

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 5, 2020**

CALL TO ORDER

President Joly announced that due to the Coronavirus outbreak and pursuant to Executive Order N-29-20 issued by the Governor of the State of California this was a virtual meeting. President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. and the agenda was accepted as presented. President Joly added that there was not a public location for participating in this meeting, but any interested members of the public could participate telephonically by utilizing the dial-in information printed on the agenda. President Joly asked if there were any members of the public on the line to announce themselves, and no one replied.

President Joly welcomed the public to participate in the call and asked that they mute their phone, except during open time and while making comments on the agenda items. President Joly noted that due to the virtual nature of the meeting he will conduct a roll call from the Directors. A roll call was done, and all Directors were in remote attendance therefore establishing a quorum. Participating remotely by phone were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly and Stephen Petterle.

Mr. McIntyre did a roll call of staff, participating by phone were General Manager Drew McIntyre, District Secretary Terrie Kehoe and Auditor-Controller Julie Blue.

District employees Tony Arendell (Construction/Maintenance Supervisor), Robert Clark (Operations/Maintenance Supervisor) and Ryan Grisso (Water Conservation Coordinator) were also participating remotely by phone. No members of the public attended remotely.

MINUTES

On motion of Director Petterle, seconded by Director Baker the Board approved the minutes from the April 21, 2020 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**PUBLIC HEARING TO CONSIDER DECLARATION OF WATER SHORTAGE EMERGENCY
AND ADOPT WATER SHORTAGE CONTINGENCY MEASURES IN THE WEST MARIN
SERVICE AREA**

President Joly declared the public hearing opened at 6:06 p.m.

Mr. McIntyre announced the action item tonight is for the Board to consider a declaration of water shortage emergency in the West Marin service area, enact the West Marin Water Shortage Contingency Plan; and adopt an Emergency Water Conservation Ordinance. He recapped the water rights order that was adopted in 1995 which determined a dry year to be less than 28 inches of rainfall in Lagunitas Creek between October 1 through April 1st. Mr. McIntyre stated the rainfall this year through April 1st measured 23.6-inches and therefore dry year conditions prevail. He reminded the Board that we had dry year conditions once before in 2014 and the Board took similar actions. Mr. McIntyre stated the Emergency Water Conservation Ordinance calls for a 15% voluntary conservation beginning May 5th and a mandatory 25% conservation beginning July 1st, as compared to water use in 2013. He noted the mandatory 25% reduction would be for the West Marin Service Area as a whole and does not impose a 25% mandatory reduction for individual residential customers. Mr. McIntyre stated that our West Marin customers have already reduced their usage by ten to fifteen percent compared to the 2013 benchmark normal year and even more since early 2000, so he did not see this order as a difficult goal for our customers. Additionally, he added that the mandatory stage may trigger enactment of a drought surcharge to be considered with or subsequent to enactment of the mandatory stage at the discretion of the Board. Mr. McIntyre stated that staff is requesting the Board enact the plan and adopt the conservation ordinance.

Director Joly asked for public comments and there were none.

President Joly declared the public hearing closed at 6:12 p.m.

President Joly brought the discussion back to the Board and there were no comments from the Board.

On the motion of Director Baker, and seconded by Director Grossi, the Board approved to enact the West Marin Water Shortage Contingency Plan and to adopt the West Marin Emergency Water Conservation Ordinance by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Mr. McIntyre reminded everyone of the protocol of the meeting and asked all participants to announce their name when talking and to mute their phone as much as possible unless they are speaking.

Cherry Hill Tank 2

Mr. McIntyre announced that the Cherry Hill Tank 2 recoat and mixing system upgrade project is substantially complete and the tank is now in service. Mr. McIntyre added that a Notice of Completion will be brought back to the Board for approval at a subsequent meeting.

Gallagher Ranch Streambank Stabilization Project

Mr. McIntyre reported that on April 30th the Marin County Deputy Administrative Zoning Officer approved the Coastal Permit. He noted that we are still waiting for the Department of Public Works (DPW) creek permit and California Department of Fish and Wildlife (CDFW) permit and they are expected soon. Mr. McIntyre stated a Notice to Proceed is expected to be issued within the next couple of weeks and we are still waiting for the change order proposal from Dixon Marine to address the design changes requested by the permitting agencies.

Director Baker stated he understood we were under the jurisdiction for the Coastal Permit, but thought we were exempt from County permits. Mr. McIntyre replied he was told there is a nexus with the Coastal Permit and the DPW creek permit, noting it is a good question and he will review this again.

