

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 6, 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 6:02 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), 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, and there was no response. Braden Cartwright from the Point Reyes Light joined the meeting remotely at 6:20 p.m.

MINUTES

On motion of Director Fraites, seconded by Director Baker the Board approved the minutes from the September 15, 2020 regular meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

PRE Tank 4A Update

Mr. McIntyre announced the third and final wall concrete placement will occur on October 8th. He asked if anyone is interested in seeing this operation it is best to visit the site between 11 a.m. and noon. He added, prior to doing so, to contact him directly so he could give a heads up to the project manager, David Jackson.

Former Point Reyes Coast Guard Housing Update

Mr. McIntyre reported that there is some activity underway between Marin County and Community Land Trust Association of West Marin (CLAM) regarding initiating work on redevelopment of the former Point Reyes Coast Guard housing property. He stated he has been in contact with CLAM's engineer to discuss initial review of a draft work plan in reference to water quality monitoring in the area and preparation for additional work on a proposed wastewater treatment and disposal system. Mr. McIntyre noted staff will be using PES to support the District as part of this review. Additionally, he stated that currently the District has a postage stamp size site and will require more property for the future renovation of the Point Reyes Treatment Plant.

West Marin Dry Year Conditions/ Salinity Update

Mr. McIntyre apprised the Board that it is too early to report West Marin consumption savings in August and September as the meters are just being read. He stated when looking at production data, staff believes August conservation data was influenced by firefighting water use for the Woodward fire. Mr. McIntyre also reported salinity issues continue to be a concern to our customers. He announced Mr. Ramudo participated in a KWMR radio spot on September 22nd and further discussed the salinity impacts on our West Marin customers. Additionally, Mr. McIntyre gave a tour of the Coast Guard Wells and treatment plant to members of the Point Reyes Village Association on October 1st. He also reported the Point Reyes Light will have another story in this week's edition regarding this issue.

New Assistant GM/Chief Engineer

Mr. McIntyre announced he is pleased to inform the Board that our new Assistant General Manager/Chief Engineer, Tony Williams will start work next Monday, October 12th. He expressed that he is very happy to have him join the NMWD team.

Director Joly asked that we have an item on a future agenda to review the 2020 fire season, what we learned in regards to the watershed, supply and water quality. Mr. McIntyre responded that we do not yet know the full effects of the Woodward fire but staff will continue to work on this analysis and report back to the Board at a future meeting.

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 noted the first meeting in November will also be the day of the general election. He asked Mr. McIntyre if that agenda could be at a minimum so the Board of Directors can see what is going on with the election. Mr. McIntyre responded that it is duly noted. Director Fraites seconded Director Petterle's suggestion and Director Joly commented that it is a good point since there will be much interest.

Mr. Clark reported an incident at the Point Reyes Treatment Plant where staff found a leak in the main treatment plant filter header that was spraying water. He added that staff was able to isolate the leak, dry out all equipment and controls and had to replace 25% of the modules. Director Baker asked, aside from the electrical concern what was the underlying problem causing the leak. Mr. Clark replied the root cause was a rusted pipe plug in the header. Director Joly asked if there were any interruptions to customers. Mr. Clark replied there was plenty of storage in the tanks so there were no issues, however the following day staff had to run the Coast Guard wells for a longer period of time in order to catch up.

Mr. Arendell announced that the PG&E pipeline work on Diablo Avenue near Novato Blvd. was completed on October 2nd and it is now being backfilled. He noted on October 7th we will be taking samples and flushing the lines and our line will be back in service by the end of the week. Mr. Arendell commended the contractor for being extremely competent.

Director Joly asked Ms. Blue how things are going with the current rate increase. Ms. Blue replied in order to set the new rates our Billing Department had to send out approximately 16,000 bills in two days. She added the bills were for a shorter billing cycle. Director Joly stated he received his and saw that it was much lower, and read the message on the bill and then understood why. Ms. Blue stated since the bills have gone out the Consumer Services Department has received 560 phone calls. She added it was explained to those customers that it was a one-time, partial bill and moving forward they will be back to their regular billing cycle. Director Joly asked if a note was added to the website. Ms. Blue replied that this is a good suggestion and she will look into it; however, she would expect the phone volume to go down.

Director Joly asked how the recent audit was going and when the Board may expect to see it. Ms. Blue replied that it will be presented at a future meeting once the report is finalized and the auditors will be doing the presentation. Director Joly stated he noticed three or so refunds on engineering charges on the disbursements. Mr. McIntyre responded on developer jobs the applicant must pay the estimated full engineering and construction costs in advance of the work. He added that these funds are kept until the project is completed and it is typical that excess funds are then returned to the developer.

