

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 6, 2018**

CALL TO ORDER

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 6:01 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, and James Grossi. Director Michael Joly arrived at 6:05 p.m. and Director Stephen Petterle was absent. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller David Bentley and Chief Engineer Rocky Vogler.

District employees, Robert Clark (Maintenance/Operations Superintendent), and Tony Arendell (Construction/Maintenance Superintendent). Julie Blue, Novato resident Brigid Flagerman, Frank Soriano of Caldwell Sutter Capital and Dave Fama and James Wawrzyniak of Jones Hall Company were also in the audience.

MINUTES

On motion of Director Baker, seconded by Director Grossi the Board approved the minutes from the February 20, 2018 meeting as presented by the following vote:

AYES: Director Baker, Fraites, and Grossi

NOES: None

ABSENT: Director Joly and Petterle

ABSTAIN: None

Director Joly arrived at 6:05.

On motion of Director Baker, seconded by Director Joly the Board approved the minutes from the February 27, 2018 meeting as presented by the following vote:

AYES: Director Baker, Fraites, and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: Director Grossi

GENERAL MANAGER'S REPORT

During the General Manager's report, Mr. McIntyre discussed the current rain activity, the Division of Safety of Dams annual inspection of Stafford Lake Dam on March 8, the housing working group meeting with the County of Marin regarding the Point Reyes Coast Guard Property on March 12, and the Leadership Novato Special Districts Day being held on March 14.

OPEN TIME

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

Mr. Clark discussed the plan for back-feeding of Stafford Lake per the request of Marin Municipal. In addition he announced that Brad Stompe will be conducting Boater Safety training for Marin Municipal.

Ms. Kehoe reminded the Board that Form 700 and the Ethics Training are both due by April 1, 2018.

CONSENT CALENDAR

Item 8 – Approve Marin Clean Energy Participation was removed from the Consent calendar for additional discussion. On the motion of Director Baker, and seconded by Director Joly the Board approved Item's 6, 7 and 9 on the consent calendar by the following vote:

AYES: Director Baker, Fraites, Grossi, and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

(ITEM 6) WATER SERVICE AGREEMENT – 86 HAMILTON DRIVE FIRE SERVICE

The Board approved the water service agreement for 86 Hamilton Drive Fire Service.

(ITEM 7) ADOPT STATE OF CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES GRANT PROGRAM RESOLUTION

The Board approved to adopt the State of California Governor's Office of Emergency Services Grant Program Resolution.

(ITEM 8) MARIN CLEAN ENERGY PARTICIPATION

This item was removed from consent for additional discussion.

The Board reviewed staff's request to transfer remaining PG&E accounts to Marin Clean Energy's Light Green program. There was a discussion about the merits of moving toward the more expensive Dark Green option but the Board consensus was to proceed with transfer of the remaining PG&E accounts to Light Green.

On the motion of Director Baker, and seconded by Director Joly the Board approved transfer of the District's remaining PG&E accounts to Marin Clean Energy's Light Green program by the following vote:

AYES: Director Baker, Grossi, Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: Director Fraites

(ITEM 9) AMI LETTER TO CUSTOMERS

The Board approved the AMI Letter to Customers.

ACTION CALENDAR

OPPOSE UNLESS AMENDED LETTER FOR SB623

The General Manager stated that in early 2017, Senator Monning introduced Senate Bill 623 which proposed the first-ever statewide water tax as a way to address a lack of access to safe drinking water for some people who live in disadvantaged rural communities. Mr. McIntyre advised the Board that this bill would create a per-connection tax on residential and business water bills. The tax would be determined by the size of the meter, and for the typical North Marin Water customer with a 5/8-inch meter that would represent a 6% increase on their bi-monthly service charge. Mr. McIntyre further stated that ACWA and over 100 member agencies strongly oppose the new tax.

On the motion of Director Baker, and seconded by Director Joly, the Board approved the Oppose Unless Amended Letter for SB623 by the following vote:

AYES: Director Baker, Fraites, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

AMI PROJECT FINANCING

Mr. Bentley discussed the funding proposals for the Advanced Meter Information (AMI) project. We received proposals from Bank of Marin, California Infrastructure Bank and Caldwell Sutter Capital (Private Placement Bonds). The most attractive proposals came from JP Morgan Chase with a 15 year proposal at a 2.69% rate. This proposal was submitted on February 21, and would be adjusted to market rate, which on March 7, 2018 was 2.67%.

On the motion of Director Baker, and seconded by Director Joly, the Board approved a resolution authorizing the borrowing of funds from JPMorgan Chase Bank by the following vote:

AYES: Director Baker, Fraitres, Grossi and Joly

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

INFORMATION ITEMS

NOVATO POTABLE WATER SYSTEM FINANCIAL PLAN UPDATE

Mr. Bentley provided a “dashboard” presentation that summarized the District’s financial plan for the next five years, through fiscal year 2023. The District’s cash reserve goal is to build a cash balance equal to 90% of the Annual Operating Expense. The discussion included assumptions for a Water Rate Increase, the Volume of Water Sales, the Russian River Water Cost, Labor Cost, Capital Improvement Projects Funding, Connection Fee revenue, Stafford Water Treatment Plant Production and Debt Service. There was a lengthy Board discussion regarding various impacts to the District’s cash reserve balance and debt service under varying rate increases from zero to 4.5%. Based on Board feedback, staff will proceed with a proposed 4.5% increase for both the commodity and bi-monthly service charge. Mr. Bentley stated that with this proposed rate increase and the given assumptions the cash reserve balance is projected to be 75% of annual operating expenses in 2023.

WAC/TAC UPDATE – FEBRUARY 5, 2018 MEETING

Drew gave an update on the WAC/TAC February 5, 2018 meeting.

NBWA UPDATE – MARCH 2, 2018

Directors Fraitres and Baker gave a brief summary of the MMWD presentation given at the North Bay Watershed Association meeting they attended on March 2, 2018.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements, Employer Assisted Housing Program, Status Report- District Home at 25 Giacomini Road, Service Charge Analysis, Water Agency Hot Topics- February 2018 and NMWD Payment Remaining Local.

The Board also received the following news articles: Marin water plant to get \$400,000 seismic upgrade, Novatoan Stompe recognized, Novato seeks proposals to develop Hamilton properties and Invitation to Bid- Ridge Road Water Line Replacement.

ADJOURNMENT

President Fraitas adjourned the meeting at 7:00 p.m.

Submitted by

A handwritten signature in cursive script, appearing to read "Theresa Kehoe".

Theresa Kehoe
District Secretary