

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS**

April 20, 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 6:02 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), Ryan Grisso (Water Conservation Coordinator) and Monica Hernandez-Juarez (Receptionist/Customer Service Assistant).

Mr. McIntyre announced also participating remotely were Morgan Biggerstaff from BPMNJ, District legal counsel and consultant David Umezaki from EKI Environment & Water, Inc.

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Ken Levin and Peggy Day from the Point Reyes Village Association and Will Houston from the Marin IJ were in attendance. Additionally, Jacob C. and an unidentified person also joined remotely.

MINUTES

On motion of Director Baker seconded by Director Petterle the Board approved minutes from the April 6, 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 apprised the Board that in addition to the items on agenda related to dry year conditions, he wanted to report that at the May 3rd Water Advisory Committee (WAC) Meeting he expects to have a resolution for the WAC members to approve calling for an increase in water use efficiency to preserve supplies in Lake Mendocino and in Lake Sonoma. This resolution will also urge customers to reduce water use by 20%.

Technical Advisory Committee (TAC)

Mr. McIntyre informed the Board that the TAC committee continues to work on an allocation allotment that reduces overall Sonoma County Water Agency (SCWA) deliveries to match a 20% reduction in Russian River diversions to preserve storage in Lake Sonoma. He noted this reduction will be included in the Temporary Urgency Change Petition (TUCP), that is expected to be filed with the state by mid-May.

FY 22 SCWA Water Transmission System (WTS) Budget

Mr. McIntyre reported he attended a SCWA Board meeting on April 20th in which the Board approved the FY 22 WTS Budget. He stated he had the opportunity to speak in support of the budget and the collaborative negotiation process.

Potter Valley Project (PVP)

Mr. McIntyre announced on Monday, April 19th he participated in another virtual Congressman Huffman Potter Valley Project Ad Hoc meeting. He stated the primary focus of the meeting was to report out on the Federal Energy Regulatory Commission (FERC)'s study plan determination. Mr. McIntyre noted FERC's overall response was beneficial to the Partners. He added, more information is expected over the next two to four months as the focus now is on obtaining at least \$2M to get started on some of the critical studies.

Director Joly noted that Governor Newsom has not issued any statement about the drought. Director Joly asked if the state or regulatory authorities have addressed this critical area, and if there has been any progress with congress or at the state level with any supply solutions or suggestions. Mr. McIntyre replied that so far, the state has recognized the dry conditions, however there have been no statewide mandates implemented. He added, this could change. Mr. McIntyre reported the federal government has declared some counties in drought conditions which will free up federal funds for agriculture. Director Joly stated it is a supply matter, with the levels of the lakes it is frightening to see the numbers. He added if we have a third consecutive dry year we will be in peril. Mr. McIntyre stated there have been discussions with the water contractors to look at options to increase supply. He noted that elements of the Regional Water Resiliency Supply Study work are being accelerated to identify feasible options this fall. Director Joly replied this strategy makes sense, and stated he appreciates the push to accelerate the study.

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 were discussed.

Mr. Williams informed the Board that the architects need more time to prepare the schematic design for the District Headquarters Project. He added he will come back to the Board at the first meeting in May with a preliminary design and cost estimate.

Mr. Williams announced a new senior engineer has been hired and will start on May 3rd. He stated the new employee is a local engineer from Novato who came to us from East Bay Municipal Water District. Mr. Williams expressed that he is excited to have this new addition to the department.

Ms. Blue apprised the Board that she and Mr. Williams met with County of Marin staff to discuss using federal emergency rental assistance funds to pay for past due water bills. Ms. Blue noted she will continue to meet with the county and will have more to report later.

MONTHLY PROGRESS REPORT W/CUSTOMER SERVICE QUESTIONNAIRE

The Monthly Progress Report for March was reviewed. Mr. McIntyre reported that water production in Novato was down 19% from one year ago and up 1% fiscal year to date. In West Marin, water production was down 1% from one year ago and down 3% fiscal year to date. Recycled Water production was down 10% from one year ago and up 4% fiscal year to date. The

Board was apprised that Stafford Lake was at 44% capacity, Lake Sonoma was at 63% and Lake Mendocino was at 45% capacity. In Oceana Marin effluent volume was 0.551 MG for March compared to 0.380 MG one year ago; a little higher than last year most likely due to greater visitation due to COVID. Mr. McIntyre added there was good irrigation discharge and overall freeboard levels looked good. Under Safety and Liability, we had 134 days without a lost time injury. Under Utility Performance, Mr. McIntyre reported six copper laterals were replaced on Ganey Court. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 35% from March one year ago. Mr. McIntyre commended staff for doing a great job interacting with the public.

