

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
August 18, 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, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, Michael Joly and Stephen Petterle. Director James Grossi was not in attendance.

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), Tony Arendell (Construction/Maintenance Superintendent), Robert Clark (Operations/Maintenance Superintendent) and Monica Juarez (Cashier/Receptionist).

President Joly announced for those joining the virtual meeting from the public to identify themselves. Samantha Hauser and Drew Walstrum from City Ventures, LLC were participating and were available for comments or questions for Consent Item #7.

**MINUTES**

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

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Grossi

### **GENERAL MANAGER'S REPORT**

#### PRE Tank 4A Update

Mr. McIntyre reported the next concrete wall placement is scheduled on or after August 28<sup>th</sup>.

#### Old Ranch Road 100,000 Gallon Water Tank CEQA Update

Mr. McIntyre reminded the Board that this project consists of construction of a new 100,000-gallon tank near the existing 50,000-gallon redwood tank that is nearing the end of its useful life. He announced that our consultants have completed additional work on the northern spotted owl survey and also the oak woodland mitigation plan. He stated both of these documents are being forwarded to California Department of Fish and Wildlife staff for review and comment. Mr. McIntyre stated once comments are received he will update the Board.

#### Stafford Dam Emergency Action Plan (EAP) and Inundation Maps

Mr. McIntyre reported that staff and our EAP consultant Michael Baker Inc., have been working with the Department of Water Resources (DWR) over the last year to update our 2015 EAP and Inundation Maps in compliance with more recent DWR regulations resulting from the Oroville Dam spillway disaster. He stated on July 31<sup>st</sup> DWR issued a letter to the District approving the updated inundation maps submitted for Novato Creek Dam. Additionally, now that the inundation maps have been approved we can move forward with updating the 2015 EAP and submitting to Cal OES for approval. Mr. McIntyre noted once DWR approves the 2020 EAP the District will need to update both the EAP and the inundation maps every ten years.

#### West Marin Dry Year Conditions

Mr. McIntyre updated the Board on West Marin dry year conditions. He stated the District has completed the first month of the mandatory 25% reduction and production for the month of July was down 14.4% compared to 2013, noting we don't have the exact consumption data for the month of July at this time. Mr. McIntyre reminded the Board that the Spring West Marin Waterline Newsletter was sent out in May and there have been a series of newspaper articles in addition to a live radio show regarding the water shortage. He added staff is working on an updated email message to be sent out on the Water Smart Portal reminding customers of the water conservation requirement and to be diligent to reduce water use wherever possible. Mr. McIntyre stated staff will also be working on social media postings to be distributed through the West Marin feed on Facebook.

On a related note, Mr. McIntyre reported salinity levels continue to rise in West Marin and we will be posting another notice in the Point Reyes Light informing our customers of sodium levels above 50 mg/l. He noted over the last couple of weeks the lab has received calls regarding salty water taste which occurs during these events.

#### Gallagher Test Wells

Mr. McIntyre announced the District's hydrogeologist consultant, PES, is planning on beginning test well drilling at the Gallagher Ranch site the week of September 14<sup>th</sup> in order to find a viable location for a second well.

#### Kiosk Update

Mr. McIntyre apprised the Board that the current focus by Kiosk is to work on the social media campaign that will run for the next year with the expected launch date sometime in September. Mr. McIntyre added Kiosk will also be creating a series of District branded social media posts and assisting us in increasing our Facebook and Twitter likes and followers.

#### Assistant General Manager/Chief Engineer Recruitment (AGM/CE)

Mr. McIntyre updated the Board on the AGM/CE recruitment. He reminded the Board that there is potential for a special closed session meeting on the following Tuesday, August 25<sup>th</sup> at 6:00 p.m. He asked the Board to continue to hold this date and time open and more information will be provided by the end of the week.

Director Joly asked how the Special Meeting on the 25<sup>th</sup> will be held. Mr. McIntyre replied that it will be in person, on the patio as it was done during the initial round of interviews.

Director Joly asked how our West Marin customers were doing with the heat and the mandatory water conservation. Mr. McIntyre replied the feedback has been mostly about the water tasting salty. He added we have had salinity problems in the recent past, however we are having more and more problems each year and salinity issues are much worse this year due to dry year conditions.

#### **OPEN TIME**

President Joly asked if anyone from the public wished to bring up an item not on the agenda, and there was no response.

