

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 21, 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 6:04 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 remotely by utilizing the video or phone conference dial-in method using information printed on the agenda.

President Joly welcomed the public to participate in the remote meeting and asked that they mute themselves, 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, all were in remote attendance therefore establishing a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly and Stephen Petterle.

President Joly announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

Mr. McIntyre performed a roll call of staff, participating remotely were Drew McIntyre (General Manager), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller) and Tony Arendell (Construction/Maintenance Superintendent). Robert Clark (Operations/Maintenance Superintendent) joined the meeting at 6:25 p.m. Also participating remotely was Kevin Cozart (NMWD IT Support).

President Joly announced for those joining the virtual meeting from the public to identify themselves. West Marin residents Rich Schiller and Judy Spelman were in attendance.

MINUTES

On motion of Director Petterle, seconded by Director Baker the Board approved minutes from the June 16, 2020 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

MINUTES

On motion of Director Baker, seconded by Director Fraites the Board approved minutes from the June 23, 2020 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Carmela Chandrasekera's Retirement

Mr. McIntyre announced that one of our engineers, Carmela Chandrasekera is retiring at the end of September. He stated Ms. Chandrasekera has been with the District for about sixteen years and has provided exemplary services as an engineer and will be missed. Mr. McIntyre added the good news is that she still plans to live locally and continue to be a solid and active citizen within Novato and she is looking forward to spending more time with her family. Mr. McIntyre noted her Resolution of Appreciation will be presented at a future Board Meeting.

Gallagher Ranch Streambank Stabilization Project

Mr. McIntyre reported that July 21st was the deadline for substantial completion of the Gallagher Ranch Streambank Stabilization Project and the contractor has met this deadline. He stated he will be at the job site on July 22nd along with Natural Resources Conservation Service (NRCS) representatives to sign off on the project subject to completion of final punch list items to be completed within the next fifteen days. Mr. McIntyre was happy to report that once staff gets the sign off from NRCS, the District will be able to request federal grant reimbursement for up to 75% of the construction cost.

West Marin Dry Year Conditions

Mr. McIntyre reminded the Board that the West Marin water shortage emergency went into effect on May 5th with 15% voluntary reduction in May-June and mandatory 25% reduction going into effect on July 1st through November 1. He stated our outreach efforts have included; the West Marin Waterline newsletter mailing, a public notice in the Point Reyes Light, a message on our website and two subsequent newspaper articles, one in the Point Reyes Light and one in

the Marin IJ. Mr. McIntyre reported consumption was down 21% in May of this year versus the same month in 2013 and we will have more to report at subsequent meeting as we go through the summer season.

Kiosk Update

Mr. McIntyre apprised the Board that Kiosk has completed the website and it became active on June 30th. Since that time, staff have been making most of the updates with assistance from Kiosk as needed. He stated Kiosk is now working on a yearlong social media calendar and a series of social media posts that we will be deploying over time, beginning this summer.

Assistant General Manager/Chief Engineer Position

Mr. McIntyre updated the Board on the AGM/CE position. He noted a professional recruitment firm, Ralph Anderson and Associates was hired to help fill the AGM/CE position that was recently re-opened late June. Mr. McIntyre reported that our recruitment firm has received five applications to date and three of the applicants are scheduled for interviews within the week. Additionally, Mr. McIntyre stated the recruiter is looking at the ad placements and may re-run or expand the advertisement.

Director Baker asked if there are any applicants from the Bay Area. Mr. McIntyre replied that there is one candidate from San Jose, one from Santa Rosa and the others are from southern California. Director Baker asked when the recruitment was scheduled to close. Mr. McIntyre responded that it is an open recruitment, so it will be remain open until filled. Director Joly asked when was Ms. Chandrasekera's last day and Mr. McIntyre replied September 30th. Director Joly asked if we will have the new AGM/CE position hired in time to allow for training. Mr. McIntyre responded it is possible, however most likely, he will provide the necessary training. Director Petterle asked if there was any reasoning as to why we have only received five applications to-date. Mr. McIntyre replied that the recruiter mentioned people out of the area are less likely to move during the COVID pandemic due to uncertainty. He added that the recruiter also mentioned the language in the job description giving preference to people within the District's service area may be restricting out of area interest.