Director Baker added that he is aware that the grant funding has a tight timeline and asked if permitting delays were causing any concern. Mr. McIntyre replied that the original Natural Resources Conservation Service grant funding agreement construction completion date was May 22nd, however NRCS has automatically extended the date by two months due to COVID-19 impacts

Assistant General Manager/Chief Engineer Position

Mr. McIntyre apprised the Board that the current job solicitation for Assistant General Manager/Chief Engineer closed on April 24th. He added that we received a total of fifteen applications and there are six qualified applicants that will be interviewed by a panel consisting of Ms. Blue, Mr. Clark, our HR Consultant Darlene Rhodes and himself. Mr. McIntyre noted the intent is to develop a short list of top qualified applicants for the Board to review. He stated that Board interviews will be in June and more details will follow regarding the actual Board meeting date.

Director Joly asked if there were any funding updates on the Gallagher project. Mr. McIntyre replied that he had no updates since the report given at the last meeting on April 21st. Director Baker asked a question about progress on a second well at the Gallagher Ranch site. Mr. McIntyre responded that staff is still working on this on a parallel path. He added that we need to do more permitting investigations to see if we can get a location closer to the creek for improved well production capacity.

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.

QUARTERLY FINANCIAL STATEMENT

Ms. Blue presented the Quarterly Financial Statement noting that Operating Revenue came in at 4% under budget and Operating Expenses came in 3% under budget. She stated Novato water sales remains stable from the prior year with income at \$837,715 fiscal year to date and revenue of \$1.5M on connection fees. The Recycled Water budget year to date loss was \$217,488 and it is expected to recover with water sales in the remaining quarter. In West Marin the net income was \$298,991 with sales up from the prior fiscal year, and in Oceana Marin the net income was around \$57,145. Ms. Blue stated overall financial performance is what was expected and what was budgeted; noting we will come out strong and within budget by the end of the fiscal year.

Director Joly commended Ms. Blue for a brilliant report, and stated that we are in fine financial condition.

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 we are currently using the District's phone system for our Board meeting conference calls, and noted it has limitations since we only have capacity for twenty-three outside lines. Additionally, Ms. Kehoe stated that the District has limited internet bandwidth which can cause problems with a video platform. She stated the District would like to increase the number of incoming lines before the water rate hearings so the meetings are more accessible to a greater number of the public. Ms. Kehoe noted in order to do this we must go with a third-party service. She added she has been working with our IT consultant to investigate various options and has decided to go with Zoom, which will give us a capacity of a hundred incoming lines. She added that Zoom does not require a year-long contract and the cost was

very affordable compared to some of the other options. Ms. Kehoe reported that the District's IT Department has opened an account with Zoom and we are hoping to start testing it later in the week with those employees who are working remotely.

Director Grossi stated he could help with any questions or if we need assistance. Ms. Kehoe replied that she appreciated his offer and thanked Director Grossi.

Ms. Blue updated the Board on the current response to the Prop 218 Novato rate increase letter. She reported that to date we have had two official protest letters, fifteen phone calls and a few emails. Ms. Blue stated that most inquires focused on the change in structural tier rates, and the customers were advised to go to our website and use the online water calculator. She added that it seems we are getting more calls this year and believes it is because more people are home. Ms. Blue noted that she will give a full report on the final number of protest letters, emails and calls at a later date.

Ms. Blue also announced to the Board that our Consumer Services Supervisor, Alicia Manzoni has announced her retirement and her last day will be on June 5th. She added that Ms. Manzoni has been with the District for twenty-three years and she will be working with Mr. McIntyre on recruiting efforts to fill the position. Director Baker commented that he has worked with Ms. Manzoni on various tasks, and she is extremely good at her job and it will be quite a loss.

Ms. Blue also reported that under Miscellaneous there is a Marin County Grand Jury article in reference to public transparency with respect to annual compensation. She stated this article was favorable for NMWD and we were recognized as one of the agencies that were transparent, noting our Board compensation and policies are on our website. Ms. Blue stated she will give an additional update later and noted we have some minimal changes, but we are currently in compliance. Director Joly acknowledged it was wonderful that we got a shout out from the Grand Jury, and that we are already compliant. Ms. Blue stated that staff will prepare a written response to the Grand Jury for review by the Board at a future meeting.

Director Joly commended Mr. Arendell on his good work by saving \$24,000 on the disposal of the dirt spoils pile, and asked Mr. Arendell if he could comment on that and also on the flushing program. Mr. Arendell replied that the flushing program went well. He stated they did not flush in West Marin last year because there were no dirty water issues, but decided not to skip this year. Mr. Arendell stated there were only two calls from customers. Mr. Arendell also commented on the spoils memo by saying he happened to hear from Ghilotti Construction that they needed dirt. He stated it worked out well for both parties; but added we are now trying to

find somewhere else to take our spoils and noted next time we will probably have to pay a contractor to remove the spoils as is typically the case.

