

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 5, 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, James Grossi, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler.

District employees Ryan Grisso (Water Conservation Coordinator) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

CLOSED SESSION

President Petterle adjourned the Board into closed session at 7:01 p.m. in accordance with Government Code Section 54957 for Public Employment, Titles: Auditor-Controller, Assistant Auditor-Controller, and Accounting/Human Resources Supervisor.

OPEN SESSION

Upon returning to regular session at 7:30 p.m., President Petterle stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

MINUTES FROM REGULAR MEETING – AUGUST 15, 2017

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the regular meeting on August 15, 2017 as presented by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: Director Grossi

MINUTES FROM SPECIAL MEETING – AUGUST 22, 2017

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the Special Meeting on August 22, 2017 as presented by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: Director Grossi

MINUTES FROM SPECIAL MEETING – AUGUST 29, 2017

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the Special Meeting on August 29, 2017 as presented by the following vote:

AYES: Director Baker, Fraites, Joly, and Petterle

NOES: None

ABSTAIN: Director Grossi

GENERAL MANAGER'S REPORT

Annual Patio BBQ

Mr. McIntyre informed the Board that staff held the annual patio barbeque lunch last Thursday for all employees and acknowledged Arthur Cantiller who will be retiring on September 6th after 12 years of service. He noted that several service awards were given including David Bentley being recognized for his 30 years of service.

NBWA Meeting

Mr. McIntyre reminded Director Fraites of the North Bay Watershed Association meeting scheduled for Friday, September 8th.

Monning Bill

Mr. McIntyre provided an update on Senate Bill 623 which proposes a tax on local water agencies to fund a state program to ensure safe drinking water for all Californians. He reported that the measure has been referred back to committee and will be re-visited in 2018.

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 the following items were discussed:

Director Baker advised staff and the Board that he rode the SMART train and had a good experience, hoping it will be successful. He noted that he will miss the next two Board meeting. Director Baker advised the Board that there will be a meeting with the Sonoma County Water Agency's Interim GM Mike Thompson and suggested the two new Directors might benefit attending the meeting.

CONSENT CALENDAR

Director Joly requested that item 11 be removed from the Consent Calendar for discussion.

On the motion of Director Fraites, seconded by Director Baker the Board approved items 8-10 and 12 on the consent calendar by the following vote:

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

NOES: None

OUT-OF-STATE TRAVEL FOR ROBERT CLARK AND STACIE GOODPASTER TO ATTEND CA-NV AWWA FALL 2017 CONFERENCE

The Board approved out-of-state travel for Robert Clark and Stacie Goodpaster to attend the AWWA Fall 2017 in October in Reno, NV.

OUT-OF-STATE TRAVEL FOR GENERAL MANAGER TO ATTEND CA-NV AWWA FALL 2017 CONFERENCE

The Board approved out-of-state travel for General Manager, Drew McIntyre to attend the AWWA Fall 2017 in October in Reno, NV.

SET PUBLIC HEARING TO CONSIDER REVISIONS TO WATER CONSERVATION RESOLUTIONS AND REGULATIONS

The Board set a public hearing for Tuesday, September 19th to consider revisions to water conservation resolutions and regulations.

THIRD PARTY LABOR COMPLIANCE INSPECTION FOR SAN MATEO TANK REHABILITATION PROJECT – RGM AND ASSOCIATES

Director Joly requested this item be removed from consent for discussion.

Director Joly asked for an explanation for why the District needs to pay \$19K for this service.

Mr. Vogler explained that it is an insurance policy for the District to verify conformance with State labor laws. He stated that public contracting labor laws are becoming more a more complicated as time goes on and District staff does not have the personal available to ensure compliance.

On motion of Director Baker, seconded by Director Joly, the Board approved the General Manager to execute an agreement with RGM and Associates for \$16,660 with a contingency of \$2,000 by the following vote:

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

NOES: None

ACCOUNTING/HUMAN RESOURCES SUPERVISOR RECRUITMENT

The Board approved recruitment of the Accounting/Human Resources Supervisor which will be posted tomorrow, September 6th and close on Wednesday, September 20th at 5 p.m.

ACTION CALENDAR

ENTERPRISE ASSET MANAGEMENT CONSULTING SERVICES - SOFTRESOURCES

Mr. Vogler advised the Board that the Engineering and Operations' departments are interested in procuring an Enterprise Asset Management (EAM) software program. He noted that the District does not possess the relevant software expertise to be able to accurately assess and compare competing EAM programs provided by various software vendors.

Mr. Vogler advised the Board that the District has been considering implementing EAM for years, and has included language to this effect in the last few iterations of water master plans developed for the Novato service area. He noted that given the work the District has completed over the last several years to develop a working GIS model of our distribution systems, the ability to leverage an appropriately selected EAM program is both relevant and timely.

Mr. Vogler stated that SoftResources would interview staff and evaluate EAM options to best fit the District's needs. He stated that they would provide the District with a presentation on which system would work best for the District and would provide support to staff in the decision making.

On motion of Director Joly, seconded by Director Baker, the Board authorized the General Manager to execute an agreement with SoftResources Software Consulting for software selection consulting services with a not to exceed limit of \$42,600 plus an approved contingency reserve of \$8,000 by the following vote:

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

NOES: None

DEBT MANAGEMENT POLICY

Mr. Bentley reminded the Board that at the August 3rd meeting the Board reviewed a draft Debt Management Policy which Senate Bill 1029 (SB 1029), effective January 1, 2017, requires all local agencies to adopt prior to the issuance of new debt. He advised the Board that the policy draft incorporates minor edits suggested by bond counsel (Jones Hall) and District legal counsel.

