

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
February 2, 2021**

**CALL TO ORDER**

President Grossi 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 Grossi 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 Grossi 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 Grossi 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 Grossi noted that due to the virtual nature of the meeting he will request a roll call of the Directors. A roll call was done, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraitess, Jim Grossi, Michael Joly and Stephen Petterle.

President Grossi 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), Tony Williams (Assistant GM/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator) and Monica Juarez (Receptionist/Customer Service Assistant).

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Attendance from the public included Cindy Hall and Randall Lee. Additionally, Ken Levin from the Point Reyes Village Association joined remotely.

**MINUTES**

On motion of Director Joly seconded by Director Baker the Board approved minutes from the January 19, 2021 meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

## **GENERAL MANAGER'S REPORT**

### Gallagher Well No. 2

Mr. McIntyre announced he and Mr. Williams have a meeting scheduled on the afternoon of February 4<sup>th</sup> with the Regional Water Quality Control Board to discuss their comments related to the proposed Gallagher Well No 2 project. Mr. McIntyre reported Mr. Ramudo will have an agenda item in February to discuss options for a salinity mitigation program in 2021 for customers who have salt restricted diets. He stated there have been good discussions with the Point Reyes Village Association to provide input on the feasibility of various options. Mr. McIntyre also reported salinity levels continue to be low, noting we only post a notice in the Point Reyes Light if the sodium level is 50mg or higher. He stated salinity levels have been down for four consecutive weeks so we will not run any additional notices at this time.

### Huffman Potter Valley Project Ad Hoc Meeting

Mr. McIntyre apprised the Board that on January 29<sup>th</sup> he participated in Congressman Huffman's Potter Valley Ad Hoc Meeting. He stated it was a virtual meeting with about fifty-nine participants. Mr. McIntyre noted the primary focus was to provide a FERC update and also funding options for moving forward with studies that are estimated to cost eight to twelve million dollars over the next several years. He added FERC is late to respond and provide a study plan determination. Mr. McIntyre reported the good news was that a federal Omnibus Bill was passed that provides up to \$15 million annually for various fish improvement projects such as the local Eel-Russian River Two Basin Solution. He stated Congress will still need to appropriate the money, however it is still a good first step to potentially free up some money to help pay for these pending studies. Additionally, Mr. McIntyre stated there is also potential Prop 64 State Bond funding and PG&E funds, but noted that PG&E funding talks are moving very slowly.

### WAC/TAC Meeting

Mr. McIntyre announced that he, Director Baker and Mr. Williams attended a WAC/TAC meeting on February 1<sup>st</sup>. He noted that the WAC voted to approve Mike Healy to fill the Vice Chair vacancy created when Dave King was not reappointed by the City of Petaluma. He added Mr. Healy has knowledge on these issues and also has served as the WAC Chair in the past.

### Flood Control Zone 1 Advisory Board Meeting

Mr. McIntyre reported he and Director Grossi will attend a FCZ1 Advisory Board meeting on February 4<sup>th</sup>.

Director Joly asked about SCWA and what was happening with Lake Mendocino. He was interested if they got the approval for reducing the release of water. Mr. McIntyre replied that further discussion on this topic will be during the Dry Year Conditions agenda item.

### **OPEN TIME**

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

### **STAFF/DIRECTORS REPORTS**

President Grossi asked if any Directors or staff wished to bring up an item not on the agenda and the following was discussed.

Ms. Blue announced she has attended two budget subcommittee meetings with SCWA. She noted the FY2021-22 SCWA budget increase for NMWD was originally set as a 6.29% increase and several other agencies were also over 6%. Ms. Blue stated many agencies said that this was too high, especially considering the health pandemic conditions this year. She noted a second version of the budget placed NMWD with a 4.54% rate increase. The reduction was made by reducing the level of spending for capital projects in which they were able to reduce all the agencies rates down. Ms. Blue reported Lynne Rosselli from SCWA will be attending the NMWD Board virtual meeting to review the budget at the second meeting in March.

