next Board meeting will be on July 15, 2014.

OPEN TIME

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

Bed and Breakfast owner, Susan Nelson, stated that she was attending the meeting to represent the Pt. Reyes Lodging Bed and Breakfast owners. She said she wanted to express her interest in getting materials to inform guests of the mandatory restrictions occurring and asked for help regarding the drought surcharge. She is very concerned about the 200 gallon a day restriction with having three guest rooms and only one meter.

STAFF / DIRECTORS' REPORTS

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

PUBLIC HEARING/APPROVE: WEST MARIN WATER FY 2014/15 BUDGET

David Bentley informed the Board that the proposed increase in the cost of water for both the typical residential and non-residential customer averages 5% and would be effective July 1, 2014. He stated that a letter was sent on May 9th to all customers notifying them of the public hearing and a notice of the public hearing was published in the June 19th edition of the West Marin Citizen and Point Reyes Light, extending an invitation to attend the public hearing and/or exercise the right to protest the proposed increase. Mr. Bentley advised the Board that there was one letter received by a customer requesting the District reduce spending money on unnecessary infrastructure, and 16 phone calls, primarily regarding the proposed drought surcharge, and how it applies to the customer. He stated that the rate increase would consist of a 7% commodity rate increase with no change in the bi-monthly service charge. He noted that for the typical customer the proposed West Marin Water increase would total \$31 annually (\$2.58 per month). Mr. Bentley advised the Board if the proposed increase is enacted, it will generate \$41,000 in additional revenue next fiscal year.

Mr. Bentley advised the Board of reasons for the proposed rate increase which include significant improvement projects such as \$1.25M in water treatment plant improvements and replacement of the 25,000 gallon redwood tank that was destroyed in the Mount Vision fire. Mr. Bentley pointed out that the Gallagher Well project (\$1.5M) will be fully funded by the Proposition 50 grant. He stated that with the West Marin Water System is in a dry year, Marin Municipal will be releasing less water into Lagunitas Creek and the District expects to purchase water from Marin Municipal in order to have ample water supply. He noted that with the Water Shortage Contingency Plan in effect and the 25% mandatory water use restrictions, the District anticipates reduced water sales revenue by \$75K.

Mr. Bentley advised the Board that staff is also proposing a drought surcharge be approved to mitigate the revenue loss expected. He stated that staff proposes a \$2.50 per 1,000 gallon surcharge for all water used by non-residential customers and for those who are classified as residential, propose a \$2.50 per 1,000 gallon surcharge for any water use over 200 gallons per day from July 1st through October 31st. He noted with the proposed surcharge for the median single family water bill, if no water usage is reduced, they will see a \$4 a month additional charge and if they reduce their water usage by the mandatory 25%, they will not pay the drought surcharge. Mr. Bentley stated that for the non-residential customer the proposed surcharge would cost the customer \$30 per month with no reduction of water usage and \$23 per month with the mandatory 25% reduction.

Mr. Bentley advised the Board that the budget shows a cash surplus of \$1K and staff is projecting one new connection. He stated that the budget has decreased in water sales by 11%, and operating expenses are up 11%. He noted that there is \$38K in the budget for anticipated water purchased from MMWD and an additional \$18K in the budget for water conservation expenses.

President Rodoni opened the public hearing at 8:22 p.m.

Susan Nelson, Bed and Breakfast owner expressed her concern about having six guests in her house and being charged the surcharge when she has no control on the amount of water used by her guests. She stated that it was unfair and asked that the District provide information for guests to help educate them on trying to conserve water.

Laura Arndt, resident of West Marin asked if a customer reduces the mandatory 25% will they still be charged the surcharge.

Mr. Bentley responded that any usage below 200 gallons per day will not pay the surcharge for residential customers.

Mrs. Arndt asked what the most effective way to reduce water usage by 25%. She asked if the District's website could provide information. President Rodoni stated that all customers can go to the District's website and look at their account information and their past water usage history. He said that all customers should look at water conservation efforts such as low flow toilets, aerators, low flow showerheads etc. President Rodoni informed Laura that she could call Ryan Grisso, Water Conservation Coordinator, to come out and do water audit of her house and to look for leaks.

