

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
December 1, 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 Frites, 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 Williams (Assistant General Manager/Chief Engineer), Tony Arendell (Construction/Maintenance Superintendent), Robert Clark (Operations/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor), Nancy Holton (Senior Accountant) and Monica Juarez (Cashier/Receptionist).

President Joly announced for those joining the virtual meeting from the public to identify themselves. Consultant Chris Brown from Fedak & Brown Associates and Ken Levin from the Point Reyes Village Association were also in attendance.

OATH OF OFFICE

The Oath of Office was given by District Secretary Terrie Kehoe to Directors Baker, Joly and Petterle.

REORGANIZATION OF BOARD

Election of President

On motion of Director Petterle, seconded by Director Baker, the Board elected Director Grossi as President of the Board for the ensuing year by the following vote:

AYES: Director Baker Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: None

Election of Vice-President

On motion of Director Joly, seconded by Director Fraites, Director Petterle was elected Vice-President of the Board for the ensuing year by the following vote:

AYES: Director Baker Fraites, Grossi, Joly and Petterle

NOES: None

ABSENT: None

Establishment of Meeting Times and Place

On motion of Director Fraites, seconded by Director Joly, the Board set the time and place of regular meeting to be the first and third Tuesday of each month at 6:00 p.m. at the District office, and agreed that that the Board will hold one meeting annually in West Marin by the following vote:

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

NOES: None

ABSENT: None

Establishes the Manner of Calling Special Meetings

On the motion of Director Baker, seconded by Director Fraites, the Board approved special meetings of the Board to be held as provided in Section 54956 of the Government Code by the following vote:

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

NOES: None

ABSENT: None

Appointment of District Officers

On the motion of Director Joly, seconded by Director Baker, the following District officers were appointed for the ensuing year: Drew McIntyre, General Manager; Terrie Kehoe, District Secretary; Julie Blue, Auditor-Controller; and Tony Williams, Assistant General Manager /Chief Engineer by the following vote:

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

NOES: None

ABSENT: None

Confirm Board Meeting Schedule for 2021

On the motion of Director Fraiters, seconded by Director Joly, the Board accepted the proposed meeting schedule for the 2021 calendar year with the understanding that the calendar may be adjusted as needed by the following vote:

AYES: Director Baker Fraiters, Grossi, Joly and Petterle

NOES: None

ABSENT: None

Committee Appointments

President Grossi announced that he will reappoint the same appointments unless he hears otherwise and there was no response.

MINUTES

On motion of Director Joly, seconded by Director Petterle the Board approved the minutes from the November 17, 2020 meeting as presented by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Mr. McIntyre thanked Director Joly the District's past president for his exemplary service as Board President and also congratulated Directors Baker, Joly and Petterle for their

commitment for serving another four years. Additionally, he thanked the Board for the reappointment of all the District officers, stating it is appreciated by all.

Rainfall Update

Mr. McIntyre reported there has been a lot of talk in the news about whether we are heading into a second dry year. He stated unfortunately, December looks to be dry for at least the next couple of weeks and we still don't know what will unfold during the remaining winter months. He added it is important to note that rainfall through December 1st is at 0.5 inches versus 6 inches last year and 8.2 inches in 2018. Mr. McIntyre stated he was thinking positive thoughts for good rainfall this winter.

Stafford Dam Emergency Action Plan 2020 Update

Mr. McIntyre reminded the Board that at the August 18th meeting he announced that the District received approval from Department of Water Resources (DWR) on July 31st of the District's updated inundation maps prepared by Michael Baker Inc. (MBI) for the Stafford Lake Dam. He added that once DWR approval was obtained, MBI moved forward with updating the Emergency Action Plan in preparation for submittal to Cal OES for approval. He stated that MBI has completed the draft 2020 EAP update and it is now being routed to local agencies for review and comment. Mr. McIntyre added it is expected that the updated 2020 report will be scheduled for a future closed session item in early 2021 for acceptance by the Board.

Gallagher Well No. 2

Mr. McIntyre apprised the Board that on Friday, November 21st, District staff received approval from the Gallagher Ranch family to submit the Water Development Plan to Marin Agricultural Land Trust (MALT) and that the Plan was subsequently submitted to MALT for their review on November 25th. He stated this Plan is a requirement by the MALT easement and includes a sixty-day review period. Mr. McIntyre noted on December 1st the District received the topographic survey of the Gallagher Well No. 2 site needed to start detailed design using surveying services by Cinquini and Passarino.

