

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 18, 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.

President Grossi stated tonight's Board Meeting will be using a slightly different Zoom format. He noted all public attendees will be invited to speak and will need to use the raised hand icon in Zoom or dial *9 to be called upon. Director Grossi added, the intent is to have a more orderly meeting with the rate hearings coming up, and with drought concerns we may get more people from the public attending. He requested staff reports and presentations be uninterrupted. He noted any questions or comments should be asked once the report or presentation is complete.

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), Tony Arendell (Construction/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator), Pablo Ramudo (Water Quality Supervisor), and Monica Hernandez-Juarez (Receptionist/Customer Service Assistant).

Mr. McIntyre announced participating remotely were Morgan Biggerstaff from BPMNJ, District legal counsel and IT consultant Kevin Cozart from Core Utilities.

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Ken Levin from the Point Reyes Station Village Association also joined remotely.

MINUTES

On motion of Director Joly seconded by Director Fraites the Board approved minutes from the May 4, 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

Monica Hernandez-Juarez

Mr. McIntyre informed the Board that our Receptionist/Customer Services Assistant and Board Meeting Zoom Host aficionado is leaving the District to pursue new opportunities. He added it has been a pleasure to work with her and wished her the best on her new endeavors. Mr. McIntyre also announced Kevin Cozart from Core Utilities will be the new Board Meeting Zoom Host moving forward.

Marin County Board of Supervisors Meeting

Mr. McIntyre reported at the May 18th meeting the Board of Supervisors adopted a resolution declaring a local emergency and imminent threat of disaster due to drought conditions. He added both he and Ben Horenstein from MMWD provided presentations of local water supply conditions for each water district.

Gallagher Well No. 2

Mr. McIntyre apprised the Board that the appeal to the Marin County Planning Commission of the Deputy Zoning Administrator (DZA) Project approval is scheduled for May 24th. He added Marin County staff is recommending that the Planning Commission deny the appeal and affirm DZA's approval of the project.

Huffman's Drought Summit – May 10, 2021

Mr. McIntyre stated he had an opportunity to help participate as a panelist at the Huffman Drought Summit on May 19th. He reported the discussion focused on funding needs for water supply for both agricultural and fish, as well as collaborative approaches. Mr. McIntyre stated

Senator McGuire was also present and talked about state funds that will be made available to help with the drought situation.

Director Joly asked if the state funding focused on supply. Mr. McIntyre replied that he believes potential state funds would cover many categories, including infrastructure, water supply, and agricultural. Mr. McIntyre added the water contractors and SCWA staff are developing a list of projects for potential funding, which includes groundwater recharge projects. Director Joly asked if Congressman Huffman will have additional meetings in reference to the infrastructure package. Mr. McIntyre replied Congressman Huffman did not mention another meeting, however Senator McGuire stated there will be a separate drought meeting based on state funding. Director Joly stated he has had customers ask about the President Biden's Infrastructure Package, and with another dry year, supply should be top priority. Mr. McIntyre stated he and Mr. Williams discussed District shovel ready projects to consider for funding, which include Gallagher Well No. 2 and the San Mateo Tank Inlet/Outlet Project.

OPEN TIME

President Grossi asked if anyone from the public wished to bring up an item not on the agenda.

Ken Levin from the Point Reyes Station Village Association stated he was in support of whatever the District can do in West Marin to keep track of where their water is going when it is not going to the customers who are part of the District. Mr. Levin added he would like the District to find a way for tankers who fill up their trucks to not use treated water, as in the case during a fire event. He understood in a fire event, tankers go to the closest hydrant, however it would be good if the District could prevent treated water to be used for non-potable situations. Mr. Levin asked that the District make this a priority. As a side note, he added that he plans on participating in the Marin County Planning Commission Meeting on May 24th. Director Grossi stated it would be good for staff to look at the outside District use. Mr. McIntyre replied in reference to West Marin agricultural users, the Marin County Ag Commissioner has worked out an option to take lake water out of Lake Nicasio. He also noted, some people in our service territory, like Marshall, continue to haul water from our system primarily for human consumption. Mr. McIntyre stated staff is not allowing potable water to be used for construction or for fire protection training at the former Coast Guard Housing site during this drought.

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.