Mr. Bentley reminded the public for the two reasons for the drought surcharge are to send a message to the customers that the drought is serious and to pay for the water that the District will need to purchase from Marin Municipal when Lagunitas Creek does not have ample water supply.

Greg Ferando, a Bed & Breakfast owner stated that he has his own well and holding tanks and does not know how he will be able to keep his usage under 200 gallons per day with his yard and guests.

President Rodoni stated that all residents will have to make sacrifices during the drought and that a bed and breakfast has similar issues as a single family home with children in it.

President Rodoni hearing no further comment closed the public hearing at 8:32 p.m.

On motion of Director Schoonover, seconded by Director Fraites and unanimously carried, the Board approved the following: Resolution 14-14 entitled: "Resolution of the Board of Directors of North Marin Water District Amending Regulation 54- Water Rates" amending Regulation 54 pertaining to water Rates and Charges to reflect an increase averaging 5% for the typical residential customer in the West Marin Water Service Area effective July 1, 2014, Resolution 14-15 entitled: "Resolution of the Board of Directors of North Marin Water District Amending Regulation 54- Water Drought Surcharge" amending Regulation 54 pertaining to Water Rates and Charges to add a provision for the Drought Surcharge applicable to the West Marin Service Area, the FY15 West Marin Water System Budget and authorized the General Manager to pay demands arising from execution of the budgeted FY15 West Marin Water expenditure plan.

All of the West Marin residents left the meeting.

PUBLIC HEARING/APPROVE: OCEANA MARIN SEWER FY 2014/15 BUDGET

Mr. Bentley advised the Board that staff is proposing a 5% increase in the sewer service charge. He noted that the proposed increase would be \$3/month or \$36 per year on the property tax roll. Mr. Bentley informed the Board that a letter was mailed to all Oceana Marin customers on May 9th advising them of the public hearing and the proposed rate increase.

Mr. Bentley advised the Board that \$30K is incorporated into next year's budget to update the Oceana Marin Master Plan. He informed the Board that there has been an average of one new connection seen over the last 5 years and there is a 15% increase in Operating Expenditures due to the termination of the Phillips & Associates contract.

Director Fraites asked about the \$40K to rebuild the fence that was broken by cattle. He asked if the District would receive reimbursement from the owners of the cattle. Mr. Clark stated that the church who owns the land has no money and spends the money they have on the church.

President Rodoni asked if it was the church's cattle. Mr. Clark stated yes.

Director Baker expressed his frustration about the cattle continuing to damage the fence and the District having to pay for it. Mr. Clark advised the Board that he would further investigate into the agreement with the church and provide feedback to the Board.

President Rodoni opened the public hearing at 8:38 p.m. and hearing no comment, closed the public hearing.

On motion of Director Petterle, seconded by Director Schoonover and unanimously carried, the Board approved Ordinance 30 electing to have the Oceana Marin Sewer Service Charges be collected on the tax roll of the County of Marin, Resolution Number 14- entitled "Revision of North Marin Water District Regulation 109 Oceana Marin Sewer Service – Rates and Charges", amending Regulation 109, effective July 1, 2014, to increase the Oceana Marin sewer service charge by 5% to \$816 per dwelling unit, the FY15 Oceana Marin Sewer System Budget, and authorize the General Manager to pay demands arising from execution of the budgeted FY15 Oceana Marin expenditure plan.

It is noted that the ordinance for the Oceana Marin Sewer Service Charge was mis-numbered in the draft and when published. The corrected Ordinance number is 30.

Mr. DeGabriele advised the Board that he will be attending the Oceana Marin Homeowners meeting on July 19th and will update the customers on the adopted sewer service increase.

