

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 6, 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 6:03 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 Fraites, 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), and Monica Juarez (Receptionist/Customer Service Assistant).

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Ken Levin from the Point Reyes Village Association joined remotely at 6:59 p.m.

MINUTES

On motion of Director Baker seconded by Director Joly the Board approved minutes from the March 16, 2021 Regular Board Meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Dry Year Conditions

Mr. McIntyre reported as of Monday, April 5th, Lake Sonoma was at 63% capacity, Lake Mendocino was at 44% capacity and Stafford Lake was at 47% capacity. He added Stafford Lake was up from 29% capacity in Mid-February due to backfeeding with surplus water from Sonoma County Water Agency (SCWA). Mr. McIntyre stated Lake Mendocino is in critical dry conditions and is projected to be at the lowest level ever recorded this fall. Mr. McIntyre apprised the Board that Lake Sonoma still has two years of storage; however, the current storage level is also very low, but at 154,000 AF it is not near the 100,000 AF threshold that would require mandatory 30% reductions in deliveries. Mr. McIntyre stated SCWA is considering for the first time, filing at Temporary Urgency Change Petition (TCUP) to reduce releases from Lake Sonoma in early May with an effective date of July 1. He added it is expected that a water allocation will be developed setting maximum deliveries for each contractor for four months (July through October).

Mr. McIntyre summarized, we are in our second dry year and the drought conditions will result in a recommendation by staff to amend our Novato Emergency Water Conservation Ordinance which was approved at the March 16th, 2021 Board Meeting. He reminded the Board that water shortage declarations have occurred five times over the last fifteen years. Mr. McIntyre stated currently we are looking at 20% voluntary conservation from May 1st through the end of June, followed by a 20% mandatory conservation rate from July 1st through the end of October. He noted, the percentages could change based upon updated discussions with the Agency.

Director Joly asked if Lake Sonoma drops below 100,000 AF would that be the trigger for the 30% mandatory reductions in deliveries. Mr. McIntyre replied yes. Director Joly noted storage is at 44% capacity at Mendocino Lake and asked if anything eventful happens with the dam if the level drops below a certain level. Mr. McIntyre replied that SCWA has been in discussion with the Army Corps of Engineers regarding this issue.

Marin County Board of Supervisors Drought Presentation – May 18th

Mr. McIntyre apprised the Board that he and the General Manager of Marin Municipal Water District have been asked to update the Marin County Board of Supervisors on current drought conditions as part of their regularly scheduled meeting on May 18th. Mr. McIntyre reminded the Board this request is similar to what was done during the 2014 drought.

Gallagher Well No. 2

Mr. McIntyre informed the Board that the Local Coast Permit (LCP) hearing for Gallagher Well No. 2 was held on March 25th and the Deputy Zoning Administrator approved the project. He noted, however, the County notified the District on April 2nd that an appeal had been filed. Mr. McIntyre reported this appeal will delay NMWD from taking any action on constructing the new Gallagher Well No. 2. He stated under normal conditions, the next step in the appeal process will be to have the County Planning Commission consider the appeal. Mr. McIntyre stated a Planning Commission appeal hearing date should be about six to eight weeks out.

Director Fraites asked what was the main reason for the appeal. Mr. McIntyre responded it raised various issues and he will have more to report at a future meeting. Director Joly asked how the appeal will impact our West Marin customers. Mr. McIntyre replied it will increase the likelihood of experiencing a second year of higher salinity levels in West Marin this year. Director Grossi asked if there were any emergency ordinances that we could use to take legal action rather than waiting. Mr. McIntyre replied none that he is aware of, but will again pose the question to District Legal Counsel. Director Joly asked if the salinity affects the health and safety of our West Marin customers. Mr. Clark commented that the District wants to provide the best water for our customers, however high salinity levels are secondary, aesthetic standards.

Kastania Pump Station Acquisition by Marin Municipal Water District (MMWD)

Mr. McIntyre reported he will continue to update the Board on continued discussions with MMWD in regards to their potential purchase of Kastania Pump Station from SCWA.