Director Joly clarified that the rate NMWD is looking at is 4.5% rather than the 6.3% increase. Ms. Blue confirmed, stating SCWA reduced the rate to 4.54% and added Ms. Rosselli will discuss this more at the March meeting.

### **QUARTERLY FINANCIAL STATEMENT**

Ms. Blue presented the Quarterly Financial Statement and noted Operating revenue came in at 7% over budget and Operating Expenses came in 8% over budget.

Ms. Blue presented the Quarterly Financial Statement ending December 31, 2020. She noted we are already half way through the fiscal year and this statement covers July 1<sup>st</sup> through December 31, 2020. Ms. Blue reported that on a seasonally adjusted basis the Operating Revenue came in at 7% over budget and Operating Expense came in 8% over budget. She added through December the net income was \$1.2M and \$1.6M has been spent towards capital projects. In Novato, Ms. Blue reported \$978,000 in net income and connection fees collected were \$1.7M, which is a good yet variable revenue stream. Ms. Blue stated that the Recycled Water Operating Revenue saw \$57,000 in net income and expenses were up due to dry winter conditions a result of providing more water than was expected. She added in West Marin the net

income was \$110,000 and capital improvement projects were at 76% or \$1.1M, noting projects were moving along as expected. Ms. Blue reported in Oceana Marin the net income through December was \$34,000 and there were no connection fees collected in West Marin or Oceana Marin.

**CONSENT ITEMS**

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

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

NOES: None

ABSTAIN: None

ABSENT: None

**GATEWAY COMMONS FIRE SERVICE, 44,46,48,50 AND 49L INYO CIRCLE, APN 152-241-61, 62, 63 AND 64**

The Gateway Commons Fire Service project is located at 44,46,48,50 and 49L Inyo Circle in Novato and includes a new common fire service to serve the multiplex unit due to recent building renovation after a fire.

**ESA CONSULTING SERVICES AGREEMENT AMENDMENT NO. 3 – POST CONSTRUCTION MONITORING SERVICES FOR GALLAGHER RANCH (LAGUNITAS CREEK) STREAMBANK STABILIZATION PROJECT**

The contract modification of \$19,748 is for post-construction monitoring and reporting in conformance with the permit conditions. Several other post-construction permit requirements will be completed by other project partners at no cost to the District. The streambank failure caused by the winter storm events in 2017 and 2019 threatened public services, including NMWD's water supply wells and pipelines. This project will prevent future bank failure along Lagunitas Creek near Point Reyes Station.

**BID ADVERTISEMENT BUDGETED FY21 COAT TOP OF CONCRETE CLEARWELLS PROJECT**

The scope of work for the FY21 Stafford Treatment Plant Coat Top of Concrete Clearwells Project includes preparing surfaces; protecting existing equipment and piping not to be coated; furnishing and applying elastomeric polyurethane with sand injection as a protective costing system to the concrete surfaces above the Anti-Floc Clearwell and Finished Clearwell. The total project cost estimate is \$123,000.

**ACTION ITEMS**

**AMENDMENT NO. 1 OF WATER SERVICE AGREEMENT RESIDENCE INN BY MARRIOTT –  
APN 143-011-06**

Mr. Williams reported this amendment will effectively add six months to the current financial milestone deadline of February 4, 2021 and change the deadline to start construction as set forth in section nine of the agreement from twelve months to eighteen months from the date of the agreement. He added this week he received another request for a similar project where the applicant is having COVID financial issues. Mr. Williams noted COVID has impacted the hotel industry and it has also increased the time it takes to get approvals and permits from other agencies. He added, there was a similar request for a housing project in October.