Mr. McIntyre reminded the Board that on October 1st the 4.5% West Marin rate increase went into effect.

Director Joly asked if we were all settled with the Gallagher Streambank Stabilization grant. Mr. McIntyre replied that staff submitted the payment request to NRCS recently and we should receive payment in the next month or so.

CONSENT CALENDAR

Item 5 – Amendment No. 1 of Water Service Agreement – Springbrook Green Homes, APN 141-221-74 and 75 was removed from the consent calendar for additional discussion. On the motion of Director Baker, and seconded by Director Petterle the Board approved Items 6, 7, 8 and 9 on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

(ITEM 6) AUDITOR-CONTROLLER'S STATEMENT OF INVESTMENT POLICY

The Board approved the Auditor-Controller's Statement of Investment Policy. This is presented to the Board annually for review and there were no changes proposed.

(ITEM 7) QUITCLAIM PORTION OF EXISTING EASEMENT – 802 STATE ACCESS ROAD, APN: 157-970-03

The Board approved the quitclaim portion of existing easement for 802 State Access Road. The New Hamilton Village developer, City Ventures Home Building is requesting a 5" x 23.82" easement at State Access Road to be quitclaimed to construct a retaining wall. The District will however, still retain a 15' wide easement for the 16" transmission main.

(ITEM 8) DISPOSAL OF SURPLUS EQUIPMENT

The Board approved the disposal of surplus equipment. Staff recommended the disposal of vehicles and equipment, all of which were old and worn, which maintenance and repair costs that are no longer effective when compared to replacements.

(ITEM 9) BASE SALARY SCHEDULE REVISION

The Board approved the updated District Salary Schedule to be effective October 1, 2020. In accordance with the Memorandum of Understanding (MOU) with the North Marin Water District Employee Association, effective each October 1 through 2022 employees will receive a cost of living adjustment equal to the current San Francisco Bay Area All Urban Consumers Price Index (CPI-U), which this year is 2%.

(ITEM 5) AMENDMENT NO. 1 OF WATER SERVICE AGREEMENT – SPRINGBROOK GREEN HOMES, APN 141-221-74 AND 75

This amendment changes the deadline to complete financial arrangements of the agreement from six (6) months to twelve (12) months from the date of the agreement which was executed on May 14, 2020. This amendment also changes the deadline to start construction from twelve (12) months to eighteen (18) months from the date of the agreement.

Director Baker stated the letter from the applicant, Stonehenge Properties LLC, was very brief. He added asking for a 180-day extension due to the pandemic was a bit of a reach and there was nothing noted in the letter that persuaded him or compelled him to grant the extension. Director Baker cautioned that he does not want to encourage others to capitalize on the pandemic. Director Joly asked who spoke with the developer on this issue. Mr. McIntyre replied, Mr. Pearlman, the NMWD project engineer. He noted that similar requests, while rare, have been granted in the past, but if not approved and the financial arrangements deadline expires, a new agreement will need to be brought back to the Board at a later date. Director Baker stated it is not good practice to do this when the developer does not have a lot of merit. Director Petterle stated we have done this in the past. Mr. McIntyre confirmed, but said rarely. Director Grossi asked if it has to do with the developer not being able to move ahead. Mr. McIntyre responded the developer is trying to sell the project, however due to COVID the developer has stated that there is not the activity there was before the pandemic.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved Items 5, Amendment No. 1 of Water Service Agreement – Springbrook Green Homes by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: Director Baker

ABSTAIN: None

ABSENT: None

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 maximum workplace spacing continues and walk in services remain suspended, adding we will do what is necessary for the safety of our employees and the public. He apprised the Board that no staff are currently impacted by the virus.

Mr. McIntyre updated the Board on current coronavirus conditions in Marin County. Mr. McIntyre reported Marin County's COVID case rate trends continue to look promising but there is still a long way to go.

Mr. McIntyre provided a cost summary for COVID expenses noting related costs are estimated at approximately \$79,000 which is about \$12,000 more than last month and the current water bill delinquency percentage has increased to around 2.1% when compared to the 1.6% delinquency rate in spring of this year.

Director Joly commented that it is great news that none of the staff have been affected.

On the motion of Director Petterle, and seconded by Director Fraites 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

ESA CONSULTING SERVICES AGREEMENT – ENVIRONMENTAL SUPPORT SERVICES

Mr. McIntyre presented the ESA Consulting Services Agreement for environmental support services for the new Gallagher Well No. 2 project. He explained the Agreement will allow ESA to perform CEQA work required to construct Gallagher Well No. 2 for a contract amount of \$59,998. The Scope of Work is based on many assumptions given the inherent variability associated with permitting projects along Lagunitas Creek which is an environmentally sensitive creek. Mr. McIntyre added the scope assumes that ESA will prepare an addendum to the Mitigated Negative Declaration prepared by Leonard Charles and Associates for the Gallagher Wells and Pipeline project in 2009 and the cost could increase if permitting agencies require us to perform a new Mitigated Negative Declaration. Mr. McIntyre also noted that this agreement is for permitting services only and staff will return to the Board at a future meeting to request

approval to hire a consultant to prepare plans and specifications suitable for constructing the project. He added on a parallel path, staff is in communication with the ranch owners regarding easement acquisition.