Director Petterle stated NMWD did a CEQA analysis to enlarge the pipeline to reduce energy consumption, however this also increases capacity due to the larger pipeline. Mr. McIntyre replied that our project did not increase delivery capacity since we rely solely on gravity flow rather than on pump station operation. Director Joly asked if it will have an effect on our water supply we receive through the aqueduct. Mr. McIntyre replied that staff will be watching this closely to ensure there is no negative impact on our operation. Director Grossi asked if MMWD is pumping out of Soulajule Reservoir. Mr. McIntyre replied that he believes they will start towards the end of the month.

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 there was no response.

CONSENT ITEMS

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

SPRINGBROOK GREEN HOMES, 1602 VALLEJO AVENUE, APN: 141-221-74 AND -74

Springbrook Green Homes is located at 1602 Vallejo Avenue, Novato (APN: 141-221-74 and -75). The property was sold along with the drawings, and the new owner has stated he would like to proceed with the current design. As allowed by Section 11 of the Agreement that was approved on April 21, 2020. The assignment to the new owner, Springbrook LLC, from the previous owner, Stonehenge Properties, LLC, was warranted and recommended by staff.

SCWA FEDERAL FY22 BUDGET SUPPORT LETTER

Sonoma County Water Agency is requesting all retail water contractors to send a letter to Senators and House Members in support of several SCWA federal FY22 budget requests. The Board approved the SCWA Federal FY Budget Support Letter that will be submitted by NMWD.

RECORDS RETENTION PROGRAM – DESTRUCTION OF RECORDS

The Board approved the Destruction of Certain Records in the manner consistent with District Policy.

ACTION ITEMS

ACCEPT 2021 NOVATO POTABLE WATER AND RECYCLED WATER FINANCIAL PLAN UPDATE AND DIRECT STAFF TO PREPARE A PROPOSITION 218 NOTICE OF PUBLIC HEARING ON PROPOSED RATE INCREASE

Ms. Blue updated the Board on the fiscal year (FY) 2021/22 financial forecast and summarized the Novato Water System's financial plan for the next five years, through fiscal year 2025/26. She noted one of the primary goals of the financial plan is to maintain sufficient reserves. Ms. Blue discussed the water rate increase, the water sales volume, the Russian River water cost, the operations and maintenance expenses, capital improvement projects, connection fee revenue, Stafford Treatment Plant production, debt service, recycled water, and the budget and rate increase schedule.

Director Joly noted we are currently backfeeding 1,000 AF into Stafford Lake and asked how likely it was to produce 1,500 AF as modeled. Mr. McIntyre replied this is for the entire fiscal year including spring and early summer of 2022. Director Joly stated if we only produced 800 AF, that would be a \$2M reduction in cash reserves, which would be a serious change. Ms. Blue

replied it is different, because there are a lot of variables. Director Joly stated he wanted to understand the sensitivity. Ms. Blue replied she can take a closer look at it. Director Joly commended Ms. Blue, stating her sensitivity points were fantastic. Director Joly stated in reference to the building renovation, interest rates are going up and currently it is around 3.5%. He added this is a good rate and asked when Ms. Blue will be going out to shop interest rates. Ms. Blue replied it will be towards the end of the fiscal year when the budget is finalized. Director Joly asked about the \$100,000 earmarked for maintenance of the recycled water system. He asked if this was enough to keep that system in the best condition. Mr. McIntyre reminded the Board that this is a fairly new system and the \$100,000 identified is mainly used to expand the system rather than for maintenance.

On the motion of Director Petterle, and seconded by Director Fraites the Board accepted the 2021 Novato Potable Water and Recycled Water Financial Plans and directed staff to draft a letter to Novato and Recycled Water customers for Board review noticing a public hearing on June 15th to consider a 6% rate increase by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ESA CONSULTING SERVICES AGREEMENT AMENDMENT 1 – ENVIRONMENTAL SUPPORT SERVICES FOR NEW GALLAGHER WELL NO. 2

Mr. McIntyre presented the Board with the ESA Consulting Services Agreement Amendment 1 for environmental support services for the new Gallagher Well No. 2. Mr. McIntyre stated this amendment will cover additional efforts expended by ESA, but added that future additional services such as additional well testing pre and post-project Lagunitas Creek monitoring will be covered under future amendments.