Director Petterle agreed that it feels good to read all the positive comments, and also wanted to congratulate the team for putting their best effort forward. Director Joly concurred, stating the District is blessed to have a courteous, professional and productive staff.

Director Joly noted Stafford Lake is at 51% capacity, and asked when staff will stop the backfeeding into the lake. Mr. McIntyre replied the District will stop backfeeding on April 30th and by that time a little over 1,000 AF will have been backfed into Stafford Lake. Director Joly asked when we will start up the treatment plant again. Mr. McIntyre replied during the period of July through October to make sure we have enough water when SCWA reduces delivery allotments.

Ms. Blue reported on the March 2021 Investments, where the District's portfolio holds \$27M earning a 0.54% average rate of return. She noted that during March the cash balance increased by \$2,355,972. She also noted the Local Agency Investment Fund (LAIF) interest rate was 0.36%.

ACTION ITEMS

ADOPT RESOLUTION TO AMEND EMERGENCY WATER CONSERVATION ORDINANCE 41 IN THE NOVATO SERVICE AREA

Mr. Grisso apprised the Board since the adoption of Ordinance 41, SCWA has indicated that NMWD will likely see a 20% reduction in Russian River deliveries compared to deliveries in 2020. Mr. Grisso explained to adequately respond to the continued water shortage emergency conditions staff recommended amending Section 4 of Ordinance 41 to suspend new connections to the system as of July 1, 2021 and amend Section 6 of Ordinance 41 to include a "Stage 1" 20% voluntary reduction in water use from May 1st to June 30th, a "Stage 2" mandatory 20% reduction in water use from July 1st to November 1st and adding specific types of non-essential water use restrictions in Stage 2. Mr. Grisso reminded the Board that in Stage 2 the drought surcharge would go into effect July 1 through November 1, 2021. He added there is a three day a week limitation on watering landscape unless using drip irrigation or hand watering with a hose. He

noted recycled water is not affected by the 20% reduction. Mr. Grisso added there will be limitations on completely filling drained pools, restrictions on washing cars, and staff will provide a proactive approach to help customers achieve these goals. Mr. Grisso informed the Board that there will be communication about the prohibitions in the Spring Waterline Newsletter, on the website and through social media. Additionally, there will be lawn signs for well water and recycled water customers so people understand they are not using potable water. Mr. Grisso stated there will be a form on the website so customers can submit water waste reports and also use the AMI system to manage and conserve levels of compliance.

Director Joly asked if the suspension of new connections starts on July 1st and Mr. Grisso confirmed. Director Joly asked when was the last time we enacted a drought surcharge. Mr. Grisso replied in 2014. Director Joly noted Stage 2 will trigger the drought surcharge automatically and asked what the charge will be. Mr. Grisso responded \$1.00 per 1,000 gallons. Director Grossi asked if the new connections affect those people already under contract or if it only affects customers who have not submitted an application. Mr. Grisso replied that it does not affect developer agreements approved by the Board before July 1, 2021.

Jacob C. a resident of Novato, referred to the amendment to the Ordinance in reference to filling pools and asked if he will be prohibited from filling his pool. He stated he recently invested money in a new pool, and now he is wondering if that investment is lost. Mr. McIntyre thanked Mr. C. for the question and clarified that the pool prohibition relates to completely filling a drained pool, not topping off the pool due to evaporation. Mr. C. responded with appreciation

On the motion of Director Baker, and seconded by Director Petterle the Board approved adoption of Resolution 21-07 amending Emergency Water Conservation Ordinance No. 41 for the Novato Service Area by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ADOPT ENHANCED WATER CONSERVATION PROGRAM INCENTIVES FOR DROUGHT YEAR

Mr. Grisso reminded the Board of the approved adoption of revised resolutions 06-01 and 06-02 to enhance the water conservation program incentives during drought years. He stated the updated Resolutions 06-01 and 06-02 includes current incentives and recommended enhanced incentive options which include a 25-100% increase in either rebate amounts or the maximum rebate level, with the exception of the Weather-Based Irrigation Controller which is recommended

to remain at the current level.