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

Director Petterle congratulated Director Baker and Director Joly for another four years on the Board. He added the fact that they all put their names in and were running unopposed was an indication that they are doing something right. Director Petterle also gave credit to the staff and said he continues to hear good things about the staff from the public. He also shared that when he was recently playing golf at Indian Valley Golf Club there was a torrential rain downpour

for about five minutes. He stated he has worked with water agencies since 1977 and his prediction; which he feels is about 70% accurate, is when we see early rainfall, the rainy season will be dry. Director Joly replied he would like to also congratulate Director Petterle for his commitment to four more years on the Board, noting it is good for the City of Novato and for the District.

Director Joly thanked Director Fraites for recommending the book, *The Dreamt Land: Chasing Water and Dust Across California* by Mark Arax. He has found it to be very interesting and is really enjoying it.

Mr. Clark reported Stafford Treatment Plant was shut down for a couple of days due to manganese treatment issues. He explained when the lake is low the algae dies off and releases manganese. Mr. Clark stated no manganese got into the distribution system due to standard operating procedures and there were no complaints from our customers.

Mr. Clark apprised the Board that Pacific Gas and Electric had issued many warnings about rolling power black outs due to the severe heat. Cal IOS requested agencies reduce power use during peak demand periods of the day and staff have been taking actions to reduce peak power demands.

### **MONTHLY PROGRESS REPORT**

Mr. McIntyre reviewed the Monthly Progress Report for July. He reported that water production in Novato is up 8% from one year ago. He informed the Board that in West Marin, water production is down 10% from one year ago and that Recycled Water production is up 7% from one year ago. Mr. McIntyre noted that Stafford Treatment Plant produced 106 MG for July which is up 55% from the last fiscal year and that Stafford Lake is at 44% capacity, Lake Sonoma is at 80% and Lake Mendocino is at 68% capacity. In Oceana Marin the effluent flow volume this July is similar to one year ago. Under Safety and Liability, we had 38 days without a lost time injury. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 30% from July one year ago and there were no unusual trends in complaints and service orders for the month. There were twelve bill adjustments which is similar to a year ago, however the dollar amount was higher and that is due to the West Marin bill adjustment that was presented to the Board at the last meeting.

Ms. Blue reported on the July 2020 Investments, where the District's portfolio holds \$21.3M earning a 1.36% average rate of return. Julie noted that during July the cash balance decreased by \$908,276. She also noted the LAIF interest rate is 0.92%.

Director Joly stated considering how low the feds have pushed the rates it is amazing LAIF can keep a higher rate than the institutional rate. Director Joly asked if the LAIF account funds that were transferred to US Bank were to fund District operations and if it was a separate operating account. Ms. Blue confirmed and explained that the money is transferred from the LAIF account to fund operations.

### **PRELIMINARY FY 2019/2020 FINANCIAL STATEMENT**

The Preliminary FY Financial Statement for Fiscal Year 2019-2020 was presented by Ms. Blue. She reviewed the Novato, West Marin, Oceana Marin, and Recycled Water fiscal year performance compared to the budgets and provided the net income for each system. She stated that the District generated a net income of \$602,884 and noted at year end the ratio of total cash to budgeted annual operating expense stood at 128%.

Ms. Blue reminded the Board that this is a preliminary financial statement and the totals will change when the annual audit is complete. The audit will be conducted in late August and this year fieldwork will be done by the auditors remotely. She noted operating revenue was at 97% of budget, but a true up entry will be done which will bring the revenue up to budget. Operating expenses came in at 3% above budget which is mainly due to a one-time payment of \$1.9M to SCWA. The cash flow impact of the SCWA payment is offset by the cash payoff of the loan for Stone Tree Golf Club. She noted the Novato FY20 consumption was 2,502 MG and in West Marin was 72.3 MG. Oceana Marin had 235 active accounts which generated a net income of \$112,000. Ms. Blue stated that the revenue for water sales may be adjusted once the financial statements are finalized. She added the year end preliminary report is more of a moving target than the quarterly update they are provided throughout the year. Director Petterle stated that he would like to see a graph of total Novato production of recycled water, potable and raw water. He requested to see how much recycled water we are providing and how it supplements our potable water supply. Ms. Blue replied that in the budget there are graphs showing potable and recycled water historical projections since 2001, however it does not include raw water data. Director Petterle responded that he will look at the budget again and then discuss this with Ms. Blue at a later date.

### **CONSENT CALENDAR**

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

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Grossi

**WATER AGREEMENT -HAMILTON VILLAGE WATER FACILITIES – APN: 157-970-03**

The Board approved the water agreement for Hamilton Village Water Facilities located at 802 State Access Road in Novato. The project proposes to develop seventy-five three story two to four-bedroom townhomes in seventeen buildings. Additionally, the project will provide fifteen units of affordable housing, with eight units for low income households and seven units for moderate income households along with a 1.1-acre public use park with a community garden, bocce ball courts, children’s play area and landscaping.