Mr. Williams apprised the Board that staff has not recommended a year extension, but does recommend six months. He stated beyond the six months it would be advisable for the applicant to cancel the agreement and reapply at a later date. Mr. Williams noted with a six-month extension there will likely be no cost impacts. Director Joly asked if we were on the hook for any receivables and if the District is at risk. Mr. Williams responded no, that all conditions of the agreement must be met.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved authorization of Amendment No. 1 to the Residence Inn by Marriott Water Service Agreement by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**RENAMING INDIAN VALLEY GOLF COURSE ACCESS DRIVEWAY TO JEFF McANDREW  
LANE**

Mr. McIntyre reminded the Board at the January 19<sup>th</sup> meeting he stated Glen Dunn, Indian Valley Golf Course Restaurant Manager, requested to name the golf course access driveway beyond the Stafford Plant to “Jeff McAndrew Lane” in honor of Jeff McAndrew who passed away in early January 2021. Mr. McIntyre noted Mr. McAndrew was an institution at IVGC and he worked closely with NMWD staff over many decades on issues related to golf course operations and good stewardship on the Stafford Lake watershed.

Director Joly commented that he thought it was great Mr. McAndrew was being memorialized in this way. Director Petterle stated he was lucky enough to know Jeff McAndrew. He stated for those who did not know him, he was quite a character. He added Mr. McAndrew always had something to say, always had an opinion and he was well liked and loved by many.

Director Petterle stated his friend will always remain in his memory for the rest of his life. Director Joly noted that he thought it was very fitting that Director Petterle moved the motion for approval. He shared that his son Nick golfed at IVGC since he was eight years old and had many touching stories about Mr. McAndrew, stating it was an honor to know him and he was a great role model in the community.

On the motion of Director Petterle, and seconded by Director Joly the Board approved naming the Indian Valley Golf Course access driveway “Jeff McAndrew Lane” in honor of Jeff McAndrew by the following vote.

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

NOES: None

ABSTAIN: None

ABSENT: None

#### **PROPOSED FY21/22 BUDGET REVIEW SCHEDULE**

Ms. Blue presented the proposed FY 2021-22 Budget Review Schedule which outlines the activities over the course of the budget approval cycle. She stated that the schedule is very similar to last year, with the review of the Capital Project and Equipment Budget Schedules in early May; and review of the Operations, Maintenance and Capital Budgets in late May. Ms. Blue stated on June 2<sup>nd</sup> we will continue to review the budgets and on June 16<sup>th</sup> we will go to Board for approval of the Novato and Recycled Water Budgets. Additionally, on June 23<sup>rd</sup> the West Marin Water Budget and the Oceana Marin Sewer Budget will be presented.

On the motion of Director Joly, and seconded by Director Baker the Board approved the proposed FY2021-22 Budget Review Schedule the following vote.

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

NOES: None

ABSTAIN: None

ABSENT: None

#### **PROPOSED FY 20/21 RATE HEARING SCHEDULE**

Ms. Blue presented the proposed FY 2021-22 Rate Hearing Schedule and noted that it lines up with the budget schedule and allows the Board to review the financial plan before the proposed rate increases are approved. She noted that it is similar to what we have seen in the past except for one major change which happened in FY 2020-21. Ms. Blue stated we moved the proposed rate increase for Novato from June 1<sup>st</sup> to July 1<sup>st</sup>. This lines up the rate increase with the Novato budget and also with the Oceana Marin and West Marin rate increase effective

dates. Ms. Blue stated this was one of the changes that occurred as a result of the Novato Water Rate Study.

Director Grossi asked if there is a workshop scheduled for West Marin this month. Ms. Blue confirmed and replied the West Marin Rate Study Workshop will be a Special Meeting held on February 23<sup>rd</sup>. She added members of the public who are interested can also attend. Director Baker asked if this would be a virtual meeting and Ms. Blue confirmed. She added staff is sending out notification to all the West Marin customers to encourage participation. Director Joly asked if the special meeting was just to review the findings of the study. Ms. Blue confirmed it would be a presentation and open for discussion.

On the motion of Director Joly, and seconded by Director Fraites the Board approved the proposed FY2021-22 Rate Hearing Schedule 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 reminded the Board that staff has been operating under partial Emergency Operations Center (EOC) activation. On December 3, 2020 Governor Newsom announced that all sectors other than retail and essential operations will be closed in regions of California where less than 15% of intensive care unit (ICU) beds are available under a new Regional Stay Home Order. On January 25, 2021, CDPH lifted the Regional Stay-Home Order for the Bay Area and statewide. He stated all eleven counties in the Bay Area, including Marin, thereby moved into the purple or Tier 1 stage within the state's "Blueprint for a Safer Economy". Mr. McIntyre noted currently 7% of Marin residents are vaccinated and there are very limited weekly supplies. He stated health officials reported the vaccine will play a limited role in preventing any surges in the near term.

