

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 18, 2020**

CALL TO ORDER

President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, James Grossi (arrived at 6:03 p.m.), and Michael Joly. Director Stephen Petterle was absent. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe and Auditor-Controller Julie Blue.

Emanuel Robinson from Landsea Homes, District employees Tony Arendell (Construction/Maintenance Supervisor), Robert Clark (Operations/Maintenance Supervisor) and Pablo Ramudo (Water Quality Supervisor) were also in attendance.

MINUTES

On motion of Director Fraites, seconded by Director Baker the Board approved minutes from the February 4, 2020 meeting by the following vote:

AYES: Director Baker, Grossi, Fraites and Joly

NOES: None

ABSTAIN: None

ABSENT: Director Grossi and Petterle

GENERAL MANAGER'S REPORT

Novato Water Rate Study Workshop No. 2

Mr. McIntyre reminded the Board of the Novato Water Rate Study Workshop No. 2 to be held at the District office on February 25th at 6:00 p.m. He also announced the first workshop video has been uploaded on our website and is available for our customers to review at their convenience. Mr. McIntyre added that the Marin Independent Journal also ran an article on the Water Rate Study on the front page of today's newspaper.

Ms. Blue added that the District has received few comments; one customer came in to see what tier and rate they would be in, and asked for his usage history; there were no phone calls. She added in response to the eblast one customer blamed the increase on pensions and the other said they were unable to attend the workshop and would like to know how much of an increase he will see and Ms. Blue notified him that there is an online water cost calculator posted

on our website. Director Joly commented that he went on the website and used the calculator and found it very informative and detailed. In addition, Director Joly stated he watched the video on our website and wanted to compliment Mr. McIntyre and staff for their public outreach efforts including the FAQs, workshop video and the water cost calculator. He added that he checked the Marin IJ comments and there only a couple, and he found the article to be informative although he thought there was something wrong with some of the reported rate increase percentages and that the financial planning period is not five years, but ten years. Director Joly requested Mr. McIntyre notify the journalist of the error. Mr. McIntyre confirmed he will do so.

TAC Budget Subcommittee

Mr. McIntyre announced that Ms. Blue will be attending the second TAC budget subcommittee meeting tomorrow afternoon with Sonoma County Water Agency (SCWA). He added the plan is to have a draft budget completed by February 27th in advance of the March 2nd TAC meeting. Mr. McIntyre reminded the Board that Lynn Rosselli from Sonoma County Water Agency will provide a budget presentation at the March 17th NMWD Board Meeting.

Potter Valley Project Common Interest Agreement

Mr. McIntyre apprised the Board that he will be having another PVP FERC relicensing phone conference on February 26th at 11:00 a.m. He noted that District legal counsel Mr. Robert Maddow will also be participating. Mr. McIntyre reiterated that the purpose of these calls with SCWA is to ensure that the water contractors are both informed and engaged as the Planning Agreement Partners continue to work on a Feasibility Study that must be submitted to FERC by May 14, 2020. Director Baker asked if Mr. Maddow is getting closer to full retirement. Mr. McIntyre replied that he is primarily focusing on special projects and not so much day to day office activities. Director Baker commented that it is important that he is still involved because PVP relicensing is a very complicated issue. Mr. McIntyre added that SCWA staff has a lot of respect for Mr. Maddow and they listen to what he has to say. Director Baker added that Mr. Maddow has great credibility.

Vacation Schedule

Mr. McIntyre informed the Board that he will be out of the office the remainder of the week and Ms. Blue will be in charge during his absence. He added that he will also be available remotely as needed.

OPEN TIME

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

Ms. Kehoe reminded the Board that the completed Form 700 and the Ethics Training must be turned in to the District office by April 1st. She also reminded the Board to turn in their biographies for the new website and also to notify her of any changes to the Emergency Contact List.