INFORMATION – WEST MARIN

OVERVIEW OF THE WEST MARIN WATER SHORTAGE CONTINGENCY MEASURES

Mr. DeGabriele provided the Board and the public with background information regarding the Water Shortage Contingency Measures. He stated that in 1995 State Water Resources Control Board amended all water rights on Lagunitas Creek to protect fish. He advised the Board that Water Right Order 95-17 restricts diversions on Lagunitas Creek during summer months of a dry year. He noted that "dry year" is defined as one where rainfall measured at Kent Lake is less than 28" on April

1st. Mr. DeGabriele stated that on April 1st Kent Lake measured just below 28" of rainfall. He reminded the Board that the District entered into an agreement with Marin Municipal Water District insuring West Marin customers receive water during a dry year. He stated with this agreement MMWD will release up to 250AF for purchase by the District.

Mr. DeGabriele reminded the Board that on April 1st, a dry year was declared in West Marin and Lagunitas and the District held a public hearing to declare a water shortage emergency and enacted the Water Shortage Contingency Plan. He informed the Board that the Water Shortage Contingency Plan was published in the Point Reyes Light, posted at the Post Office in West Marin, and is available on the District's website. Mr. DeGabriele stated that in West Marin on April 1st, Water Shortage Contingency Plan Stage 1 requirements were enacted with a 15% voluntary reduction compared to the same billing period one year ago. He noted that customers have done a great job conserving 17% in April, 15% in May and 8% through June 22nd. He stated that pursuant to the Water Shortage Contingency Plan, starting July 1st, Stage 2 requirements go into effect with a 25% mandatory water use reduction.

Mr. DeGabriele stated that customers in West Marin were notified about the Water Shortage Contingency Plan requirements through the *Water Line* newsletter and articles and letters to the editor in both the Point Reyes Light and West Marin Citizen. He noted that staff is proposing a summer *Water Line* that will be mailed out to customers in early July. Mr. DeGabriele advised the Board that staff is preparing a Drought Drive-Up, similar to the one held in Novato, scheduled for August 14th at the Dance Palace. Mr. DeGabriele provided examples of the Drought kits to the audience and stated that the proposed time is 10 a.m. to 12 p.m. He noted that the Board could suggest a different time or location.

Director Petterle asked if customers are unable to make the Drought Drive-Up day if they could pick up the water conservation materials at the fire department or post office. Mr. DeGabriele stated that staff would look into that option.

Mr. DeGabriele informed the public that staff is looking to hold a toilet giveaway similar to the one completed in Novato. He stated that the toilet rebate has been raised to \$150.

Mr. DeGabriele advised the Board on June 16th the stream flows in Lagunitas Creek were reduced from 10cfs and are expected to be maintained at 6cfs at the park gauge. He reminded the Board that the District will most likely have to request additional stream releases from Marin Municipal Water District when the only water in Lagunitas Creek is that released from MMWD's reservoirs. He noted that the District is able to request 250AF per year and will pay \$190AF. He

stated that this was one of the reasons for the proposed drought surcharge. Mr. DeGabriele advised the Board that staff is assured that salinity intrusion will occur and the watershed will dry up.

Mr. DeGabriele informed the Board that the State Water Resources Control Board held a workshop in Sacramento for state and local officials outlining efforts to conserve. He noted that the State board is debating on enacting mandatory restrictions at the state level and will discuss that option at their July 15th meeting.

Mr. DeGabriele advised the Board that staff is handing out water saving tip cards to customers, providing conservation efforts on the District website and Facebook and has handed out cards to restaurants on conserving water. He advised Ms. Nelson that he would look into getting more information to bed and breakfast establishments on ways for their guests to conserve water.

Mr. DeGabriele stated that commercial units pay the drought surcharge from the first gallon used and residential customers will pay for any usage over 200 gallons per day. He noted that if the customer has an additional legal second unit, they will be credited for another 200 gallons per day.

Susan Nelson asked what a Bed & Breakfast would be considered. Mr. DeGabriele stated that that if classified as residential with one dwelling unit, they would be allowed 200 gallons per day.

Mr. McIntyre stated that customers with second units already paid additional fees to obtain the second unit and pay an extra amount each billing period for that additional dwelling unit.

Director Fraites stated that staff should have the “Drought Drive-Up” on a Saturday to make the water conservation materials more accessible to customers. President Rodoni informed the Board that he would work with staff to choose a better date and time.