CONSENT CALENDAR

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

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

NOES: None

ABSTAIN: None

ABSENT: None

WATER AGREEMENT – STARBUCKS, 7145 REDWOOD BLVD., NOVATO (APN: 140-071-46)

The Board approved authorization of this agreement. The Starbucks tenant improvement plans proposed a remodel of the existing KFC drive thru and construction will include a new fire service. Water service was established in 1989 with a 1-inch meter and one Equivalent Dwelling Unit (EDU) entitlement and total water demand for this project is estimated at three EDUs.

AMEND CONTRACT WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) – GENERAL CONSULTING SERVICES AGREEMENT

The Board authorized the General Manager to amend the General Consulting Services Agreement with Environmental Science Associates (ESA). Current and future expenditures for San Mateo Tank Inlet/Outlet project makes a contract amendment necessary.

ACTION ITEMS

RENEW DECLARATION OF LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC

Mr. McIntyre requested the Board find that there still exists a need to continue the State of Emergency due to the COVID-19 pandemic as reflected by Resolution No. 20-07.

Mr. McIntyre reminded the Board that staff has been operating under partial Emergency Operations Center (EOC) activation since March 18th and summarized various key measures implemented by the District's emergency management team over the last six weeks.

He stated the District's staff are physically separated as much as possible by having approximately 50% of the staff with either rotating shifts or working from home; noting all critical operations needed to maintain essential services continue. He also announced that the County is loosening outdoor activity restrictions, which includes golf. Mr. McIntyre expressed that he is happy to hear Indian Valley Golf Club is back up and running again. Director Petterle announced he played golf yesterday. Director Joly said it was great news that IVGC is starting up again.

Mr. McIntyre provided the Board with an update on current coronavirus conditions in Marin County. He apprised the Board that currently we have no employees who have been instructed

to be isolated or are self-quarantined. Mr. McIntyre added with respect to operational status, we are not experiencing any major issues. Existing treatment facilities are operating normally and we have no current issues with maintaining essential facilities, equipment and supplies. He advised physical Board meetings will be re-instated as soon as it is safe for Board members, public and staff to do so.

Regarding recent changes, Mr. McIntyre stated Mr. Clark has reached out to our safety committee to solicit input of modifications that need to be made to improve social distancing for when the current shelter in place order is lifted. He gave some examples which included: plexiglass installation at some work stations and physical barriers between some passage ways. Mr. McIntyre noted we are preparing now so we ready for a safe return of staff at the appropriate time. Director Joly said it was good news and he is glad staff is safe and well.

On the motion of Director Baker, and seconded by Director Grossi the Board approved the renewal of the Declaration of Local Emergency Related to COVID-19 Pandemic by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

TEXT FOR SPRING 2020 WEST MARIN “WATERLINE”, VOLUME 17

Mr. Grisso apprised the Board that this issue focuses on the water shortage emergency in West Marin, water conservation programs available and gives an update on the PRE Tank 4A construction project. In addition, it features the new design look created by Kiosk.

Director Joly had a suggestion that in the area of the newsletter that talks about the new water storage tank in PRE, we could also add the project cost. He added that it would be good for the public to know how expensive these projects are so they understand the need for a rate increase. Director Joly also mentioned the quote that Mr. McIntyre came up with about a hundred hand washings costing only thirty cents. He stated he mentioned this to one of his neighbors and they were amazed on how cost effective our water was. Director Joly suggested adding a simple sentence with this example. Director Grossi stated when he is talking to people they are happy to have our water and content with the water quality. Director Petterle also commented that he liked the new graphics provided by Kiosk.

On the motion of Director Grossi, and seconded by Director Petterle the Board approved the text for the Spring 2020 West Marin “Waterline”, Volume 17 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER CUSTOMERS

Ms. Blue reminded the Board that at the last meeting she went over the financial plans showing a 4.5% rate increase proposed for West Marin Water and a 5% rate increase for Oceana Marin Sewer. Ms. Blue stated that California law (Proposition 218) requires that customers be notified of a water or sewer rate increase at least forty-five days prior to the public hearing when the Board considers adoption of the increase. The draft letters will go out if approved, noting the public hearing is scheduled for June 23, 2020, which requires that letters be mailed out by May 8th. Ms. Blue brought to the attention of the Board that there was an error on the West Marin draft letter, a date in the letter reflected last year's hearing. She reported that this has been corrected. Ms. Blue apprised the Board that the full District wide budget will be on the next agenda and they will see it two more times.