Mr. McIntyre updated the Board on the recent test well pump results noting the results were good and water production values were equal to Gallagher Well No. 1. He added that these results were obtained during dry year conditions along Lagunitas Creek which should represent a worst-case scenario yet the results still showed good production. Director Joly asked if PES feels this is an optimal location. Mr. McIntyre confirmed. Director Grossi asked if they looked at how the new well might impact Gallagher Well No. 1. Mr. McIntyre responded, no significant impact was noted during the seven-day test. Director Grossi noted that \$60,000 is a lot of money to spend just to find out the environmental impact, but there is nothing we can do about it because the permitting process is very complicated.

On the motion of Director Grossi, and seconded by Director Baker the Board authorized the General Manager to execute an agreement with ESA for environmental support services related to the new Gallagher Well No. 2 Project for a not to exceed fee of \$59,998 plus a 10% contingency of \$6,000 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

MARIN COUNTRY CLUB RECYCLED WATER PAYMENT PLAN

Ms. Blue introduced the Marin Country Club Recycled Water Payment Plan. This will be a four-year payment plan with the following terms: 1) initial payment for bills issued between 11/2019 through 7/2020 for a total of \$89,990.87; and 2) payment of \$2,000 per month beginning in January 2021 until the 99,412.02 balance is paid off resulting in a payoff date of March 2025.

Ms. Blue added the memo and letter has been reviewed by our legal counsel.

Director Joly asked, assuming the golf course becomes in some kind of financial distress, what will happen to the \$100,000 loan. Ms. Blue replied as stated in the agreement if they do not make their payments, we can shut off their recycled water service that they are relying heavily on right now to keep their course green. Director Joly asked if we felt they could insure payment. Mr. McIntyre reminded the Board that they have a much larger debt due which is collateralized by their property Deed of Trust. A general discussion about the terms of the payment plan proposal took place.

On the motion of Director Grossi, and seconded by Director Baker the Board approved

the four-year payment plan as proposed by Marin Country Club and authorized the General Manager to sign the letter formalizing the agreement by the following vote:

AYES: Director Baker and Grossi, and Joly

NOES: Director Petterle

ABSTAIN: Director Fraites

ABSENT: None

INFORMATION ITEMS

NBWA MEETING – OCTOBER 2, 2020

Director Fraites updated the Board on the NBWA meeting held on October 2, 2020. He stated they introduced the new Executive Director at the meeting, Andy Rodgers and stated he has a strong background and really knows what he is doing. Director Fraites reported on the North Bay Groundwater Sustainability Plans. He stated now Santa Rosa Valley, Sonoma Valley and Petaluma Valley water basins will have a monitoring plan. Director Fraites noted they will be studying sustainability problems, intrusion, and levels of streams and monitoring any reductions. Additionally, they have found as an option they can recharge groundwater successfully when there is a surplus.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements - Dated September 17, 2020, Disbursements – Dated September 24, 2020, Disbursements – Dated October 1, 2020, Point Reyes Light – Salinity Notice and Three-Month Outlook Temperature and Precipitation Probability.

The Board received the following news articles: Marin IJ – Planners work to mitigate outages – WILDFIRE SEASON; Point Reyes Light – Woodward Fire boxed in and under control; Santa Cruz Sentinel – San Lorenzo Valley Water District rebuilds after ‘most expensive disaster in history; Marin IJ – Next major wildfire could threaten our water supply – Marin Voice; Marin IJ – Novato water rates set to rise and Marin IJ – City seeks revenue in sale of city-owned properties.

Director Joly asked about the status of salinity intrusion in West Marin. Mr. McIntyre responded that we are still experiencing high levels of salinity. He noted last week’s Point Reyes Light newspaper reported data for two different weeks and salinity was down to 70 on one week, however it went back up again the next. Mr. McIntyre stated until we see rain and the demand transitions with less outside irrigation, we will see elevated salinity levels at least through the end of October. Director Joly thanked Mr. Ramudo for speaking with the West Marin radio station to better inform our customers.

ADJOURNMENT

President Joly adjourned the meeting at 7:48 p.m.

Submitted by

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

Theresa Kehoe
District Secretary