OPEN TIME

President Grossi asked if anyone from the public wished to bring up an item not on the agenda. Ken Levin from Point Reyes Village Association stated he was still concerned about the salinity in the water in West Marin. President Grossi noted that Mr. Ramudo will be reporting on that as part of Item 14. Mr. Ramudo replied he can give a quick summarization of the status. He stated there has been salinity intrusion since July in the Coast Guard Wells and salinity levels on November 3rd were falling gradually in comparison to the close to peak levels at the end of September. He stated lower demand partly due to decreased irrigation means less water we

have to pull from the Coast Guard Wells. Mr. Ramudo added the peak salinity in the West Marin distribution system was on Sept 8th and it created a salty taste. It also contained enough sodium to make up about 20% of the recommended level for healthy adults. He reported the numbers have fallen since then, but recently we had a slight uptick which may be related to holiday demand. Mr. Ramudo stated the District was able to go a couple of days with only Gallagher Well water and that lowered the sodium in distributed water. He noted with demand decreasing we should have close to the baseline levels in our system. Additionally, Mr. Ramudo reported MMWD is releasing water out of their dam into Lagunitas Creek and that will help the aquifer and reduce the salinity in the Coast Guard wells. Mr. Levin thanked staff for the update and will pass this information on to the next meeting with the Point Reyes Village Association.

STAFF/DIRECTORS REPORTS

President Grossi asked if any Directors or staff wished to bring up an item not on the agenda. Ms. Blue announced the District's HR/Safety Manager has resigned and her last day at the District will be December 11th. She stated we will be recruiting for the position soon and we will still have our HR consultant to provide support services as needed.

CONSENT CALENDAR

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

HUMAN RESOURCES CONSULTING CONTRACT AMENDMENT – DARLENE RHODES

The Board approved the Human Resources Consulting Contract Amendment with Darlene Rhodes for an additional \$26,250 to provide continued Human Resources Consulting Services.

ACTION ITEMS

ACCEPT – OUTSIDE AUDITOR'S FY20 REPORT AND MANAGEMENT REPORT

Ms. Blue stated the District worked with Fedak and Brown LLP this year and had a successful audit. She stated that the memo outlines the account adjustments for pension and other post-employment benefits (OPEB). Ms. Blue reported all work by Fedak and Brown LLP was done remotely and she commended the District's accounting staff for all their hard work and dedicated service. Ms. Blue announced Chris Brown from Fedak and Brown LLP will share a presentation and the District's Accountant Supervisor, Nancy Holton, joined the meeting and was available should any questions arise.

A comprehensive annual financial report was presented by Chris Brown of Fedak & Brown LLP. Mr. Brown reported the audit was performed following proper audit and accounting standards. In addition, internal controls, methodologies and best practices were assessed. Mr. Brown noted the audit approach is to review supporting documents to make sure they support the balances in the financial statements. He reported they did not identify any weaknesses and District staff has done excellent work. Mr. Brown stated he believes the District will once again receive the Government Finance Officers Association Award of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for this fiscal year.

Director Joly stated there was \$3M increase in operating expenses and asked if that was a straight operating increase or an adjustment. Ms. Blue responded the District paid SCWA for the total due in lieu of bonds as agreed upon in FY 17/18. This was finally reported in 2020, therefore the payment of \$1.2M was part of the operating expense increase. Director Joly asked if the auditors felt comfortable with the OPEB liability and if they saw any trends the District needs to watch for. Mr. Brown replied he is comfortable that the liability has been calculated properly; however, the number is subjective. He added the District is comparable to other districts of the same size and age. Director Joly asked about the indebtedness from the new District building renovation project and wanted to know the auditor's comfort level. Ms. Blue replied when we get the funds and financing we will check on the debt ratio and the auditor will be responsible for reviewing how we record our transactions. Mr. Brown stated the debt is covered by the ratio requirement and the District has a sufficient revenue stream to cover the debt, noting it will be reviewed independently to see if it is compliant. Director Joly asked what was our minimum debt coverage ratio and Ms. Blue replied 1.5. Director Joly asked if Mr. Brown and Ms. Blue can help the Board understand that the debt is not cutting it to close. Ms. Blue responded that will be discussed when the District requests financing, adding the financial plan and the renovation project was reviewed during the Novato Rate Study and will continue to be looked at, at every budget cycle. Director Joly asked what the two adjustments were that were requested by the auditors. Mr. Brown replied it was the GASB 68 pension entry and the other was the GASB 75 OPEB calculation. President Grossi thanked Mr. Brown for his presentation. Mr. Brown thanked the Board and staff.