Mr. Clark announced that we have a candidate for our Assistant Water Distribution and Treatment Plant Operator position. In addition, he announced that Sarah Baccei has accepted a job with SCWA and praised her for the many years of good service at NMWD. Director Baker asked if Mr. Clark had any insight as to if there will be many people with Ms. Baccei's qualifications that will apply. Mr. Ramudo replied Ms. Baccei has been with the District for fifteen years and she is at a high level of experience, using advanced instruments. He added that we want someone with experience using atomic absorption instruments and that will narrow the pool of candidates. Director Joly thanked Ms. Baccei for her great service to the District and wished her the best of luck. Mr. Clark added that it was a difficult decision for Ms. Baccei.

Mr. Clark announced to the Board that the new, permanent standby power generator installation at the Stafford Treatment Plant is complete. Director Grossi asked how big the generator is. Mr. Clark replied 300 kW, and it has the capacity to run the whole treatment plant.

MONTHLY PROGRESS REPORT

Mr. McIntyre provided the Board with the Monthly Progress Report for January and it was reviewed. He stated that water production in Novato is down 2% from one year ago and up 2% year to date. He informed that Board that in West Marin, water production is down 16% from one year ago and down 14% year to date. He also noted that Recycled Water production is up 7% fiscal year to date and Stafford Treatment Plant had no production during the month of January and production is up 64% fiscal year to date. The Board was apprised that Stafford Lake is at 73% capacity and 5.5 feet below the spillway crest, Lake Sonoma is at 91% capacity and Lake Mendocino is at 114% capacity. Under Oceana Marin, Mr. McIntyre noted there was good irrigation field discharge volume and the pond freeboard levels looks good.

Under Safety and Liability. Mr. McIntyre reported that we had eleven days without a lost time injury. He added that under Utility Performance Metrics there were eleven planned service interruptions on Tamalpais Avenue due to scheduled replacement of a broken blow off valve. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 35% from January one year ago. Mr. McIntyre also noted that bill adjustments were higher

this month than last year due to Public Safety Power Shutoffs in October and impacts on irrigation controllers.

Ms. Blue reported on the January 2019 Investments, where the District's portfolio holds \$23.6M earning a 2.13% average rate of return. She noted that during January the cash balance increased by \$249,927. She also noted the LAIF rate is 1.97%. Ms. Blue added that the District did buy another CD with a 1.75% interest rate for 2 years, which is a better rate than the CD the District purchased in December.

Director Joly asked if we should be troubled by lower water sales in January, even though there was little rain. Mr. McIntyre responded that it is hard to predict future water sale trends for this year given the weather variability, but we are budgeting future Novato water sales to be no greater than FY19 for which we are currently tracking close for Novato. He agreed that West Marin water sales are down and will require a closer look when starting the upcoming budget cycle for West Marin. Director Baker commented that we usually expect rain in February but there hasn't been any and it does not appear that the weather will change anytime soon. He asked if we would start getting nervous mid-March. Mr. McIntyre replied that the weather pattern is very similar to two years ago, when we didn't get much rain in February, and our lake levels also are very similar. He noted that staff will be watching Kent Lake rainfall data closely as current rainfall totals 21 inches and we will have a Dry Year condition in West Marin if Kent Lake rainfall does not reach 28-inches by April 1 of this year. Director Baker asked how Marin Municipal Water District's supply stands. Mr. McIntyre responded that their reserve levels are good.

CONSENT ITEMS

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

AYES: Director Baker, Fraites, Grossi, and Joly

NOES: None

ABSTAIN: None

ABSENT: Director Petterle

WATER AGREEMENT 7711 REDWOOD BLVD. LANDSEA HOMES PHASE 1 (APN 125-580-16)

The Board approved authorization of this agreement. The current development proposes construction of 80 townhome style condominium units on a four-acre site in fourteen separate buildings. High pressure Zone 2 water will be provided for the project and to mitigate the high pressure NMWD will require the applicant/owner to install and maintain individual pressure reducing valves conforming to NMWD Standard 28.