Mr. Bentley advised the Board that the District currently has \$27.7 million in debt outstanding, and the 5-year financial plan included in the adopted FY18 budget includes \$27.5 million in additional debt with the following projected projects: Recycled Water Central, Advanced

Metering, Admin Office Remodel, West Marin Water Solids Handling and the West Marin Treatment Plant Rehabilitation.

Mr. Bentley advised the Board that it is a policy goal of the District to protect ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit rating. He noted that this self-imposed 1.5 coverage ratio goal, while laudable, could limit the District's ability to issue new debt.

Director Fraites asked how many more years the District will need to incorporate a 5% rate increase. Mr. Bentley stated that in the 5-year financial plan projects a 5% rate increase each year until FY2022.

Mr. McIntyre advised the Board that the 5-year financial plan and projected rate increase is reviewed every year.

Director Joly stated that the District needs to be aware of the debt being created and the constant raise of District rates.

Mr. McIntyre reminded the Board that approving the debt management policy does not approve any of the project projects to move forward, that it is just setting the policy.

On motion of Director Joly, seconded by Director Baker, the Board approved Board Policy #47 - Debt Management by the following vote:

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

NOES: None

RESPONSE TO CIVIL GRAND JURY REPORT – THE BUDGET SQUEEZE – HOW WILL MARIN FUND ITS PUBLIC EMPLOYEE PENSIONS?

Mr. Bentley advised the Board that the Marin County Civil Grand Jury has requested 48 public agencies to respond to this report and only 12 of the 48 have actually responded. He advised the Board that the District was requested to respond to three recommendations. Mr. Bentley provided the Board with a background history of CalPERS and stated that the solution lies in the State legislature.

On motion of Director Joly, seconded by Director Fraites, the Board approved the proposed response to the Marin County Civil Grand Jury Report – *the Budget Squeeze- How Will Marin Fund its Public Employee Pensions* by the following vote:

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

NOES: None

INFORMATION ITEMS

WATER CONSERVATION YEAR END REPORT (JULY 2016 THROUGH JUNE 2017)

Ryan Grisso, Water Conservation Coordinator provided the Board with a Year End Report. He stated that participation in rebates is down for the year with the exception of the Water Smart Home Survey. He advised the Board that overall toilet and clothes washer rebates are down and in the future staff might look to adjust or sunset the rebate program. He stated that Cash for Grass is down but over 50,000 sq/ft of lawn was replaced. He noted that a new interesting trend is the wifi based smart controllers for landscaping and he is hoping to connect smart controllers with the AMI system. Mr. Grisso stated that the fall and spring *WaterLine* was distributed along with Facebook updates. He advised the Board that the budget was down due to less staffing, although he hired a new Water Conservation Technician in May.

YEAR END PROGRESS REPORT –ENGINEERING DEPARTMENT

Mr. Vogler provided a Year End Progress Report for the Engineering Department, stating that 61% of the Novato water projects were completed and came in under budget by \$7M. He noted that the savings was primarily due to unexpended funds for the AMI and the office refurbishment projects. Mr. Vogler stated that engineering hours were budgeted at 1,500 for developer projects and 4,000 for District CIP's, expending 53% of developer hours and 89% of CIP hours.

GRANT AVENUE BRIDGE PIPE REPLACEMENT PROJECT

Mr. Vogler provided a brief update on the Grant Avenue Bridge Pipe Replacement Project. He stated that the existing pipeline has provided good service to the District but with the City of Novato completing a widening of the bridge on Grant Ave, the District is moving forward to complete the replacement. He stated that District crews will be replacing a cast iron pipe with a 12 inch welded steel pipe. He advised the Board that the work will commence on September 5th and take approximately two weeks to complete. Mr. Vogler advised that District staff is coordinating this work with the City of Novato and has had electronic signs and traffic control in place to help minimize disruption.

Director Baker asked about the location of the existing pipe supported underneath the bridge. Mr. Vogler responded that the pipe is suspended from the bridge with pipe hangers and is not in the flow line of the creek.

Director Grossi asked if there were plans to raise the pipeline more. Mr. Vogler replied that they do not have any plans to alter the structure of the bridge.

WAC/TAC MEETING – RECAP OF AUGUST 7, 2017 MEETING

Mr. McIntyre provided a recap of the WAC/TAC meeting on August 7th and stated that water production for the Sonoma Marin Saving Water Partnership is down 21% for the month of June compared to 2013.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Board of Director Classes, Water Agencies Testify Against Bill to Establish California’s First-Ever Water Tax, Marin county Fish and Wildlife Commission, and Press Release- NMWD Board Appoints New Director.

The Board also received the following news articles: Sonoma-Marin train announces start date for commuters, Novato’s Hanna Ranch hotel-commercial plan draws praise, concerns, and Water Board Remind the Public to be Aware of Harmful Algal Blooms this Holiday Weekend.

ADJOURNMENT

President Petterle adjourned the meeting at 8:37 p.m.

Submitted by

A handwritten signature in black ink, appearing to read 'Katie Young', with a stylized flourish at the end.

Katie Young
District Secretary