Mr. McIntyre announced maximum workplace spacing continues and walk in services remain suspended. He stated as typical with each memo a summary of any emergency actions taken and resulting cost impacts are provided. Mr. McIntyre reminded the Board that the reported costs are updated once a month and the next update is scheduled for the February 16<sup>th</sup> meeting.

Director Joly asked if any of the staff could be given emergency approval for early vaccine. Mr. McIntyre replied unless the county deviates from the state approved protocols that will not happen and estimated it could be two to three months before staff are eligible for the vaccine. Director Grossi commended staff for keeping COVID impact costs down, noting it is not as high

as some districts and staff has done a great job.

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.

On the motion of Director Joly, 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

### **INFORMATION ITEMS**

#### **PREPARING FOR DRY YEAR CONDITIONS**

Mr. McIntyre reported rainfall in the Lagunitas Creek watershed measured by Marin Municipal Water District (MMWD) totals 13.5-inches through January 27<sup>th</sup>, almost 15-inches below what is necessary for normal year classification (i.e., 28-inches or more by April 1<sup>st</sup>). He stated in West Marin, we continue to operate under the dry year condition which went into effect April 1, 2020 and resulted in the passing of Emergency Water Conservation Ordinance No. 39. Mr. McIntyre apprised the Board that this could be the third year that NMWD may have to operate with flows in Lagunitas Creek at less than 8 cfs during the summer. He noted if dry year conditions are still in effect on April 1<sup>st</sup>, NMWD will request a 15% voluntary reduction compared to the baseline normal year in 2013, from April 1<sup>st</sup> through June 30<sup>th</sup> and a 25% mandatory reduction from July 1<sup>st</sup> through November 1<sup>st</sup>. Mr. McIntyre clarified that the mandatory 25% reduction would be for the West Marin service area as a whole and does not impact individual residential customers.

Mr. McIntyre reminded the Board that NMWD's intertie agreement with MMWD enables us to request up to 250-acre feet of water to be released from storage to Lagunitas Creek for diversion by NMWD. He added the intertie agreement also requires that if MMWD has requested voluntary or mandatory water use reductions of its customers, NMWD would require its West Marin customers to reduce water use by a similar percentage. Mr. McIntyre noted it is not known at this time what MMWD's conservation requirements will be for their customers.

Mr. McIntyre reported Lake Mendocino holds just over 26,700 AF (40% of target water supply pool) and Lake Sonoma holds 156,000 AF (64% of water supply pool). He added locally the conditions are similar to 2014, however for SCWA these conditions are similar to 2009 which may lead to a reduction of deliveries of 25%.



Mr. McIntyre reported recent discussion with MMWD indicated they will most likely not request backfeeding in Stafford Lake this year. He noted the watershed soil has become more saturated with the recent rains, so it is hoped that Stafford Lake will continue to fill over the next couple of months. Mr. McIntyre added we won't know how overall 2021 water year conditions will end up until April 1<sup>st</sup>. He stated NMWD staff have been reviewing the Novato area water shortage contingency plan and emergency water conservation ordinance in addition to investigating alternative staff assignment for treatment plant operators as it is likely Stafford Treatment Plant production will be greatly reduced this summer. Mr. McIntyre apprised the Board that staff will also be looking at the benefits of NMWD backfeeding Stafford Lake at our cost once SCWA received the terms of the Temporary Urgency Change Order .

Mr. McIntyre concluded that SCWA and the water contractors have a collective commitment to continue to use water efficiently and eliminate any unnecessary use of potable water. He added a regional Sonoma Marin Saving Water Partnership winter outreach campaign has been launched and will be discussed in more detail by Mr. Grisso as part of another agenda item.