Director Joly pointed out that the date of the increase is the same date as the West Marin water mandatory Stage 2 restrictions and we should be aware of that. Director Grossi asked what date the West Marin meeting was, and Director Joly confirmed June 23,2020.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved the rate increase letter to West Marin Water and Oceana Marin Sewer customers by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

INITIAL REVIEW – CAPITAL PROJECT FY21 & FY22 & EQUIPMENT BUDGET FY21

Ms. Blue presented an initial review of the Capital Project FY21 & FY22 and Equipment Budget FY 21. Julie provided a summary of significant projects proposed to be undertaken over the next two fiscal years which include: Office/Yard Building Refurbish, Replace PRE Tank 4A, San Mateo 24" Inlet/Outlet Pipe, Main Replacements, Crest Pump Station/Relocate School Road Pump Station, Lynwood Pump Station Motor Control Center, Old Ranch Road Tank #2, Oceana Marin Treatment Pond Rehabilitation, New Gallagher Well #2 and other miscellaneous projects.

Director Grossi and Director Joly requested a revised CIP projection to show multiyear costs beyond the two years as applicable. Ms. Blue replied that generally only a couple of years is included in the report, but she will make it a point to include a timeline over multiple years and will reference it as a note of additional information. Director Joly asked about the building rehabilitation and wanted to know how we were going to propose funding it. He asked if it will be debt loans, and asked how it fits in the total debt percentage and interest payments. Ms. Blue replied it is currently incorporated in the budget and she can elaborate on how it will be financed in future budget review discussions.

Ms. Blue stated in reference to the equipment budget, this year it is \$330,000 which is \$103,000 lower than last year. She noted the main items are the five-yard dump truck, smaller equipment items and the metal analyzer for the lab which was carried over from last year. Ms. Blue reported the proposed full budget will be in the next round of reviews.

WILDFIRE SAFETY PROGRAM

Mr. Clark updated the Board on the 2020 Wildfire Safety Program. He stated that staff went over lessons learned in 2019 and found that we don't need a full complement of overnight staff in the future. He advised the Board on plans to purchase two additional light tower generators and rent five generators along with one portable fuel tank.

Director Petterle stated that he hopes PG&E takes into consideration the potential for continued shelter in place restrictions this fall, and hopes they postpone the Public Safety Power Shutdowns in that event.

PUBLIC COMMUNICATIONS IMPLEMENTATION UPDATE NO. 1

Mr. Grisso provided the Board with the first update on the Public Communications Implementation Plan with key actions and the status for each of these. He added that these actions include: the redesign of the newsletter, brand and logo work, and upcoming social media work. Mr. Grisso advised the Board that the Website Development Project is in the final stages and noted the launch date may be postponed until after the rate increase hearings in June. Director Joly thanked Mr. Grisso for the thorough update and added it was very helpful to the Board.

NBWA MEETING – MAY 1, 2020

Director Fraites announced that Executive Director, Judy Kelly is resigning effective September 30th, and that a steering committee has been formed to find a suitable replacement. Director Joly commended Judy Kelly for doing a great job. Director Baker commented that the organization is a good group and they know lots of good people.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements - Dated April 23, 2020, Disbursements – Dated April 30, 2020, Hydrant Damage History, FY20 3rd Quarter Labor Cost Report, 2020 Flushing Program Update, Spoils Pile Removal and Annual Aquatic Invasive Species (AIS) Report for Stafford Lake, 2019.

The Board received the following news articles: State Water Board Adopts Monthly Water Use Reporting Requirements -Water Boards; Board approves budget with emphasis on reliable water delivery and infrastructure improvements – SONOMA WATER; CLAM wins bid to develop Coast Guard property for affordable housing; Sonoma water might be Marin drought backup; Virus Lockdown – Ban lifted on some activities in Marin and Grand Jury Report: Public agencies fail on pay transparency.

Director Joly thanked Ms. Holton and Ms. Williamson for the hydrant damage history and labor cost report memos. He also recognized Mr. Arendell for his update on the 2020 flushing program and his fabulous report on the spoils pile removal. Additionally, he thanked Mr. Stompe for his excellent memo on the 2019 annual aquatic invasive species report for Stafford Lake.

Director Baker said he was skeptical about the hydrant report, asking if there were any hold outs, referring to those that did not take the responsibility to pay. Ms. Blue responded that she is not aware that there were any situations of non-payment that were omitted from this report. Director Baker commented that it looks too clean. Mr. McIntyre responded to keep in mind the District has not been shy about going to small claims court. Director Baker noted that was a good point, and remembers the District has done that two or three times before.

Director Joly thanked the staff who participated in the call, stating they all help to make the Board more informed. He also said on behalf of the Board he would like to thank Ms. Manzoni for her years of service and was sorry to see her go.

ADJOURNMENT

President Joly adjourned the meeting at 7:16 p.m.

Submitted by



Theresa Kehoe
District Secretary