SELECTION OF CPA FIRM TO PERFORM ANNUAL FINANCIAL AUDIT

The Board authorized the Auditor-Controller to renew the agreement with Fedak & Brown LLP to perform the annual financial audit of the District for a three-year period subject to annual review for a fee not to exceed \$17,500 for FY 19/20, \$18,120 for FY 20/21, \$18,760 for FY 21/22, with an option to extend the contract for two additional years through FY 23/24. The cost of the first year of the extension is 10% lower than the closest priced proposal received in 2016. Fedak & Brown LLP have audited many water districts similar in size to NMWD, and are experience in water district issues and have performed the annual financial audit of the District for fiscal years 2016 through 2019.

APPROVAL OF OUT-OF-STATE TRAVEL FOR AWWA D.C. MEETING

The Board approved out of state travel for the Operations/Maintenance Superintendent to attend an AWWA meeting in D.C. The AWWA Office of Government Affairs is conducting a face to face meeting in Washington D.C. and has agreed to fund the travel of various regional source water quality representatives on efforts to promote the funding opportunities from the Agriculture Improvement Act of 2018.

ACTION ITEMS

APPROVAL OF OUT-OF-STATE TRAVEL FOR GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) CONFERENCE

Ms. Blue reported that our outside auditor, Fedak & Brown LLP strongly encourages staff's participation in GFOA trainings. She added this conference consists of eleven sessions covering topics that include Note Disclosures, Transparency, Benefits, Cyber Issues, Actuarial Reports, Federal Grants, GASB Changes and more. Ms. Blue noted that Senior Accountant Nancy Williamson has never attended this conference before and it would be good opportunity.

On the motion of Director Fraites, and seconded by Director Grossi the Board approved Out-of-State Travel for the Senior Accountant to attend the Government Finance Officers Association (GFOA) 2020 Annual Conference by the following vote:

AYES: Director Baker, Fraites, Grossi and Joly

NOES: None

ABSTAIN: None

ABSENT: Director Petterle

HEADQUARTERS UPGRADE MASTER PLAN – FINAL REPORT

Mr. McIntyre presented the final report of the Headquarters Upgrade Master Plan. He reminded the Board that the Administrative Draft was distributed to the Board as part of the February 4, 2020 Agenda packet. He added that no additional comments were received therefore

staff-initiated preparation of the final report. Mr. McIntyre stated that once the Master Plan is approved, staff will include the proposed project in the capital projects plan and on-going financing/rate studies.

Director Joly noted that at the February 4th meeting the Board asked a lot of questions, and stated that he believes that during overall project development there will be ongoing dialog. There was a general discussion about the building's proximity to Rush Creek, and flooding impacts. Mr. McIntyre responded that we are early in the process and that Marin County Flood Control is working with the City and U.S. Fish and Wildlife (USFW) for an expanded study of Rush Creek drainage. Director Baker asked if USFW will be cooperative. Mr. McIntyre replied that he heard they were engaged now.

On the motion of Director Frites, and seconded by Director Grossi the Board authorized the Headquarters Upgrade Master Plan Final Report by the following vote:

AYES: Director Baker, Frites, Grossi and Joly

NOES: None

ABSTAIN: None

ABSENT: Director Petterle

INFORMATION ITEMS

SECOND QUARTER FY 19/20 WATER QUALITY REPORT

Mr. Ramudo reported on the Novato System, the Point Reyes System, and there was no Novato Recycled Water to report on since the Deer Island facility was off during the quarter. Mr. Ramudo stated Stafford Lake was used as a source of water until November 27th and the water quality was great. He added there was good algae diversity with few blooms of blue green algae which in the past caused taste and odor problems. Mr. Ramudo noted we continue to use activated carbon and it is effective in removing the taste and odor of algae and we have noticed a great improvement. Director Baker asked if the Granular Activated Carbon (GAC) has to be reconditioned and if we are able to discard it. Mr. Ramudo stated over the life of the new Treatment Plant they have tried many kinds of GAC, some from coal, some from coconut husk, they have used different intervals of time, and have found that the virgin carbon that has not been regenerated worked out the best if we changed it out once a year. Mr. Ramudo stated we are giving our customers the best water we can give them and our investment is paying off.