Director Joly asked for a COVID update on staff and if any testing had occurred. Mr. McIntyre replied that our staff is healthy and no one has tested positive, noting he will give a more extensive update during agenda item #8. Director Joly commented that it is wonderful news to hear that our staff is safe.

OPEN TIME

President Joly asked if anyone from the public wished to bring up an item not on the agenda. He also advised West Marin customers Rich Schiller and Judy Spelman that they can

address their bill adjustment request when the Board discusses Agenda Item #9. Ms. Spelman asked if all the members of the Board received their letter dated June 25th. President Joly replied that it was included in the agenda packet and all the Directors did receive the letter. Ms. Spelman stated that there were other issues in the letter that she would also like to bring up. She also wanted to thank Ms. Blue for being very kind and commended her on her professionalism. President Joly stated that they can fully discuss their request during Agenda Item #9. President Joly asked if there were any other members from the public that wished to bring up an item not on the agenda, and there was no response.

STAFF/DIRECTORS REPORTS

Ms. Blue announced our new HR/ Safety Manager started on June 20th. She reported Joanne Fabia has 17 years of experience and has worked in the public sector for five years. Ms. Blue added that Ms. Fabia has worked on recruitment, health and safety and staff is excited to have her on board. Director Joly announced on behalf of the Board we wish to welcome our new HR/ Safety Manager and are thrilled to have her on board.

Mr. Clark reported he is working on the rehabilitation of District grazing property at the end of Vineyard Road by re-building the cattle fence and re-establishing a water trough on the parcel. He noted that one of the ranchers we currently lease property to for grazing is also interested in leasing this parcel.

Mr. Clark updated the Board on the SCWA aqueduct shut down that occurred early this morning. He added in preparation District staff filled the storage tanks on the night of July 20th and reported we have good storage through July 22nd, if we need it.

MONTHLY PROGRESS REPORT

The Monthly Progress Report for June was reviewed. Mr. McIntyre reported that water production in Novato is up 16% from one year ago and up 7% for the fiscal year. In West Marin, water production is up 8% from one year ago and down 6% for the fiscal year. Recycled Water production is up 23% from one year ago and up 20% for the fiscal year. He added that Stafford Treatment Plant produced 102 MG during the month of June and production is up 21% fiscal year to date. He noted that the fiscal year total production was 686 MG representing the second highest water production in the last five years. Mr. McIntyre commended Mr. Clark and his staff for doing an exceptional job especially in light of the dry year conditions and COVID-19 impacts. The Board was apprised that Stafford Lake is at 57% capacity, Lake Sonoma is at 84% and Lake Mendocino is at 73% capacity. Under Safety and Liability, Mr. McIntyre noted that we had 7 days without a lost time injury. In Oceana Marin flow volume for June was higher than last year, which may be due to higher occupancy numbers in the last month. He reported that pond free board

levels looked good with no discharge for June. Under Utility Performance, we had 33 customers with water interrupted for four hours or less due to a main leak on Devonshire near Eucalyptus. Director Joly asked what was the cause of the break. Mr. Arendell replied there was a collar problem with the AC pipe. Director Joly asked if the pipe was old. Mr. Arendell replied he believed it was installed in the early 1960's.

On the Summary of Complaints and Service Orders, the Board was apprised the total numbers are down 41% from June one year ago and there were no unusual trends in complaints and service orders for the month. Mr. McIntyre referred to the potable water production chart and noted we budgeted 2,600MG and actual use for FY20 was 2,604MG.

Director Joly stated we are now over four months with the shelter-in-place order and wondered if staff noticed any water use issues with people being at home or any patterns due to the pandemic. Mr. McIntyre stated that the primary change in water use patterns is with increased outdoor irrigation due to warm weather. He added that the total number of customer questionnaires sent out over the last quarter was 39 versus 139 last year. However, there was a strong 94% high approval rating.

