

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
September 6, 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, Acting District Secretary Eileen Mulliner, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre. District Secretary Katie Young was absent.

Bob Maddow (NMWD legal counsel), Gary Skrel and JD Brosnan (The Covello Group), Novato resident Mike Jolly, District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark, (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

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

NOES: None

**AMENDED MINUTES**

On motion of Director Baker, seconded by Director Fraites the Board approved the amended minutes from the July 19th meeting as presented by the following vote:

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

NOES: None

**GENERAL MANAGER'S REPORT**

**Notice from State Water Resources Control Board (SWRCB)**

Mr. DeGabriele advised the Board that on Friday, September 2nd, the District received a letter from the SWRCB noticing a violation for failure to meet water conservation standard and an order requesting additional information.

He stated that the notice states that as of July 2016, the District has not met the conservation standard, which is 0, because compliance is now assessed on a cumulative basis starting in June

2016. He noted that the compliance clock had originally started in June 2015 but has been reset and is starting over.

Mr. DeGabriele reminded the Board that in June, the District's reported water production was 42% more than June 2013 due to the disputed adjustment in deliveries applied by Sonoma County Water Agency. He stated that even though the SWRCB staff assured him subsequent to the District's June report that the District's June 2016 number would be considered pending, and even though the District's June 2015 thru May 2016 reduction was 30% below the same period in 2013 when the District's conservation standard was 24%, and even though the District's July 2016 production was 18% below July 2013, the SWRCB Enforcement staff has not talked to the SWRCB OPR staff and that is why the District has received this notice.

Mr. DeGabriele stated that he has talked to the enforcement staff and left a message with the OPR staff, explained the situation and requested that the notice be rescinded, but at this point he does not know what will occur.

#### **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:

Mr. McIntyre reported on the Novato Watershed Program presentation by Marin County staff to the Novato City Council on August 30<sup>th</sup> that he attended. He advised that the presentation was an overview and that polling for a possible future tax or fee ballot measure will take place in September. He also advised that a meeting of the Policy committee will take place in late September (9/28 or 9/30).

Mr. McIntyre also advised that he will attend the Novato City Council meeting next Tuesday where the City will consider an agreement with the District to utilize the Rowland Way bridge over Novato Creek for the Recycled Water Central Service Area pipeline.

Mr. Clark informed the Board that the Deer Island Recycled Water Treatment Plant started up this week and will run thru September. He indicated that the District's new Assistant Distribution & Treatment Plant Operators were instrumental in starting up the plant.

#### **STAFF/DIRECTORS REPORTS**

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

**CONSENT CALENDAR**

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

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

NOES: None

**EMPLOYER ASSISTED HOUSING PROGRAM – BOARD POLICY #42**

The Board approved a revision to the Employer Assisted Housing Program. At the August 2<sup>nd</sup> meeting the Board re-instated the program and approved a requirement setting the minimum down payment based on a sliding scale. The revisions are now incorporated into the policy which identifies that home purchase prices less than \$600K would require a minimum 5% down payment increasing to a 10% down payment for homes with a purchase price over \$1M.

**AMI PROJECT CEQA**

The Board authorized staff to employ GHD to perform the Environmental Review for the District's automated metering information project. The State Water Board requires CEQA documentation prior to approving project SRF funding. GHD (formerly Winzler & Kelly) has performed CEQA work for the District in the past and recently prepared Santa Rosa's AMI project CEQA analysis. The District currently maintains a General Services Agreement with GHD. It's expected the work will cost approximately \$25K.

**CONSULTING SERVICES FOR ICF – HABITAT SURVEY IN UPPER NOVATO CREEK**

The Board authorized staff to enter into an agreement with ICF International to perform steelhead habitat survey in Upper Novato Creek. Last winter, the District engaged Cardno Associates to perform a field reconnaissance evaluation of the Novato Creek mainstream both upstream and downstream of Stafford Dam to make a preliminary assessment of the steelhead habitat. That reconnaissance investigation was reported in comments to National Marine Fisheries Service (NMFS) on the Coastal Multi-Species Recovery Plan reflecting that Novato Creek primarily provides highly degraded steelhead spawning and rearing habitat. The District has requested that Upper Novato Creek be removed from the potential steelhead area in the Recovery Plan and has been asked to coordinate with NMFS staff on further evaluation of the habitat potential above the dam. Consultants from Cardno have now moved on to ICF International and HDR. Estimated cost is not to exceed \$20,803.

**ACTION CALENDAR**

**REQUEST FOR BILL ADJUSTMENT**

Mr. Bentley requested the Board consider a request for a bill adjustment from Lisa Hoytt at 136 Windwalker Way for an August bill of \$1,079 based on June/July water use in excess of 2,000 gallons per day. Mr. Bentley explained that Ms. Hoytt did not qualify under the Board policy.