MONTHLY PROGRESS REPORT W/CUSTOMER SERVICE QUESTIONNAIRE

The Monthly Progress Report for April was reviewed. Mr. McIntyre reported that water production in Novato was up 16% from one year ago and up 2% fiscal year to date. He stated as we move into drought this is not a good trend, however we had a couple of hot days in comparison to last year when we had over an inch of rainfall. Mr. McIntyre also noted that the District is ramping up conservation messaging and that should have an impact going forward. In West Marin, water production was down 2% from one year ago and down 3% fiscal year to date. Recycled Water production was up 46% from one year ago and up 8% fiscal year to date. The Board was apprised that Stafford Lake was at 54% capacity, Lake Sonoma was at 61% and Lake Mendocino was at 43% capacity. In Oceana Marin effluent volume was 0.470 MG for April compared to 0.347 MG one year ago and there was no irrigation field discharge. Under Safety and Liability, we had 164 days without a lost time injury. Under Utility Performance there was an uptick on plastic service line breaks. He noted we generally see a higher number of polybutylene pipe breaks when the ground starts to dry up. On the Summary of Complaints and Service Orders, the Board was informed that total numbers are up 38% from April one year ago. He added that this increase is due to more customer interaction as COVID restrictions are loosening.

Director Joly asked what is our maximum capacity for recycled water. Mr. McIntyre replied he did not know the exact number, but he would estimate that in the south service area Las Gallinas could produce two to three times more than what our customers are using, and Novato Sanitary District could produce up to double the current demands.

Director Joly asked about cybersecurity. He requested this topic be brought up at a future Board Meeting. Mr. McIntyre replied that staff will provide this information at a future meeting.

Ms. Blue reported on the April 2021 Investments, where the District's portfolio holds \$26M earning a 51% average rate of return. She noted that during April the cash balance decreased by \$734,573. She also noted the Local Agency Investment Fund (LAIF) interest rate was 0.34%.

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

SMART RAILROAD INVOICES FOR RECYCLED WATERLINE CROSSINGS

The Board authorized the General Manager to pay for five SMART undercrossing easements for a total cost of \$12,500.

**EKI ENVIRONMENT AND WATER CONSULTING SERVICES AGREEMENT CONTRACT
AMENDMENT – 2020 URBAN WATER MANAGEMENT PLAN UPDATE**

The Board authorized the General Manager to amend the agreement with EKI Environment and Water, Inc. for continued work in the preparation of the 2020 UWMP in the amount of \$3,500.

ACTION ITEMS

CONSIDER APPROVAL OF RESOLUTION 21-08 IMPLEMENTING A DROUGHT SURCHARGE FOR THE WEST MARIN SERVICE AREA FROM JULY 1 AND AMENDING SECTION 6 AND SECTION 10 OF ORDINANCE 39

Mr. Grisso apprised the Board the water shortage emergency condition in the West Marin Service Area remains in effect and dry conditions persist. He stated Stage 2 of the Water Shortage Contingency Plan, which will take effect on July 1 through November 1, triggers a mandatory reduction in water use of 25% . Mr. Grisso noted District Regulation 54(c)(3) provides that the District will implement the drought surcharge for the West Marin Service Area simultaneous with the triggering of mandatory reductions in water use under the District's Water Shortage Contingency Plan. Additionally, pursuant to the District's Interconnection Agreement with Marin Municipal Water District (MMWD), the District must impose voluntary or mandatory water use reductions and prohibitions on use within the West Marin Service Area in accordance with those reductions and prohibitions imposed by MMWD during water shortage emergencies. Mr. Grisso also reminded the Board at the March 16, 2021 Board Meeting, the Board modified Ordinance No. 39, thereby authorizing the imposition of administrative fines and penalties for violation of the Ordinance and reserving for itself the authority to make subsequent amendments to Ordinance No. 39 by resolution.

Director Joly asked if we knew what the average West Marin customer's impact will be with respect to the drought surcharge. Mr. McIntyre replied the majority of the customers in West Marin are residential, and the drought surcharge only applies to those residential customers who use more than 200 gallons per day. He added it will primarily impact those residential customers with high outside irrigation use. Mr. McIntyre added the cost of the surcharge is \$2.50 per 1,000 gallons. Director Joly asked if this will affect commercial users just as much. Mr. McIntyre responded the surcharged is applied for all commercial water usage.