Michael Meng, a resident of West Marin asked what the 25% reduction was based from. Mr. DeGabriele stated that the reduction is compared to the same billing period to the prior year. Michael asked if there was data available online. Mr. DeGabriele stated that customer’s can log into their account on the District website, and find a chart for their past two years and a water cost calculator to provide a target for the customer. He stated that the *Water Line* newsletter that was mailed to customers has specific directions on how to view the chart. Mr. DeGabriele advised the public to also visit www.wateroff.org to view the Sonoma Marin Saving Water Partnerships page which provides a water use calculator and tips on ways to conserve water.

President Rodoni stated that the information is only available for the customer’s personal account and the District also has a Monthly Progress Report that is available in the agenda packets that provides the total water usage information for Novato and West Marin customers as a whole.

Greg Ferando, a Bed & Breakfast owner, asked if his home is considered residential and if he has a business license from the County, if he was considered a commercial or residential customer. President Rodoni stated that the number of equivalent dwelling units and customer classification is in the Districts billing system and that staff would be able to provide that information.

WEST MARIN CAPITAL IMPROVEMENTS PROJECTS FY13-14 PRELIMINARY YEAR-END PROGRESS REPORT

Mr. McIntyre provided the Board with a preliminary year-end status report on the District's performance in completing budgeted FY13-14 Capital Improvement Projects (CIP's) in West Marin (including Oceana Marin) service territories. He stated that a total of eight CIP's were originally budgeted in FY13-14, during the year, two were added and one was dropped. Mr. McIntyre informed the Board that the overall progress in completing West Marin's CIP's was 67%. He noted with the exception of the Gallagher Auxiliary Stream Gauge project, the remaining FY13-14 West Marin project expenditures for all West Marin CIP's are estimated to be below the initial budget by approximately \$80,000.

Mr. McIntyre advised the Board that in FY13 the Point Reyes Treatment Plant Solids Handling project was put on hold pending changes to the Marin County Local Coastal Program and on May 15, 2014 California Coastal Commission's approval of Marin County's LCP amendment allows the County to approve the Solids Handling Project.

Mr. McIntyre informed the Board that the work on installing flexible piping on Pt. Reyes Tank No. 2 has been postponed until wet weather season returns and the work on the RTU upgrade at the Olema Pump Station is almost completed.

2014 WEST MARIN WATER SYSTEM MASTER PLAN – ADMINISTRATIVE DRAFT

Drew McIntyre provided the Board and staff with a PowerPoint presentation on the 2014 West Marin Water System Master Plan – Administrative Draft. He advised the Board that the intent of the new master plan is to update the 2001 West Marin Long Range Plan so that the plan remains fresh. He noted that District budgeted preparation of the West Marin Water System Master Plan Update in 2013 with the intent that the West Marin Master Plan would be updated every 10 years.

Mr. McIntyre informed the Board that the 2014 Master Plan has been prepared utilizing in-house staff. He stated that the overall project manager for preparation of the 2014 Master Plan and coordinator of all of the sections prepared was the District's Associate Engineer, Carmela Chandrasekera. He noted that other staff members participated in the project through interviews and input into the development of individual sections. Mr. McIntyre stated that for Section 6, Water Quality, was prepared by the District's Water Quality Supervisor, Pablo Ramudo, as well as Section

8, Asset Management, which has been prepared by the District's Operations and Maintenance Superintendent, Robert Clark.

Mr. McIntyre stated that the West Marin Master Plan was an Administrative Draft and is looking for comments from the Board. He requested that all comments/changes be given to staff by the next Board meeting on July 15th.

President Rodoni stated that it was a good report and complimented Carmela Chandrasekera on her work.