Director Joly thanked Mr. Grisso for his good work. He asked if staff would articulate this information on our website so our customers understand what is available. He added, our consumers may not know about our controller rebate and we could help them become more interested and help to enhance conservation. Mr. Grisso replied there will be language in the Spring Waterline Newsletter that will address the increase in rebates in addition to a push on social media and on the NMWD website. Director Petterle stated he believes MMWD has a \$2.00 per square foot lawn rebate, but it must be replaced with low irrigation landscape. Mr. Grisso confirmed, noting our rebate has the same requirement.

On the motion of Director Petterle, and seconded by Director Baker the Board adopted the revised Resolutions 06-01 and 06-02 to increase water conservation program incentives by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

SET PUBLIC HEARING TO CONSIDER APPROVAL OF THE 2020 URBAN WATER MANAGEMENT PLAN AND WATER SHORTAGE CONTINGENCY PLAN FOR NOVATO

Mr. Grisso requested the Board approve setting a public hearing to consider approval of the 2020 Urban Water Management Plan and Water Shortage Contingency Plan for Novato. He stated the 2020 UWMP will include all of the information and analysis required by the Department of Water Resources and the Water Shortage Contingency Plan will result in a stand-alone plan, which is being coordinated with SCWA. He added the UWMP is due July 1, 2021 and is required by all agencies that serve more than 3,000 AF or have more than 3,000 connections. Mr. Grisso noted therefore the 2020 UWMP would only apply to the Novato Service Area.

David Umezaki from EKI Environment & Water, Inc. gave a presentation on the water demand analysis for the 2020 Urban Water Management Plan. Mr. Umezaki summarized the projected potable water demands; savings from water conservation programs; future conservation programs and status of UWMP sections. A general discussion ensued.

Director Petterle stated it would be nice to get a copy of the PowerPoint presentation in the Board packet so the Directors can follow along and no parts are blocked out in the zoom view. He stated in regards to the demand analysis there was no real indication that this is for Novato only, it needs to have more clarification that it is not for the entire NMWD service area. Director Petterle added he could see how consumers from West Marin may be confused. Additionally, he

noted it would make sense to display the divisions on the District map and the Directors that represent each division. Lastly, Director Petterle noted on page 1-1 of the 2020 Water Demand Analysis and Water Conservation Measure Update, it should say Stafford Lake, not Safford. Mr. Umezaki thanked Director Petterle for his input. Director Fraites noted on Zoom if you put the person speaking in the far right then you can see the presentation information more easily. Director Petterle thanked Director Fraites for his suggestion. Director Joly stated he found the study very interesting and noted public supply is a big concern in Novato. He added in emails he has received and through conversation with the San Marin residents in his district, people ask about desalination and sources of supply. Director Joly noted this information still seems to be under review. Mr. Umezaki replied Sections 6 and 7 are in draft form, because staff is waiting to get more information from SCWA and once that is received it will be incorporated in the plan. Director Joly stated the 12.6% growth number is double the job growth number and with current supply constraints and high housing costs he would be curious as to when the supply will impact the quality of life. Mr. McIntyre agreed that supply is an important issue but noted the projected 2045 demand is actually lower than historical demands in the early 2000's. Director Joly added the fact that in 2045 the number is still below that of 2006 is pretty remarkable. Director Grossi stated this is a good base study, however there are so many variables over the next five to thirty years, not only with climate change and rainfall, but with the potential for ABAG to add 14,000 more units in Marin County by 2030. He noted we can't add units without requiring more supply.

Mr. Grisso announced the 2020 UWMP draft will be presented at the June 1st Agenda, and the public hearing will be held on June 15th.