Mr. Ramudo stated in Point Reyes our Coast Guard Wells came in with another high record of salinity intrusion. He added Bromide was up to 2.5mg per liter, and fortunately Gallagher Well was able to produce most of the water which kept our disinfection byproducts levels within

compliance. Mr. Ramudo reminded the Board that a year ago the running average increased significantly and this triggered an assessment of our system including hiring a consultant to advise us on treatment options. Mr. Ramudo stated the consultant's recommended design is expensive so we are currently looking at other options. Mr. Ramudo stressed that as long as we use the Coast Guard Wells we will have salinity intrusion. Director Joly asked what was the percentage of Gallagher well water use in the second quarter. Mr. Ramudo replied 75-80% of our supply was from Gallagher Well, noting there are times when we don't use any Coast Guard Well water.

Mr. Ramudo also informed the Board about water quality impacts due to golf balls that are hit into Stafford Lake. He stated there have been a number of studies that show that golf balls take a long time to break down, some over 1000 years. Mr. Ramudo added they are made of plastic and rubber which when broken down are not harmful products. He added that there are also some zinc and heavy metals but not to levels of concern and we have no zinc in our raw water. Mr. Ramudo noted that the golf balls do not seem to pose a problem to us, however they could be contaminating the soil, but not the water. Director Fraites ask about the protocol for removing golf balls. Mr. Ramudo responded that we do not have a protocol. Director Fraites stated that about a month ago the lake was down and you could see a ton of golf balls, remarking they should be made to pick them up. Mr. Ramudo replied that we would have to gauge the Board's desire to have this done, and he merely wanted to give the Board confidence that they are not harmful to the water supply. Director Fraites stated it is still disconcerting to see the golf balls sitting in the lake, and asked if the balls can be recycled. Pablo responded that some may be able to be reused. Mr. McIntyre noted that he asked Mr. Ramudo to comment on this issue because the question does come up from time to time. Director Baker said this is the first time that he remembers hearing about it. Director Joly complimented Mr. Ramudo and stated he appreciated the dialog, adding he did a nice job explaining the issue and is glad he is keeping an eye on it.

NBWA MEETING – FEBRUARY 7, 2020

Director Fraites updated the Board on the NBWA held on February 7th. He reported on the response and recovery lessons from the 2017 North Bay fires and on Governor Newsom's Water Resilience Portfolio.

Director Fraites announced that he, Director Joly and Director Grossi all attended the meeting. Director Baker noted he learns something new each time he goes. Director Grossi agreed that it was very informative. Director Joly shared that he asked for a copy of Ben Horenstein's presentation, noting it was very informative and educational, and he learned about

how the project management and control changes once FEMA gets involved. Director Baker added that at the recent ACWA conference he attended in San Diego Mr. Horenstein from Marin Municipal and Ms. Burke from the City of Santa Rose spoke about much of the same issues.

Director Fraites also announced the bi-annual NBWA conference will be held in Petaluma on April 3rd and Congressmen Huffman will be attending. Director Baker requested that he be registered for the event. Director Joly thanked Director Fraites for his great report.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated February 6, 2020 and Disbursements – Dated February 13, 2020.

The Board received the following news articles: Even after Oroville near-disaster, California dams remain potentially hazardous; Workshop planned on water rate hike – NOVATO; Dry forecast prompts early preparation for fire season; City's revamped finance office gets new leader – NOVATO and Novato considers tax hikes, fees to increase revenue - Novato.

Director Joly commented that he found the article on the dam very interesting, and inquired about Stafford Dam status. Mr. McIntyre replied that NMWD prepared an Emergency Action Plan in 2015, many years before said plans were required by the State. He added that the 2015 EAP is undergoing additional review at the state level and we are using a consultant to respond to their comments.

CLOSED SESSION

President Joly adjourned the regular session at 7:08 p.m. and the Board began the closed session at 7:13 p.m. in accordance with California Government Code Section 54957 for Public Employment, Title: Chief Engineer.

OPEN SESSION

Upon returning to regular session at 7:31 p.m., President Joly stated that no reportable action had been taken.

ADJOURNMENT

President Joly adjourned the meeting at 7:31 p.m.

Submitted by



Theresa Kehoe
District Secretary