On the motion of Director Petterle, and seconded by Director Baker the Board approved Resolution 21-08 implementing a drought surcharge for the West Marin Service Area from July 1 through November 1 and amending Section 6 and Section 10 of Ordinance No. 39 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

SIDE LETTER WITH EMPLOYEE ASSOCIATION CONCERNING INSURANCE BENEFITS AND TO MODIFY EFFECTIVE DATE FOR MEDICAL, DENTAL AND VISION INSURANCE FOR REPRESENTED AND UNREPRESENTED EMPLOYEES

Mr. McIntyre informed the Board that this Side Letter with the Employee Association is to modify the existing waiting period for medical, dental and vision insurance for newly hired represented and unrepresented employees. Mr. McIntyre noted this change is to shorten the existing three-month waiting period to one month, only impacting new hires retroactive to May 1, 2021. He stated the current practice was to wait three months after the first full month and this continued to cause a significant hindrance in the recruitment of good candidates. Mr. McIntyre added staff surveyed sixteen other Bay Area agencies and the majority of them had a similar one month waiting period, which means our agency is outside of the normal practice.

Director Baker stated he thought the change was appropriate and staff made a good case in supporting the reduction of wait time for benefits. Director Joly agreed, adding it was a good memo and a good suggestion.

On the motion of Director Joly, and seconded by Director Baker the Board approved to modify the District's existing waiting period for all new employees (i.e. represented and unrepresented employees) to be eligible for medical, dental and vision coverage (or in-lieu coverage) effective the first of the month following the date of hire by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

AMEND CONTRACT WITH GHD – OLD RANCH ROAD TANK NO. 2

Mr. Williams requested a second amendment to the Consulting Engineering Services Agreement with GHD for construction support services for the Old Ranch Road Tank No. 2 project, which consists of construction a new 1000,000-gallon above grade potable water storage tank on Old Ranch Road in Novato. He stated this amendment was anticipated as part of the original contract and since the project design is complete and the project is advertised for bidding, an appropriate scope and associated fee for construction support services has been developed. Mr. Williams noted, GHD did a great job on the first phase, came in under budget and there was

a \$15,000 savings from the original design, adding this amendment to the contract will get us through the project construction phase.

Director Baker stated he thought the amendment was appropriate. Director Joly asked what the engineering estimate of the entire project was. Mr. Williams replied the construction estimate was at 1.4M. Director Joly asked if this was the estimated amount for the upcoming bid and Mr. Williams confirmed.

On the motion of Director Petterle, and seconded by Director Joly the Board authorized the General Manger to amend the Consulting Services Agreement with GHD for the Old Ranch Road Tank No. 2 Project in the amount of \$42,100 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

DISTRICT HEADQUARTERS UPGRADE PROJECT – CONSTRUCTION MANAGEMENT SERVICES

Mr. Williams informed the Board that two proposal, were received by the District on March 31st for construction management services for the District Headquarters Upgrade Project. The two firms were Consolidated CM and Nova Partners, which were ranked by a staff selection committee who independently reviewed the proposals, ranked them based on their qualifications. Mr. Williams stated upon completion of the proposal review, Consolidated CM was ranked the highest. He noted Consolidated CM had experience with special district buildings, including laboratories which was relevant to this project. Mr. Williams added the focus of Consolidated CM will be to analyze the overall District Headquarters Project phasing and look for cost savings measures as well as a constructability review of the design.

Director Baker stated he was surprised only two firms submitted proposals. Mr. Williams stated he thought there would be three, but one firm decided not to submit. He added there is a lot of activity out there and all the firms are busy. Director Grossi stated he is currently working with the community college and they have a list of twelve to fourteen firms they use from all over the Bay Area. He added he will pass this information to Mr. Williams for consideration in the future. Director Petterle stated it is great to get a CM firm on board early in the process. Director Fraites commended Mr. Williams for a fine report.

On the motion of Director Joly, and seconded by Director Petterle the Board authorized the General Manger to execute an agreement between Consolidated CM and the District for construction management services on a time and expense basis with a not-to-exceed limit of

\$179,000 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. He noted there was a \$16,500 financial impact since the last month which was mainly attributed to internal labor expenses and this amount does not address delinquent bills.

Mr. McIntyre reported Marin County may be moving from the Orange Tier to the Yellow Tier, however the numbers need to be stable for two consecutive weeks. Mr. McIntyre added that the State is signaling that most of the restrictions may be eliminated by June 15th.