**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 18<sup>th</sup>. 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 provided a summary of key emergency actions taken and current estimated costs. He noted total measurable COVID cost impacts to date are estimated at approximately \$50,000 and the current water bill delinquency percentage is still hovering around 1.7% slightly above the 1.6% delinquency rate in spring of this year

Director Joly stated it was good news to hear that none of the staff has been impacted by COVID. He noted the on-call crew would be impacted the most, especially with this recent heat wave and asked how they were getting on. Mr. Arendell replied that there are three crews on standby and each foreman has a crew that rotates. He added everyone is keeping safe, there are signs on the trucks about keeping social distance and they hand out masks to anyone who approaches them that is not wearing a mask.

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

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Grossi

**INFORMATION ITEMS**

**WAC/TAC MEETING UPDATE – AUGUST 3, 2020**

Mr. McIntyre reviewed the minutes of the August 3, 2020 WAC/TAC meeting. He announced on July 28<sup>th</sup> the State Water Resources Board issued an order approving a Temporary Urgency Change Petition that contains terms for fisheries and water quality protection as well as water conservation. This will allow the agency to reduce water releases from Lake Mendocino for fishery benefit this fall.

Mr. McIntyre discussed the summer ad campaign which reached out to the community for feedback about using water wisely and also educating them about the water system. This included pushing the message out about using water wisely during this dry year, through media, local newspapers, radio and television.

Mr. McIntyre noted the State Water Board did not include a requirement in the Order for mandatory water reductions, but the Water Contractors will need to report on their own water efficiency program activities during the duration of the Order through December 2020.

Mr. McIntyre reported on Phase 1 of the Regional Water Supply Resiliency Study Work Plan. He stated Phase 1 is now complete and will move into Phase 2 and Sonoma Water will start the work with Jacobs later this summer for a duration of 18 months. He added Phase 2 will build upon the initial Phase 1 input to develop, evaluate and prioritize various resiliency options to improve overall coordination between the water contractors and agency.

Mr. McIntyre also apprised the Board on the approval of the TAC Emergency Training and Coordination Program. He stated the program was generated based upon the 2019 Sonoma County Civil Grand Jury Report. One of the Grand Jury findings was that coordination between SCWA and contractors could be improved by increasing training and mutual aid coordination. Mr. McIntyre reported a subcommittee has been formed that includes a representative from each of the water contractors and Mr. Clark will be the District's representative on the subcommittee.

**MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated August 6, 2020 and NMWD Candidates Who Have Filed Papers for Office – November 3, 2020.

The Board received the following news articles: DWR head: SGMA will bring more certainty to farmers; Coronavirus shutdown causes new risk at CDC: Legionnaire's disease; The Virus Detectives: Tracking COVID-19 in Bay Area Wastewater; COVID-19 Relief Negotiations

Remain at Stalemate and NACWA Continues Strong Push for Water Assistance and Competition set in five council races in election.

Director Joly asked about the CalPERS payments made in August and asked how they tie in with the previous \$939,000 payment made in July. Ms. Blue responded that there were two payments made to CalPERS on August 6<sup>th</sup>, one for the monthly health insurance and one for the semimonthly payroll contributions. The payments are separate from the large payment made in July which is for the District's portion of its unfunded pension liability. She stated there is a semimonthly payment of around \$38,000 which includes both the employer and employee portions of pension expense, which you will see in the disbursements every two weeks.

Director Joly noted a large item to SCWA 2019 for \$1.1M. Ms. Blue replied that this was accrued in the June financial statement, it was recorded in June and the payment was made on August 6<sup>th</sup>.

Mr. McIntyre announced that he would like to echo expressions of appreciation for the three Board members that filed and committed to be on the Board for the next four years. Director Baker thanked Mr. McIntyre for his comments. Director Joly added that it is an honor to be on the Board and serve our customers and staff, it is an honor for all of the Directors. Director Fraithe said he would like to echo what Mr. McIntyre said and also noted that the three Directors that filed will not have to face a re-election campaign. He stated we have a great Board, a great staff and crew. Ms. Kehoe also announced on behalf of staff she wanted to expressed how thrilled everyone is to have all the Directors on board. Director Grossi also added that the District has a very responsible Board and noted he has been on many boards and has much to compare to.

Director Petterle thanked staff for including the article about the Legionnaire's disease and found it very informative.

### **ADJOURNMENT**

President Joly adjourned the meeting at 7:07 p.m.

Submitted by



Theresa Kehoe  
District Secretary