Ms. Blue reported on the June 2020 Investments, where the District's portfolio holds \$22.2M earning a 1.53% average rate of return. She noted that during June the cash balance decreased by \$206,251. She also noted the LAIF rate is 1.22%. Ms. Blue added two CD's with a 2.7% and 2.75% interest rate matured and brought \$28,000 in interest. Director Joly found the ten-year graph very informative and asked if deferring the rate increase three months due to the COVID along with the SCWA increase is analyzed on the green graph showing sensitive relativity. Ms. Blue replied the delay of the increase in water rates in Novato cost the District approximately \$400,000, which will bring the cash balance down that much for the next fiscal year. Director Joly asked if we will still remain above our operations target. Ms. Blue stated we will have to wait and see as time progresses.

CONSENT CALENDAR

On the motion of Director Fraites, and seconded by Director Baker 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 -McPHAILS PHASE 2A WATER FACILITIES, 5400 HANNA RANCH RD., APN: 153-220-16, -19

The Board approved the water agreement for McPhail's Phase 2A Water Facilities at 5400 Hanna Ranch Road in Novato. The project consists of construction of three office buildings (A, B and C) in two phases on a 4.91-acre parcel. This agreement is for partial installation of Phase 2 water facilities (Phase 2A) within areas paved in Phase 1. The Phase 2A agreement is only for extending the 8-inch Phase 1 water main another ~320 feet.

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 since that time. He stated the District's staff are physically separated as much as possible including having some employees work from home, but all critical operations needed to maintain essential services continue. Mr. McIntyre also noted relocation of additional staff back to the District buildings, and certain other projects and activities have been occurring and we have been operating with 85% of staff on-site or in the field. He apprised the Board that currently we have no employees who have been instructed to be isolated or are self-quarantined.

Mr. McIntyre updated the Board on current coronavirus conditions in Marin County. Mr. McIntyre reported on July 13, 2020 Governor Newsom issued a statewide order to dial back on recent loosening of restrictions due to a significant increase in the number of confirmed cases.

Mr. McIntyre reported the District's COVID-19 Preparedness and Response Plan is now finalized and training has been completed by staff. Additionally, physical work space modifications are expected to be completed within the next one to two weeks. Mr. McIntyre commended Mr. Clark, Mr. Arendell and Ms. Blue for their implementation and training of the COVID-19 Response Plan. He stated the District also received input from the Safety Committee which is made of a representative from each department.

Mr. McIntyre provided a COVID Cost summary, noting total payroll additional labor cost to date is approximately \$14,500.

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

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

NOES: None

ABSTAIN: None

ABSENT: None

REQUEST FOR ADDITIONAL BILL ADJUSTMENT – 12461 SIR FRANCIS DRAKE

Ms. Blue presented a request for an additional leak adjustment to the Board. Ms. Blue stated as outlined in the memo there was a substantial leak on the property with a 447,000-gallon loss of water, which amounted to a bill of \$9,484. The customers were already granted an adjustment under the current Board approved Bill Adjustment Policy and are now requesting an additional \$1,000 adjustment. Ms. Blue stated that approving an additional \$750 adjustment is consistent with the treatment of other customers who have had similar, albeit rare, situations with a remote leak of this magnitude. Ms. Blue also presented a response letter and requested feedback from the Board.