Ms. Hoytt was unable to attend the meeting.

On the motion of Director Baker, seconded by Director Petterle, the Board denied the bill adjustment by the following vote:

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

NOES: None

**RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – REJECT BID PROTEST AND AWARD CONSTRUCTION CONTRACT (GHILOTTI CONSTRUCTION CO.)**

Mr. McIntyre requested that the Board approve award of the construction contract to Ghillotti Construction for the Recycled Water Expansion Central Service Area – West Project which includes 3.8 miles of Recycled Water pipeline in the amount of \$5,878,611.50 plus a \$400,000 contingency. He stated that Ghillotti was the low bidder among the six bids received and was 7% below the engineers estimate. He noted that the District's Construction Manager, Covello Group, prepared the bid evaluation and a bid protest was received by the second low bidder Mountain Cascade Inc. Mr. McIntyre stated that the filed bid protest claimed the low bid was flawed in 3 areas: 1) Failure to submit a listing of key personnel, 2) Failure to list manufacturer of pipe, fittings & valves, and 3) That the bid was unbalanced due to limited unit pricing for hard rock excavation. He noted that District legal counsel reviewed Mountain Cascades protest and Ghillotti's response and opined that Ghillotti's bid is responsive and recommends rejecting Mountain Cascade's protest in its' entirety.

Mr. McIntyre informed the Board that the project will receive WaterSmart Grant Funds from the Bureau of Reclamation and grant and loan funds from the State Revolving Fund program. He stated that the work includes installation of 450ft of 8" PVC pipe, 18,750ft of 12" PVC and approximately 500ft of 16" HDPE pipe (from Entrada Drive to Norman Tank by horizontal directional drill method), together with all appurtenances and pavement restoration.

Director Petterle asked if the District typically allows contractors to review other bid proposals and Mr. McIntyre replied in the affirmative.

Bob Maddow, District legal counsel, opined that his colleague, Carl Nelson's, letter recommending rejection of the bid protest is well done and the Covello bid analysis is also very well done.

On the motion of Director Petterle, seconded by Director Fraites the Board approved the rejection of the bid protest by Mountain Cascade and the contract award to Ghilotti Construction Co. by the following vote:

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

NOES: None

President Schoonover left the meeting at 7:19pm.

### **INFORMATION ITEMS**

#### **WATER CONSERVATION YEAR END REPORT (JULY 2015 THROUGH JUNE 2016)**

Mr. Grisso provided the Board with the Year-End Water Conservation Report which shows that Cash for Grass Rebates continue to be very popular in Novato. He stated that 132 Cash For Grass Projects removing a total of 132,000sq/ft of turf were authorized in fiscal year 2016. He noted that this was the second best year ever for program participation and the highest square footage year for lawn area removal. Mr. Grisso stated that the other water conservation programs were on par with prior years except washing machine rebates were down by 1/3rd as were Water Smart Home Surveys.

President Schoonover returned to the meeting at 7:22 p.m.

#### **YEAR END PROGRESS REPORT – ENGINEERING DEPARTMENT**

Mr. McIntyre provided the Board with the Year-End Engineering Department Report showing that 19 of 22 projects scheduled for completion in fiscal year 2016 were completed, 15 in Novato and 4 in West Marin. He shared photos of the projects both in Novato and West Marin focusing on polybutylene replacements on Grandview Ave, Flushing Taps at Dead Ends, Sunset Tank Mixing System, and South Novato Blvd Rowland to Sunset Blvd. Cast-Iron Pipe Replacement. Mr. McIntyre shared photos in West Marin of the Tank Seismic Piping Upgrade, Upsizing the 4" Pipe from Bear Valley Tanks, and the upcoming PRE Tank 4A Replacement.

#### **FY16 RESIDENTIAL CONSUMPTION STATUS REPORT**

Mr. Bentley updated the Board on the Residential Consumption Status Report, showing that Novato median single-family home water consumption fell to 72,000 gallons last fiscal year. He stated that total water consumption in Novato was reduced to 1.6BG principally due to the State's mandatory water use restrictions. Mr. Bentley focused on the District's rate structure which shows

that Novato customers subject to the Conservation Incentive Rate (use over 1,845 gallons per day) has fallen 72% since the CIR was adopted in 2004 and water demand between 615 and 1,845 gallons per day subject to the Conservation Incentive Tier Rate has fallen 42% since the CITER was implemented in 2007. He noted that last fiscal year 96% of Novato single-family residential customers never triggered a tier rate and only four percent got into the CITER tier.