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 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

BUDGET REVIEW – PROPOSED FY 20/21 BUDGETS NOVATO AND WEST MARIN SERVICE AREAS

Ms. Blue reviewed the FY 21/22 Budgets for North Marin Water District which included Novato Water, West Marin Water, Recycled Water and Oceana Marin Sewer. Additionally, she noted, at the June 15th Board meeting there will be a public rate hearing to review and approve rate increases for the Novato systems, followed by West Marin and Oceana Marin public rate hearings on June 22nd. Ms. Blue also recognized Ms. Holton, Accounting Supervisor for her assistance in completing the budget.

Director Petterle commended Ms. Blue for a good report. Director Joly thanked Ms. Holton and Ms. Blue for a great report. He also noted that expenses are rising, we are entering a period of an increase of CIP projects and an increase in inflation. Director Baker also noted that the

report was well done.

FY 2020/21 THIRD QUARTER PROGRESS REPORT – WATER QUALITY

Mr. Ramudo provided the FY 2020-21 Third Quarter Progress Report for water quality. He reported on the Novato, Point Reyes, and Novato Recycled Water systems.

On the Novato System, Mr. Ramudo noted Stafford lake water was not used as a source of drinking water during the third quarter due to backfeeding operations. He added as required by the District's potable water discharge permit, water was dechlorinated as it passed through the treatment plant and out through the intake tower. Mr. Ramudo stated there was one instance on March 1st where, due to a change in dechlorinating agent formulations, the backfed water may have not been completely dechlorinated. He noted the situation was corrected as soon as it was discovered and reported to the State Water Resources Regional Board. He added the District has yet to hear a response. Mr. Ramudo also informed the Board that overall algae numbers were low, however in March there was a bloom seen that may have been due to the greater permeation of the sunlight into deeper waters attributed to the clarity of the backfed water.

In West Marin, Mr. Ramudo reported the salinity levels in the Coast Guard Wells continues to be high, however by most measures the quality of the water was good. He stated Gallagher Well continues to have good quality water, however he noted a very small amount of sediment was detected at the treatment plant as a result of the sediment settling in the large pipeline. Mr. Ramudo apprised the Board that District staff flushed the line and had success in removing the sediment. He noted in the future this will be added as part of the maintenance program. Mr. Ramudo also informed the Board in the Paradise Ranch Estates zones there was a chlorine booster pump failure, however the problem has been resolved. He reported samples were good and the disinfection byproducts continue to be low.

Director Baker commended Mr. Ramudo for his diligent work in keeping the water quality in good standing. He added he appreciated staff experimenting with flushing the large pipeline to flush out the sediment, noting it can be tricky with a pipeline of that diameter.

FY 2020/21 THIRD QUARTER PROGRESS REPORT – ENGINEERING DEPARTMENT

Mr. Williams provided the FY 2020-21 Third Quarter Progress Report for the Engineering Department. He reported on the performance status for Improvement projects, the Novato service area project costs variances, the West Marin service area (including Oceana Marin) project costs variances and Engineering Department labor hours. He stated the report focused on the CIP program, noting we have completed 75% of the fiscal year and have 60% of the projects complete. Mr. Williams noted a total of twenty-three projects were originally budgeted, twenty-two new projects were added, five were carried over and one project was deleted resulting is a new total

for forty-nine projects. He added of the forty-nine CIP Projects budgeted, thirty-one are under the lead responsibility of the Engineering Department for completion with twenty-three in Novato and eight in West and Oceana Marin.

Mr. Williams stated there are four large projects, which included the Lynwood Pump Station, the Crest Pump Station, San Mateo Tank Transmission Pipeline and the Old Ranch Road projects which are impacting expenditures since they are not yet in construction. For the West Marin Area, Mr. Williams reported the PRE Tank 4A project is substantially complete and that the Oceana Marin Treatment Pond project was ready for construction, but is now under environmental review by FEMA, therefore it is on hold. He added the project will go to construction once the District receives approval. Additionally, Mr. Williams apprised the Board that he is working closely with the City of Novato, noting there is a lot of activity going on and the District can expect more Developer jobs in the future.

Director Baker stated that it is great Mr. Williams is working closely with the City of Novato, because it helps the District work out the details of upcoming projects. Director Joly stated it is great news that the Engineering Department is now fully staffed, and asked how COVID may have also played a part with staffing. Mr. Williams replied that he did not think it had a whole lot to do with it, it may have only played a small part. He stated that he talks with the staff that work remotely at least once a day. Mr. Williams also noted having a senior engineer on staff now has been a big help. Director Joly asked about uncompleted CIP projects for the current year impacting next year's CIP. Mr. Williams replied he works with both Mr. Clark and Mr. Arendell on the CIP projects, they always take an aggressive approach and do their best to catch up when possible.