Director Baker asked if someone could reference the location of the property. Ms. Spelman responded that it is near Drakes View Drive in Inverness Park. Director Joly asked how long the leak ran for. Mr. Arendell responded he received a call that a 50 gallon per minute loss was occurring in the Balboa system. He added there were no reports of any leaks and in that area since they are often hard to see in the wooded terrain. Director Baker asked for clarification on our Bill Adjustment Policy. Mr. McIntyre responded the policy does not allow an additional bill adjustment above and beyond what was originally offered to the customer, but staff has come back to the Board with a variance on occasion. Director Baker stated that his recollection was that it has to be something very compelling and severe. Mr. McIntyre stated given the location of where the leak was in a wooded area that was not easily visible and the fact that they are in a high-pressure area it would be reasonable for the Board to consider an additional adjustment to cover the District's marginal water cost. However, he confirmed Director Baker's statement that this type of adjustment is not usually approved. Director Baker said he recalled the Board denied similar requests in the past, for even smaller amounts. He added that in rural areas there is a risk and it would seem the burden should be on the consumers to watch their meter and look for leaks on their property. Director Grossi stated that the problem is when consumers come back asking for a second adjustment. He noted this appeared to be the first adjustment for this consumer and wanted clarification on if they were asking for a \$750 or \$1,000 adjustment. Mr. McIntyre confirmed that this is a first-time request. He noted this was a sudden leak, and there was no history of previous requests. Mr. McIntyre clarified that the consumers requested a \$1,000 additional adjustment above the policy, but to be consistent to what has been done in the past in a similar circumstance, staff is recommending an additional adjustment of \$750. Director Joly asked if we mandated a leak detection device be installed to prevent this from happening again.

Ms. Blue replied that it was not mandated, but suggested. Director Joly asked if these devices are reasonably priced. Ms. Blue replied they are under \$300. Director Fraites asked Mr. Arendell if staff could hear the water running when they walked around the house, and if the owners would be able to hear it. Mr. Arendell replied it was on the way up to the house off the driveway and they would need to have walked around that area in order to hear it. Director Fraites stated that he was taken back by how much water had been wasted and noted when water is running at his house he can hear it in his pipes. Director Joly asked the residents to give their perspective of the situation. Ms. Spelman agreed with Director Fraites' concern with the loss of water, but explained they live up a steep long driveway a hundred yards up the hill, and there is an additional forty steps to get into the house. The leak was located in a wooded area off the driveway. She added they did not hear the leak and they also could not safely access their meter. Ms. Spelman asked what else could they do. Mr. McIntyre responded, as mentioned by Ms. Blue, there are devices that can be installed on private lines to mitigate sudden line breaks. Ms. Spelman replied, we would not be able to go into the wooded area to investigate and asked if they could call the District to report low pressure and ask for assistance. Director Petterle stated the District has already proven that they will assist in finding the leak. He added he has been on the Board for over twenty years and staff have always been cooperative with customers whether there is a leak or they need assistance is having their water shut off. Director Petterle asked Ms. Spelman to continue to explain their request. Ms. Spelman responded that the \$750 would help. Director Grossi stated that he thought this was an unusual situation and he agreed with staff's recommendation for a \$750 adjustment with the understanding the consumers install a leak detection device and as long as they understand they will not qualify for another leak adjustment in the next two years. Director Joly stated the consumers must install this device to keep it from happening again.

On the motion of Director Grossi, and seconded by Director Petterle the Board approved an additional bill adjustment of \$750 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

Ms. Blue asked the Board if they had any comments on the draft response letter and there was no reply. Mr. Schiller asked the Board if they all read the letter since there were other items they wished to discuss and asked if they could be on the next agenda. Director Joly stated the Board always welcomes input from our customers, however it is best to make outreach to District

staff first after reviewing staff's response letter. Ms. Spelman thanked the Board for listening and considering their request.

INFORMATION ITEMS

CALPERS PENSION UPDATE

Ms. Blue gave an update on our current CalPERS pension status. She explained the two types of employee membership classifications: the Classic and PEPRA. The Classic members have a formula of 2.5% at 55 and the PEPRA formula is 2% at 62. She also discussed the employer contributions, the plan's funded status and the COVID-19 impact.