On the motion of Director Petterle, and seconded by Director Joly the Board approved the outside auditor's FY20 Financial Report and Management Letter by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GHD CONSULTANT SERVICES AGREEMENT FOR OLD RANCH ROAD (ORR) TANK NO. 2 PROJECT

Mr. Williams presented the background of the Old Ranch Road capital improvement project. He stated the design is to build a 100,000-gallon storage tank to replace the Old Ranch Road Tank No. 1. Mr. Williams noted both tanks are in close proximity. He stated on October 20th the Board approved the project and associated Initial Study and Mitigated Negative Declaration. Mr. Williams noted that the final design will include all applicable requirements contained in the Mitigation Monitoring and Reporting Program. He stated the project is on an aggressive implementation schedule. The District solicited for design consultants and received four proposals on November 16th. Mr. Williams noted all firms were well qualified, however GHD ranked highest overall and we were able to negotiate a final scope and fee. Director Petterle stated he was not familiar with GHD and inquired about their background. Mr. Williams replied they are out of an office based in Santa Rosa, noting they have been working with the District on the design of the PRE-Tank 4A project in West Marin. He added they are a large firm with local roots and acquired Winzer and Kelley in 2011. Director Grossi stated GHD is an Australian firm.

On the motion of Director Joly, and seconded by Director Petterle the Board authorized the General Manager to execute an agreement with GHD of Santa Rosa, California for the ORR Tank No. 2 Project for a not to exceed fee of \$110,287.50, basis by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

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) protocols 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.

Mr. McIntyre was pleased to report that no staff was currently out sick due to COVID-19. He added that the state informed Marin County today that they currently remain in the Tier 2/Red status and are one of only six counties in the state at Tier 2. Mr. McIntyre added 99% of the

state's population is currently at Tier 1/Purple status which is the most restrictive risk level.

Director Joly asked when we will have another update on the delinquency balance. Mr. McIntyre responded it will be at the next meeting.

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

INFORMATION ITEMS

INITIAL REVIEW – SALARY, TERMS AND CONDITIONS OF EMPLOYMENT – GENERAL MANAGER

Director Joly reported on the initial review of the salary, terms and conditions for the General Manager. He stated the Board had active discussions during the General Manager's performance evaluation at the last meeting. Director Joly added the memo speaks clearly and asked the Directors if there were any questions. The Board had no questions. Director Joly thanked Ms. Blue for her help and apprised the Board this item will be on the next agenda for approval.

DRAFT ANNUAL REPORT 2019-2020

Ms. Kehoe gave a brief summary of the Draft FY20 Annual Report, which will be on the next agenda for approval. She noted the cover photo was provided by Mr. Clark. Director Joly commented that he thought the photo was great and very fitting. Director Petterle stated that now that the Directors are in separate divisions he would like to see a map added to reflect which Director is in which division.

FY20-21 QUARTERLY PROGRESS REPORT - ENGINEERING

Mr. Williams reported on the FY20-21 Quarterly Progress Report for the Engineering Department. He summarized the performance status for capital improvement projects, project costs variances and the Engineering Department labor hours. Mr. Williams noted the Engineering Department started the beginning of the quarter with twenty-three original projects, added eight new projects, (five in Novato, and three in West Marin), and six were carried over. He added there has been an amazing amount of development in Novato and staff are on track with what was budgeted.

FY20-21 QUARTERLY PROGRESS REPORT – WATER QUALITY

Mr. Ramudo reported on the FY 20-21 Quarterly Progress Report for Water Quality. He summarized the Novato system source water at Stafford Lake, the treatment performance at Stafford Treatment Plant; and the Novato distribution system. Pablo also summarized the Point Reyes system source water at Coast Guard/Gallagher Wells and the performance at the Point Reyes Treatment Plant and the Point Reyes distribution system. He noted West Marin is still having salinity intrusion in the Coast Guard Wells due to dry year conditions and increased sea level rise.