FY 2020/21 THIRD QUARTER PROGRESS REPORT – WATER CONSERVATION

Mr. Grisso provided the FY 2020-21 Third Quarter Progress Report for water conservation. He reported on water conservation participation, public outreach and communications, and included a summary of the budget.

Mr. Grisso apprised the Board that recently the District hired a temporary Water Conservation Assistant to help address the increase in workload due to the drought. He noted she worked for NMWD in the past, and retired from MMWD, adding she helped out during the last drought and is skilled with drought prohibitions and rebates.

Director Baker stated he enjoyed the report, and he liked that the District was able to hire someone from MMWD who had lots of experience in working with water conservation. Director Joly commended Mr. Grisso on his report and noted the hits on the webpage have increased. Mr. Grisso confirmed, adding the phone calls have increased as well. He stated it has to do with the

news media and people wanting to know how the drought will affect them. Director Fraites asked how much the Cash for Grass rebate is per square foot. Mr. Grisso replied it will be increased to \$1 per square foot. Director Fraites asked if the District is steering away from artificial turf. Mr. Grisso responded NMWD was one of the last districts to sunset that rebate. Director Fraites praised Mr. Grisso on his report. Director Grossi stated he has worked on the design of three synthetic turf fields and noted an irrigation system had to be installed, because the turf got too hot and had to be sprinkled to cool it down.

STAFFORD LAKE BACKFEEDING SUMMARY

Mr. McIntyre summarized the 2021 Stafford Lake Backfeeding effort. He noted ~1100 AF was backfed into the lake bringing the storage capacity in Stafford Lake from 29% up to 54%. He added that on May 11th the Sonoma County Board of Supervisors and Board of Directors approved a resolution urging a 20% reduction in water use and other specific actions in response to the drought emergency. He noted as part of this action SCWA water deliveries to NMWD and other water contractors will be reduced by 20% from July 1 through November 1. Mr. McIntyre added the water contractors also have an allocation budget now.

Director Joly stated backfeeding Stafford Lake was a great suggestion by staff and the Board. Director Grossi added the lake looks better with the added water in it. He noted there hasn't been any water in Novato Creek at his ranch, however since the District finished backfeeding Stafford Lake, he now sees some puddles of water running in the creek.

WAC/TAC COMMITTEE MEETING – APRIL 5, 2021

Mr. McIntyre provided information on the April 5th WAC/TAC meeting. He reported Sonoma Water filed a Temporary Urgency Change Petition on May 13th, which requested lower minimum instream flows on the lower Russian River and committing to diversion reductions from Lake Sonoma.

NBWA MEETING – MAY 7, 2021

Director Fraites reported on the NBWA meeting that was held on May 7th. He stated there was discussion in reference to the future use and expansion of recycled water systems throughout the state. He also reported on the demands for housing by the state legislature and how that will impact our current water crisis. A general discussion ensued.

Director Joly thanked Director Fraites for his good report on the meeting. Director Grossi agreed, adding there was a lot of good information.

MISCELLANEOUS

The Board received the following news articles: Marin IJ – Marin drought echoes water crisis of 1976-77 – MANY SIMILARITIES; Marin IJ – Editorial – Water shortage demands wiser

choices by all; Marin IJ – Water use restrictions tightened by MMWD – DROUGHT; Marin IJ – Appeal lodged on plan for well – WEST MARIN; Times-Standard – North Coast Leaders call for ‘all hands on deck effort’ to combat drought; CBSN – California Drought: Recycled Water Investment Paying Off For North Marin Water District; Marin IJ – Newsom extends drought status to 41 counties – CALIFORNIA; Marin IJ – Why Marin wasn’t included in California drought action – EMERGENCY DECLARATION and The Press Democrat – Water rationing begins in Sonoma County as cities plot steps to confront drought.

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

Director Joly stated it was great to see Mr. McIntyre on KPIX, and commended him for a job well done. Director Fraites agreed and added Mr. McIntyre really made the District shine.

Director Grossi stated the new protocol with the webinar approach will help us get through more discussion in the next couple of months, and added everyone did a great job.

Director Joly congratulated Ms. Juarez-Hernandez on her new position, thanked her for her work at the District and noted staff and the Directors will miss her.

President Grossi adjourned the meeting at 8:02 p.m.

Submitted by

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

Theresa Kehoe
District Secretary