On the motion of Director Joly, and seconded by Director Fraites the Board set the June 15, 2021 regular Board meeting as the date and time to hold a public hearing to consider approval of the 2020 Urban Water Management Plan and Updated Water Shortage Contingency Plan for Novato by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE RATE INCREASE LETTER TO NOVATO WATER & RECYCLED WATER CUSTOMERS

Ms. Blue requested the Board approve the rate increase letter to the Novato Water and Recycled Water customers. She reported the proposed commodity and bimonthly service charge rate increase for Novato Water customers is 6% and the median single-family residential

customer will see a \$7.50 increase on their typical bi-monthly bill. Ms. Blue added, the proposed commodity and bimonthly service charge rate increase for Recycled Water customers will be 6% and customers with meters 1-inch and larger will see an additional charge of \$24.11 added to the bi-monthly fixed service charge. Ms. Blue noted the service charge increase conforms with the proposed rates as shown in the 2020 Novato and Recycled Water Rate Study. She noted NMWD rates are right in the middle in comparison to other agencies. Ms. Blue noted if approved by the Board, these letters will be mailed out by April 30th.

Director Petterle stated the letter refers to a proposed rate increase, then reasons for revenue increase. Director Petterle suggested to just use “rate increase” rather than confuse our customers with “revenue increase”. She agreed that it should only say rate increase and said she will make the change before the notification is mailed out.

Director Joly asked if the letter should mention the investment in the AMI system since it gives people more control of water usage and Director Fraites agreed. Ms. Blue agreed to make the change. Director Grossi suggested to include the Novato Water Rate Comparison and also post it on social media. Director Baker agreed, stating it provides customers with a better perspective of how we compare to other agencies. Ms. Blue agreed and would make the change.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved mailing a letter notifying customers of a proposed Novato and Recycled Water rate increase and upcoming public hearing by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

APPROVE RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER CUSTOMERS

Ms. Blue requested the Board approve the rate increase letter to West Marin Water and Oceana Marin sewer customers. She stated the proposed West Marin water rate structure modifications will result in individual customer bills that may increase more or less than the 6% global increase. Ms. Blue noted the typical residential customer, assuming no change in water use, will see an increase of \$8.00 on their bi-monthly bill. She noted this was based on the 2021 West Marin Rate Study that was presented by consultant Mark Hildebrand that addressed changes in commodities rates and structural changes. Ms. Blue noted similar to Novato last year, there are a lot of variables. Ms. Blue added even with the proposed increase, when compared to other coastal water agencies West Marin’s water rates are still second to the lowest. She added,

a 5% rate increase, (a \$5 increase per month), was proposed for Oceana Marin sewer customers. Additionally, she stated Oceana Marin is higher than other agencies, due to the continued cost to maintain the system and provide revenue for the necessary capital improvement projects.

Director Petterle stated if you look at the commodity rates some are going down and the zone elevations are reversed for Zones 2 and 3 and that should be clarified. Director Grossi suggested to just put in a sentence explaining this so the public understands this is not an error. Ms. Blue confirmed that she would clarify the zone changes on the notification prior to mailing. Director Petterle suggested perhaps in the future staff can figure out how to change the zone numbers so they are consistent. Director Grossi asked if Mr. Hildebrand will be at the June 22nd Board meeting. Ms. Blue stated that Mark Hildebrand will be at the June 22nd board meeting and will provide a similar presentation to the one he did previously.

Director Joly asked about the rate comparison chart for Oceana Marin and wanted more information. Mr. McIntyre responded that the total cost includes the annual tax revenue and the customer is only directly charged the sewer service charge. Director Joly asked if these communities should consolidate since it is not sustainable with the small populations. Mr. McIntyre replied LAFCo routinely addresses the possibility of consolidation and he expects will do so again for West Marin agencies in the future. Mr. Williams noted Oceana Marin has a unique topographic and geographic setting with a challenging system and you cannot compare it to other systems like Stinson Beach that is in a completely different setting.

On the motion of Director Fraites, and seconded by Director Petterle the Board approved mailing a letter notifying customers of a proposed West Marin and Oceana Marin rate increase and upcoming public hearing 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. Mr. McIntyre announced the District emergency planning has been aggressively implemented since March 16, 2020. Mr. McIntyre stated walk in services remain suspended. He noted the financial COVID-19 cost impacts through March 31, 2021 was ~\$175,000.00.