Director Grossi asked with less rainfall and our current dry season conditions, what impact will there be with the new PRE Tank 4A which has a larger storage capacity, when it goes online. Mr. Ramudo replied that it will have no impact on salinity. He stated in this upper zone the increased storage will impact the age of the water and may cause a change in how the chlorine is managed. Director Joly stated MMWD is releasing water into Lagunitas Creek and wanted to know if this helps with the salinity. Mr. Ramudo replied the water release is routine and is based on Water Right Order 95-17 that provides an annual schedule with certain dates in which they increase or decrease releases, which has impact on the available fresh water recharge to the aquifer. He added significant rain will also help, the more water in the creek pushing the salt water out the better we will be. Mr. Ramudo stated another variable is customer demand, since less demand means less use of the Coast Guard Wells. Director Grossi stated staff should look at the salinity plan for West Marin at the first of the year to see how we will deal with health issues in case we have this same salinity problem next year. He noted that hopefully it will rain soon and Gallagher Well No. 2 will be online in the near future. Mr. Levin stated he appreciated the work staff has been doing to try and balance the salinity problem and he is glad everyone is paying attention. He reported the Point Reyes Village Association is ready to stand behind the District when they are ready to apply for permits. Mr. Levin expressed he is concerned that high salinity levels will continue if we do not get a lot of rain and we have another dry year. Mr. McIntyre reported staff is moving forward to bring a draft salinity action plan to address customers with sodium restricted diets to the Board in January for review with the objective of having a final plan in place by late spring/early summer. Mr. McIntyre encouraged Mr. Levin to continue to be involved in the board meetings to provide input and convey information to the Point Reyes Village Association. Mr. Levin thanked the Board and staff for their commitment.

Mr. Ramudo reported recycled water is doing well and the program has been a success for a source for irrigation. He noted Deer Island operates one month a year when Novato Sanitary District has to take their plant down for maintenance. He stated the quality was great, noting there were two samples with bacteria, but they were well below the maximum standard number.

FY20-21 JULY – SEPTEMBER QUARTERLY PROGRESS REPORT – OPERATIONS

MAINTENANCE

Mr. Clark reported on the FY20-21 Quarterly Progress Report for Operations and Maintenance. He summarized Safety; Maintenance, Operations, and Water Quality.

Mr. Clark announced staff has completed the COVID-19 Response Plan during the first quarter and noted this has been a stressful time for staff and commended them for their continued good work.

Mr. Clark provided the following a general overview on activities and Mr. Clark stated Stafford Treatment Plant operations are typical, however production is a little lower than normal. He noted recycled water has been a good drought proof source of supply and our customers are taking advantage of it. In regards to the recent fires, Mr. Clark reported during the Woodward Fire in West Marin we saw a larger amount of water use. He also reported staff continues to work on backflow protection.

WAC/TAC MEETING – NOVEMBER 2, 2020

Mr. McIntyre summarized the virtual WAC/TAC meeting that occurred on November 2nd, that he, Mr. Williams, Director Baker and Director Grossi attended. He announced Sonoma Marin Saving Water Partnership was recognized by EPA for two water conservation related awards. He added that the Partnership has been awarded thirteen awards since 2013. Mr. McIntyre stated regional water use remains down significantly on a gallon per capita per day basis, down 37% from the target baseline. Additionally, he announced the WAC approved a Potter Valley Project comment letter on the proposed PVP Socioeconomic (SE-1) Study.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated November 19, 2020, Disbursements – Dated November 25, 2020, Point Reyes Light - Salinity Notice – November 19, 2020, and NOAA Three-Month Outlook Temperature and Precipitation Probability.

The Board received the following news articles; Point Reyes Light – New antennas bring better Coho tracking; Marin IJ – New delay in increase of water rate, fee – Marin Municipal; Marin IJ – Point Reyes parks leader has personal ties to area – National Seashore and Marin IJ – Case rise could lead to tighter virus rules – MARIN.

ADJOURNMENT

President Grossi adjourned the meeting at 7:42 p.m.

Submitted by

A handwritten signature in cursive script, reading "Theresa Kehoe".

Theresa Kehoe
District Secretary