Director Joly asked about the TUCO and when SCWA will receive that order? He stated the reduction to 25 cfs is significant to address the declining reservoir level in Lake Mendocino. Mr. McIntyre replied SCWA expects to receive the order within the week. Director Joly expressed his concern to protect Lake Mendocino which is a vital resource, noting it was at 55% capacity in January and has now dropped down to 40%. He questioned why the decision from the State Water Board is taking so long. Mr. McIntyre stated he believed the delay had to do with COVID inefficiencies associated with remote working conditions compounded with new staff at the State Water Board.

Director Grossi stated it has always been a challenge to work with the state and regulatory agencies, noting COVID is only making everything harder. He added dry year conditions have occurred two years in a row and this is the first time he has seen no water running from the canyons near his property into the ranch lake. Director Grossi asked about how this will impact connection fees. He noted with hotels, housing and the push for the Fireman's Fund project, these projects will all take a considerable water entitlement. Director Grossi stated in the next couple of months he would like to see a long-term plan to get an idea of what we will need to supply all these new connections. Mr. McIntyre responded staff is already looking at future water use projections based on City of Novato development and that staff will bring back this analysis to the Board as part of the draft 2020 Urban Water Management Plan within the next couple of months. Mr. McIntyre reminded the Board that our UWMP is updated every five years and it is a

document that is updated regularly to look at current and projected water demands.

Director Joly commended Director Grossi for his comment. He stated he was reading in this year's congressional budget about economic ability to come back after the vaccinations. Director Joly added the report was optimistic and it is believed the economy will spring back faster than originally thought.

Director Grossi commented he was also impressed with the Congressional Budget Office reports. Director Fraites commented on potential state mandated new housing units in Novato adding that we need to know how it will affect our water supply.

### **WINTER OUTREACH CAMPAIGN 2021**

Mr. Grisso stated due to the unusually low rainfall this winter Sonoma Water has requested a Temporary Urgency Change Petition (TUCP) with the State Water Resources Control Board, to retain as much supply as possible in storage should dry conditions continue. Mr. Grisso noted a campaign has been developed to be deployed on social media and the Partnership member websites to promote water conservation tips for this dry winter. He added NMWD used their own branding template to keep with the social media theme and also with the news story on the website. Mr. Grisso commended Kiosk for help with the design and branding.

### **TAC MEETING – JANUARY 4, 2021**

Mr. McIntyre reported there was nothing new to report that was not already reflected in the minutes for the TAC meeting on January 4, 2021 unless the Board had any questions. The Board did not have any questions.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated January 21, 2021, Disbursements – Dated January 28, 2021, Point Reyes Light – Salinity Notice – January 14, 2021, Point Reyes Light – Salinity Notice – January 21, 2021, Information - FY21 2<sup>ND</sup> Quarter Labor Cost Report, Increase in Directors' Compensation, County of Marin Paving Moratorium, City of Novato Paving Moratorium, Water Boards – Media Release – Survey results show COVID-19 financial impact on water systems, customers and NOAA Three-Month Outlook Temperature and Precipitation Probability.

The Board received the following news articles; Marin IJ –Editorial - McGuire is on track with housing bill; The Press Democrat – Sonoma County flirts with drought as reservoirs recede in water-poor winter; Marin IJ – THE COUNTY -Pension system outlook lowered; Point Reyes Light – Inverness scopes tax for fire, drought preparedness and Marin IJ – Fireman's Fund site sold; housing, businesses likely.

Director Joly asked Ms. Blue about a bill adjustment that was noted in disbursements for

over \$11,000. Ms. Blue replied that there was a large leak in the West Marin service area that resulted in a large adjustment. Director Joly asked if this issue was discussed at the Board level. Ms. Blue confirmed, this was the first time the Board was made aware of the adjustment. Mr. Grisso confirmed the leak did occur in West Marin and noted the consumer had a flume device installed. He added since the adjustment fell under the normal bill adjustment policy and the consumer did not request an additional adjustment it was not brought to the Board for discussion.

Director Grossi thanked Ken Levin from the Point Reyes Village Association for attending the meeting.

President Grossi adjourned the meeting at 7:05 p.m.

Submitted by

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

Theresa Kehoe  
District Secretary