Director Grossi said more services may be needed depending on permitting issues. Mr. McIntyre agreed we will know more as the process continues.

On the motion of Director Joly , and seconded by Director Fraites the Board authorized the General Manager to amend the agreement with ESA for ongoing environmental support services related to the New Gallagher Well No. 2 Project for a not to exceed fee of \$45,000 plus a \$5,000 contingency by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

OLD RANCH ROAD TANK NO 2 PROJECT – APPROVE BID ADVERTISEMENT

Mr. Williams requested approval for bid advertisement for the Old Ranch Road Tank No. 2 Project. He reviewed the background of the project, the mitigation and design, the project elements and costs. Mr. Williams also advised the Board that the design is based around the use of a stainless-steel bolted tank, which is a good option to use as a material for long term life cycle costs. He noted some may be concerned the tank will not be green or dark brown. Mr. Williams added that the tank will not be a polished stainless rather a matte finish that over time will become dull gray. He added the District CEQA consultant Amy Skews Cox saw no concerns with the visual impacts, however staff has explored mitigation strategies should that be the case.

Director Petterle stated he is pretty vocal about esthetics; however, he feels this tank site is a good opportunity to try something like this. He noted if it were a different setting it may not work. A general discussion ensued.

On the motion of Director Baker, and seconded by Director Petterle the Board approved bid advertisement of the Old Ranch Road Tank No. 2 Project by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

KENNEDY/JENKS CONSULTANTS – GENERAL SERVICES AGREEMENT

Mr. Williams requested approval for a General Services Agreement with Kennedy/Jenks Consultants. He stated Kennedy/Jenks Consultants will provide hydraulic modeling on an as needed basis.

On the motion of Director Baker, and seconded by Director Petterle the Board authorized the General Manager to execute a General Services Agreement with Kennedy/Jenks Consultants to provide hydraulic modeling on an as needed basis in the amount of \$45,000 plus a contingency of \$2,000 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

AMEND CONTRACTS FOR ON-CALL CONSTRUCTION AND REPAIR SERVICES – GHILOTTI CONSTRUCTION AND TEAM GHILOTTI

Mr. Williams reported due to COVID there have been work restrictions and temporary

staffing limitations in the Construction Department. The District has relied more on Ghilotti Construction and Team Ghilotti to help cover standby shifts in case of pipe leaks or other after-hour emergencies. He added the contract may also be used for smaller CIP projects normally performed by the Construction Department. Mr. Williams apprised the Board that the District has a couple of CIP projects that will exceed the general rule threshold of \$100,000. He added that he checked with other water districts and they used the same approach as NMWD, however they have a \$200,00 to \$250,000 threshold.

On the motion of Director Fraites , and seconded by Director Baker the Board authorized the General Manger to amend the on-call agreements with Ghilotti Construction and Team Ghilotti in the amount of \$250,000 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ADDITIONAL STAFFORD LAKE BACKFEEDING

Mr. McIntyre reminded the Board that at the February 16, 2021 meeting, the Board authorized backfeeding of Russian River water into Stafford Lake immediately with an estimated 600 AF quantity over an eight-week period. He stated since the initial Board approval of backfeeding in mid-February, there has been no appreciable local rainfall. Mr. McIntyre stated similar dry year conditions continue in the Russian River watershed. He reported Operations staff have been able to optimize backfeeding into Stafford Lake such that ~650 AF have been backfed as of March 30th. Mr. McIntyre noted there is a high degree of likelihood that Russian River diversion will be reduced this summer to address declining storage levels, therefore staff recommended that backfeeding should continue through April with a new target of ~1,000 AF. Mr. McIntyre noted the additional backfeeding cost will still be covered under the projected water treatment fiscal year-end budget.

Director Grossi stated, by backfeeding the additional Russian River water into Stafford Lake it will help us store more water before they cut water delivery and a mandatory conservation is in place. Mr. McIntyre commended the Board for being proactive and prudent, adding we would be looking at Stafford Lake with less than 30% capacity if backfeeding was not approved. Mr. McIntyre stated the District will be in a better position now that Stafford Lake will be filled to at least 50% capacity.