CONSENT CALENDAR

On the motion of Director Schoonover, seconded by Director Petterle and unanimously carried, the following items were approved on the consent calendar:

WALNUT MEADOWS SUBDIVISION

The Walnut Meadows Subdivision subdivides an existing 3.4-acre parcel into 12 lots for single-family homes, and includes a private roadway. The project is located at 840 McClay Road between Center Road and Novato Blvd. This agreement will provide water service to twelve new single family residences. New Zone 1 water facilities required include 420 feet of 8-inch PVC main, 65 feet of 8-inch steel pipe, 280 feet of 1-inch cooper, two residential fire hydrants, and twelve 1-icnch meters.

APPROVE CONTENT AND LAYOUT FOR SUMMER 2014 BILL INSERT/FLYER

The Board approved a summer 2014 bill insert/flyer targeting Novato customers. This insert/flyer contains information regarding conservation programs by the District. Staff has not determined whether it will be a direct mail flyer or a bill insert but it is expected that the insert/flyer will be mailed mid- July 2014.

APPROVE TEXT FOR WEST MARIN WATER LINE, VOLUME 12

The Board approved the text for the West Marin *Water Line*, Volume 12. This issue includes a message from the General Manager reminding customers of the dry year conditions on Lagunitas Creek and mandatory water use restrictions, Drought Drive-Up Day and Ultra High Efficiency Toilet Giveaway, and a list of conservation programs offered. The summer West Marin *Water Line* is expected to be mailed in early July 2014.

President Rodoni stated that he would work with Mr. DeGabriele and Ryan Grisso to find an appropriate date, place and time for the Drought Drive-Up to make most efficient for residents in West Marin.

ACTION CALENDAR

ATHERTON AVENUE LAND DIVISION RENEWAL OF LETTER AGREEMENT WITH THE NOVATO FIRE PROTECTION DISTRICT

Mr. McIntyre reminded the Board that the Atherton Avenue Land Division Letter of Agreement with the Novato Fire Protection District has been renewed since 1996. He advised the Board that it is for three parcels adjacent to fire station 62 near the intersection of Olive and Atherton Avenues. He noted that the Fire District bought the property from The Lutheran Church in 1996 where a water service agreement was in place. Mr. McIntyre stated that the Fire District has expressed its intent to cause the land division to revert to acreage and to utilize the land for a new classroom/storage facility. He advised the Board that staff updated the water agreement with the most recent extension request, the initial charges and construction costs of \$145,662 remain unchanged from 2010. Mr. McIntyre advised the Board that the water agreement including financial guarantee for this project must remain in effect as long as the three lots exist. He noted that if the Fire District gets approval from the County of Marin for reversing the property to acreage, the agreement can then be cancelled.

Director Baker asked if the Fire District has any plans of actually following through with the plans and how long the District is going to keep renewing this letter.

Mr. McIntyre stated that it is not on the Fire District's immediate radar. He stated that next year he would go back and speak with the Chief about the parcels.

On motion of Director Baker, seconded by Director Pettele and unanimously carried, the Board authorized renewal of the letter agreement financial guarantee for another forty-eight months with the Novato Fire Protection District.

INFORMATION ITEMS

CHEMICAL BIDS

The District is now participating in bay area bulk chemical bid process with the Bay Area Chemical Consortium (BACC). The chemicals of interest to the District are sodium hydroxide, ferric chloride, and sodium hypochlorite. The bid prices that came back for the chemicals were 38%, 25%, and 64% lower than the District's current costs. Assuming Stafford Treatment Plant production of 2,300 acre feet per year the chemical savings would be approximately \$58,000 per year. Staff is taking advantage of this opportunity to increase the purchasing power through the collaborative bulk purchasing agreement with neighboring agencies.

MISCELLANEOUS

The Board received the following miscellaneous information: Disbursements and 2014 Equipment Auction Report.

The Board received the following news article: State Regulator regain right over Russian River water drain. The Board also received the following news article at the meeting: Marin water managers: Residents saving more than what state says.

Director Baker asked about the publicity of the Gallagher Well Pipeline and if the community realizes the project is ongoing. President Rodoni stated that there are signs up and there have been press releases. Mr. DeGabriele stated that residents will notice once traffic is impacted.

ADJOURNMENT

President Rodoni adjourned the meeting at 9:20 p.m.

Submitted by



Katie Young
District Secretary