Director Rodoni asked if there is any update on legal challenges to tier rates. District legal counsel, Bob Maddow, replied that he would look into that and get recent information back to staff to distribute to the Board.

Novato Resident, Mike Jolly asked if the drought impact had any effect on the residential consumption analysis. Mr. Bentley explained that the extreme reduction in overall water demand to 1.6BG, a level not seen since FY1978 and well below the recent consumption average of 2.2BG reflects the mandatory drought restrictions.

#### **AMI PROJECT STATUS UPDATE**

Mr. Bentley also updated the Board on the Automated Meter Information System. He informed the Board that the District has received four comprehensive vendor proposals and District staff along with consultant Utlworks is recommending Ferguson as the contractor to begin negotiations to refine proposal pricing, hardware and software details, and set performance and acceptance standards for a pilot project. Mr. Bentley stated that the pilot project will involve retrofitting about 200 meters in various locations throughout Novato to confirm that the AMI will achieve a minimum 98.5% read rate success within the Novato rolling topography and that AMI software will successfully integrate with the District's billing system and third-party customer portal software. He advised the Board that the District hopes to secure 2% State Revolving Fund loan for the project and must prepare the CEQA review prior to SRF loan approval.

#### **SUSTAINABLE GROUNDWATER MANAGEMENT ACT IN SONOMA COUNTY**

Mr. DeGabriele updated the Board on the Sustainable Groundwater Management Act meeting he attended. He advised the Board that the consumers who are on well water want to be represented. He noted that the estimated cost of the sustainability plan is around \$750,000 to \$2.5M and the USGS study has one more year to go in Petaluma valley.

#### **PACIFIC GAS AND ELECTRIC COMPANY'S APPLICATION FOR TEMPORARY VARIANCE OF MINIMUM FLOWS IN THE EEL RIVER AND EAST BRANCH RUSSIAN RIVER**

Mr. DeGabriele updated the Board on PG&E's application for Temporary Variance of minimum flows in the Eel River and East Branch Russian River. He reminded the Board that District legal counsel, Robert Maddow, filed the comments on behalf of the District on August 10, 2016, and

that FERC has now granted the extension of the temporary variance and ordered that it remain in effect until such time as Lake Pillsbury storage levels exceed 27,000 acre feet following October 1, 2016. He noted that the FERC order granting the extension references the District's comments acknowledging support for a revision to PG&E's water management practices at the project but makes no provision for the District or another drinking water entity to participate in the drought working group as had been requested.

#### **NBWRA UPDATE – AUGUST 22, 2016**

Mr. McIntyre advised the Board of the shift in governance at North Bay Water Reuse Authority (NBWRA) and that the NBWRA Board is now being asked to use their strength and connections to solicit new/additional members and projects. He indicated that Director Baker represented the District at the August 22<sup>nd</sup> meeting and that the District's role should not change as the District only participates in Phase 1 and the governance change is driven by Phase 2. He further advised that some folks suggest NBWRA shift to a JPA form of governance. He noted that the next meeting will be on September 19th at Novato Sanitary District.

#### **NBWA MEETING – SEPTEMBER 9, 2016**

Director Baker advised he would attend the NBWA meeting on Friday, September 9<sup>th</sup>.

#### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements, 2017 Medical Plan Cost Increase, STP Solar Power Facility – 4<sup>th</sup> Year Status Report, Marin County Fish and Wildlife Commission, and Praise from Vendor re: NMWD Treatment Plant Staff.

The Board also received the following news articles: Sonoma City Council tables climate action, Project Proposes Changes in Russian River Flows to Benefit Endangered Coho, Steelhead, ACWA Region 1 Host Russian River Water Supply System Tour, Drought's on, but Mandatory Cuts off for Most in California, Santa Rosa among local cities exempted from state's mandatory water-saving targets, and Nicasio's water future up for discussion.

The Board received the following news article at the Board meeting: Marin water supplier launches climate risk preparations.

#### **CLOSED SESSION**

President Schoonover adjourned the Board into closed session at 8:09 p.m. in accordance with Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager (Chris DeGabriele and Drew McIntyre). Director Rodoni and Director Petterle excused themselves and did not attend the closed session, citing a potential conflict of interest.

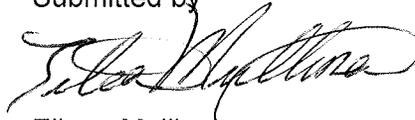
**OPEN SESSION**

Upon returning to regular session at 9:08 p.m., President Schoonover stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

**ADJOURNMENT**

President Schoonover adjourned the meeting at 9:09 p.m.

Submitted by

A handwritten signature in black ink, appearing to read "Eileen Mulliner", written in a cursive style.

Eileen Mulliner  
Acting District Secretary