Director Joly thanked Ms. Blue for the pension update, stated it was well done and noted we may need further updates in the future. Ms. Blue stated it is a good time to review this information since we are going into FY 20-21. She noted every year CalPERS provides the District with information on an increase in employer contributions. She noted in the upcoming FY the increase is 2.2% for the employer. She stated the Classic Plan is 72% funded and the PEPRA Plan is 93% funded, noting this is due to the employee base shifting to new employees that help fund the plan. Ms. Blue reported that historically CalPERS has done well with their investments although they have had some years of loss. Ms. Blue stated the overall CalPERS funding status is about 68% which is in line with other agencies. Director Joly asked what is the blended status of the 72% and the 93% versus the 68% for CalPERS. Ms. Blue replied that she did not have that number, but it would be good to know. She noted CalPERS reports out the funding status separately and she would need to blend the numbers. Director Joly pointed out that pension is the current buzz word and asked if staff was comfortable with where we are in regards to funding. Ms. Blue responded that she is confident. She stated CalPERS does what they need to do to move us forward and they make good decisions. They hire good people to make investments, and the preliminary return is at 4.7% interest which is higher than the District's LAIF rate of 1.2%. Ms. Blue added CalPERS realized the status of the fund which is why they reacted with the PEPRA fund, noting as pension plans go, CalPERS is stronger than many people give them credit for. Director Grossi asked if the 4.7% was an annual number. Ms. Blue replied it is annualized, not cumulative over the year and it is only an estimated number at this time. Director Joly asked if there was any COVID impact on the fund. Ms. Blue replied that the current 4.7% estimated rate of return was compared to a 7% actuary estimated report, noting the loss would be amortized and covered over twenty years. She added, how much impact COVID will have is yet to be seen. Director Joly stated it was a fine report and he has no doubt staff will be very focused on this.

ADMINISTRATION OFFICE ROOF REPLACEMENT PROJECT

Mr. Clark reported on the Administration Office Roof Replacement Project. He provided

an overview of the proposals received, the scope of work, and a timeline of the roof replacement. Mr. Clark stated the roof needed to be replaced, because it was 55 years old and had several locations that had leak repairs over the years. He added that he consulted with the Architects in regards to the District Headquarters remodel plan during this process. Mr. Clark discussed the photos and pointed out the original roof replacement did not include plywood and the new roof has a better insulation base, it is sturdier and the roof drainage is greatly improved. Mr. Clark stated the original roof was in bad condition, and the new roof is improved and the final product allows much better drainage.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated June 25, 2020, Disbursements – Dated July 2, 2020, Disbursements – Dated July 9, 2020, Disbursements – Dated July 16, 2020, Approved FY 2020-21 Budget, Marin County Elections Department Notice of Election, Offices on Ballot and Candidate Filing Deadlines and NMWD - Response to Civil Grand Jury Request – Follow-Up Report on Transparency Compensation Practices.

The Board received the following news articles: Judge to OK PG&E bankruptcy plan; CalPERS gambling on risky strategy to borrow, invest; Experts: Outbreak disaster unfolding – CORONAVIRUS; Novato Advance – PAGES FROM THE PAST; Editorial – Alternative power source key for Marin; Reform urged at hospital overseer – MARIN HEALTH CARE DISTRICT; Editorial – Novato water agency makes the right move; 6-story housing plan seeks quick OK; Water supply dwindling for small districts; Novato sued in sewer dispute – HANNAH RANCH; Napa County-wide agency proposed to deal with all water issues; West Marin water utilities warn of dwindling supplies; PG&E's power lines blamed for huge 2019 Sonoma wildfire; Editorial - Plan is not a fit for Novato's downtown; and Notice of Public Hearing Declaration of a Water Shortage Emergency – IPUD.

Director Joly stated he found the articles to be informative, noting there have been many of them focused on water. Director Fraites discussed the article about the six-story building they are proposing to build on Grant Avenue. He added that local government is losing oversight control. Director Joly stated he found the article to be an eye opener, adding Director Fraites made a good point that local control is being compromised.

Director Joly thanked staff for putting in their time to put together the agenda and especially thanked Mr. Cozart for working behind the scenes and helping him earlier in the day with the zoom platform.

ADJOURNMENT

President Joly adjourned the meeting at 7:40 p.m.

Submitted by

A handwritten signature in cursive script that reads "Theresa Kehoe".

Theresa Kehoe
District Secretary