Director Joly asked if we ever heard any more about the chlorination issue in the lake. Mr. Clark responded that staff submitted the reports to the Regional Water Board and answered their

questions, but the District has not heard anything back.

On the motion of Director Petterle , and seconded by Director Fraites the Board authorized additional backfeeding of Russian River water into Stafford Lake 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 March 24, 2021, Marin moved from the Red status (Tier2) to Orange status (Tier 3). He stated this move relaxed indoor operation restrictions for a number of sectors. Mr. McIntyre reported non-essential offices may now reopen again. He added if the COVID infection numbers continue to fall, Marin could move to the next less restrictive Yellow status (Tier 4) as soon as April 14th.

Mr. McIntyre announced the District emergency planning has been aggressively implemented since March 16, 2020. The District still operates with 86% of staff on-site or in the field full time. He added the balance of staff are teleworking from home with most coming into the office at least one day each week. Mr. McIntyre stated walk in services remain suspended. He noted the financial COVID-19 cost impacts through March will be provided at the next meeting.

Director Joly asked about the vaccine participation level with staff. Mr. McIntyre replied the numbers are increasing and that is good news. Director Joly announced he heard today that Governor Newsome's going is to open everything up by June 15th.

On the motion of Director Joly, 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, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

NMWD HEADQUARTERS UPGRADE DESIGN SERVICES UPDATE

Mr. Williams gave an update on the NMWD headquarters upgrade Master Plan design by Noll & Tam Architects. He provided a design services schedule and indicated that Noll & Tam will prepare a summary report at the conclusion of the Schematic Design phase for the Board's

review which it tentatively scheduled for the April 20th Board of Directors Meeting. Mr. Williams reported the Schematic Design will firm up a floor plan and layout for the buildings. He also noted he has been impressed with the Noll and Tam team and interactions have been good.

Director Petterle noted this was exciting news. Director Grossi acknowledged his experience has been that Noll and Tam Architects are always on top of things.

PRE TANK 4A REPLACEMENT – PROJECT UPDATE

Mr. Williams gave an update on the PRE Tank 4A replacement project. He reported on the construction status and project cost variances. He added towards the end of the project the District will add landscape at the site and clean up the road.

WAC/TAC MEETING – FEBRUARY 1, 2021

Mr. McIntyre summarized the WAC/TAC meeting that was held on February 1st. The meeting covered topics including water supply conditions and an update on the Temporary Urgency Change Order.

NBWA MEETING – APRIL 2, 2021

Director Fraites updated the Board on the NBWA Meeting held on April 2nd. Director Fraites reported on various topics on the agenda including the guest presentation on One Water North Bay Communities.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – March 18, 2021, Disbursements – March 25, 2021, Disbursements – April 1, 2021, Update - Polybutylene Pipe Population, AB 992 – Summary of Public Officials Social Media Use Restrictions, Marshall De-Annexation Request - Mr. Johnston, Marin Lafco – Shared Services Workshop, Marin IJ – Legal Notice – NORTH MARIN WATER DISTRICT Declaration of a Water Shortage Emergency Novato Service Area (Ordinance 41), Point Reyes Light – Legal Notice – NORTH MARIN WATER DISTRICT Amendment of Emergency Water Conservation Ordinance No. 39 – West Marin Service Area and Annual Aquatic Invasive Species (AIS) Report for Stafford Lake, 2020.

The Board received the following news articles: Marin IJ – Water district prepares for Novato drought measures – EMERGENCY PLAN; Marin IJ – Funding Projects – NMWD considers water rate hikes for West Marin; Marin; IJ – Las Gallinas sewage agency completes recycling system – SAN RAFAEL and Marin IJ – Drought actions mulled – Water suppliers consider mandatory restrictions.

Mr. McIntyre noted the letter from Robert Johnston in regards to de-annexing the Marshall area. He reminded the Board that this was something the District had interest in doing in the past. He added that he anticipates revisiting this issue in about two years when LAFCo performs

another NMWD service review.

President Grossi adjourned the meeting at 7:30 p.m.

Submitted by

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

Theresa Kehoe
District Secretary