Mr. McIntyre reported the latest news from the state is if current trends continue most of the restrictions may be eliminated by June 15th. He noted there was some discussion that Marin

County could move into the Yellow Tier this week. Director Petterle stated he heard that was no longer the case. Mr. Williams stated he heard Marin County will stay in the Orange Tier for now and possibly move to the Yellow Tier on May 3rd. Mr. McIntyre added there are more shots in the arms now and it seems like Marin County is they are doing a good job making vaccines available.

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

GALLAGHER WELL NO. 2 COASTAL PERMIT APPEAL

Mr. McIntyre updated the Board on the Gallagher Well No. 2 Coastal Permit Appeal. He reported the design for installation of Gallagher Well No. 2 is complete and staff is ready to move forward with requesting Board approval for advertisement of the well installation phase, however construction of Gallagher Well No. 2 is being suspended due to an appeal. He added staff is consulting with legal counsel on the appeal and the next step will be for the Marin County Planning Commission (MCPC) to hear the appeal. Mr. McIntyre reported the tentative MCPC hearing date is May 24th. Mr. McIntyre apprised the Board that District environmental consultant , ESA, will prepare a response to the Save Our Seashore (SOS) appeal so that it can be submitted to the Marin County Community Development Agency staff in advance of the MCPC Appeal Hearing.

Mr. McIntyre informed the Board that even with the delay staff is moving forward with an expanded well testing study including Lagunitas Creek pre and post biological survey. He stated he has asked ESA to develop a scope of work to conduct the study in advance of approval for the construction of the permanent well. Director Joly asked with the delay of the permitting and planning, how we were looking out for our 785 customers so that the salinity intrusion does not become more onerous. Mr. McIntyre replied staff will be providing a low saline water dispensing station for customers on salt restricted diets, which was something that was not available last year. Mr. McIntyre added the District will continue to operate Gallagher Well No. 1 to keep salinity levels as low as possible, noting however due to dry year conditions we are likely to have a higher salinity level. Director Grossi agreed the District should move ahead with the testing and get that

done. He stated he read the appeal and SOS seems to be appealing many things.

Director Fraites stated it is a serious situation out there, adding he does not understand the motive behind it. He noted, according to the Marin IJ, MMWD is considering cutting water releases into Lagunitas Creek because of the drought. He asked how this will impact us and affect our well and salinity intrusion, adding the release was also supposed to help the fish. Mr. McIntyre replied Mr. Williams has joined the stakeholders' group and therefore be able to better evaluate what MMWD is planning. Mr. McIntyre assured the Board that staff will be keeping a close eye on this to make sure it does not have an impact on our West Marin customers. Director Joly asked to avoid further delay if there is a possibility to approach a third party to do arbitration with SOS. Mr. Levin from the Point Reyes Station Village Association stated he began working behind the scenes when his group became aware that there was going to be an appeal. Mr. Levin stated SOS said they will continue to appeal and sadly we are all impacted and it will cost more for everyone. Mr. Levin added the best approach is for Mr. McIntyre to keep doing what he is doing and pursue his efforts the best he can. Ms. Day also from the Point Reyes Station Village Association commented in agreement with Mr. Levin.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated April 8, 2021 and Disbursements – Dated April 15, 2021.

The Board received the following news articles: Marin IJ – Readers' Forum – North Marin Water must suspend new hookups; Marin IJ – MMWD proposes mandatory water rules -LOW RAINFALL IMPACT; Marin IJ – Hot race expected for Novato supervisor – 5th DISTRICT SEAT; Point Reyes Light – MALT hires new leader; San Francisco Chronicle – Despite second dry year, Newsom resists declaring a drought emergency; Marin IJ – Editorial – Awareness key plan for Marin's water; and Marin IJ – 'ONE DAY AT A TIME'- Marin County ranchers brace for driest year in decades.

The Board received the following social media posts: NMWD Web and Social Media Report – March 2021.

Director Grossi noted the social media numbers are picking up and commended Mr. Grisso for a job well done.

President Grossi adjourned the meeting at 8:06 p.m.

Submitted by:

A handwritten signature in cursive script, appearing to read "Theresa Kehoe".

Theresa Kehoe
District Secretary