

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

June 22, 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 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 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.

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), Pablo Ramudo (Water Quality Supervisor) and Ryan Grisso (Water Conservation Coordinator).

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

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Participating remotely were Ken Fox from the Tomales Bay Association, Ken Levin from Point Reyes Station Village Association, Braden Cartwright from the Point Reyes Light and

Will Houston from the Marin IJ.

GENERAL MANAGER'S REPORT

Marin Voice Article

Mr. McIntyre noted there have been many articles recently about water supply and drought. He informed the Board that in the July 22nd issue of the Marin IJ an article was published in the Marin Voice section of the newspaper authored by Director Grossi. Mr. McIntyre stated the article was a timely perspective on what NMWD is doing to address water supply issues and how we are responding to the drought. He reported a copy of the article will be in the July 20th agenda under miscellaneous.

OPEN TIME

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

Ken Fox expressed his views on the new proposed Gallagher Well No. 2. He stated he disagrees with many things Mr. Bennett puts out there and his tone of voice, but he would like the Board to consider releasing more water into Lagunitas Creek. Mr. Fox added, since NMWD has senior water rights, and although you are doing as good a job as you can do, the fish do need more water during September and October. He noted the water is needed for the migration flow, and to bring the chinook up the creek. Mr. Fox also stated he is in support of the rate increase.

President Grossi thanked Mr. Fox and there were no other public comments.

STAFF/DIRECTORS REPORTS

President Grossi asked if Directors or staff wished to bring up an item not on the agenda.

Director Petterle again recognized the Marin IJ article submitted by Director Grossi. He stated as he reads more articles from various newspaper he is becoming more alarmed. Director Joly agreed the article was well done and it that presented a vast supply of ideas. He added our customers can keep better track of their usage with the new AMI system and we need to keep the idea of water conservation and the dire of the drought in front of the public. Director Joly noted the article in the Point Reyes light was also well done. Director Fraites stated it was an extraordinary article. He added it showed how much further the District has progressed over the years to save water. Director Fraites stated people are commenting on social media about drilling more wells, which could affect our aquifer. Additionally, people want more reservoirs, but they don't understand what that entails, and the cost. Director Fraites shared a Novato Neighborhood post discussion about the AMI system, people love it and they get it. He added he is proud that

the District implemented the \$5M AMI system because it was worth every penny and our customers recognize that.

PUBLIC HEARING – APPROVE: PROPOSED WEST MARIN WATER RATE INCREASE

President Grossi declared the public hearing for the West Marin Water Rate increase opened at 6:13 p.m.

A Public Hearing was held to consider the proposed 6% revenue increase in water rates and tier allocations for the West Marin Service Area effective July 1, 2021. The increases proposed would result in revisions to District Regulation 54 water rates .

Ms. Blue reminded the Board that the rates reflect the five-year financial plan previously approved by the Board. Ms. Blue reviewed with the Board the process for the rate increase. She added that all West Marin customers were noticed by mail of the Public Hearing per Proposition 218 requirements and a Public Hearing notice was also published in the Point Reyes Light newspaper. She stated the proposed rate increase is 6%, and it will add \$54,000 in revenue. Ms. Blue reported she received two official written protests as of June 22nd, noting phone calls received were general questions not protests. Additionally, she referenced the cost comparison analysis to other agencies, and stated that even after the rate increase, NMWD's rates are below most of the other small local agencies.

Ms. Blue reminded that the Board the West Marin Water Rate Study was accepted on March 16, 2021 by the Board. She stated the Rate Study was done in order to be compliant with Proposition 218 requirements in which customers are to be equitably charged for cost of service. Ms. Blue introduced the District's consultant Mark Hildebrand who gave a presentation summarizing the Water Rate Study process.

Mr. Hildebrand gave a presentation of the draft 2021 West Marin Water Rate Study. The presentation reviewed the rate setting process, rate study framework, enterprise fund revenue/expenses, capital spending and reserves, financial forecast and rate structure design.

President Grossi asked if any Directors had any questions or comments.

Director Joly stated the main impact to customers will be in the first year during the structure change and after that the increase in rates will level out. He noted those in Zone 2 are going to have the biggest hit. Mr. Hildebrand replied, Zone 2 rates were historically much too low and this structure change will correct that. He added the meter equivalency standard used was from the American Water Works Association (AWWA).

President Grossi opened up the hearing to the public for questions and comments.

Mr. Levin asked when looking at his bill, how can he identify what zone he is in. Ms. Blue responded she did not have a hard copy of the bill in front of her, but she will look it up and get back to him. Mr. Fox stated that he would better understand a higher rate for those that are high users, noting the rate should depend on your use in order to encourage conservation. Director Grossi replied the District is required to follow Proposition 218 which is why you are seeing the change in structure. Mr. Biggerstaff stated as a result of the court case in San Juan Capistrano, Proposition 218 changed how districts can apply rates. He added Districts must apply rates based on the cost of service and how the water is delivered. Mr. Biggerstaff stated that is why in the presentation Mr. Hildebrand discussed applying a portion of the Gallagher Well No. 2 cost to Tiers 2 and 3, because those consumers are using more water.

President Grossi closed the hearing at 6:52 p.m.

Director Petterle stated the Board has gone through this presentation a couple of times, it is complex and complicated for us too. He added if you spend time with it and given the restraint of Prop. 218; it looks reasonable. Director Baker agreed with Director Petterle's comments. Director Joly also agreed with Director Petterle. He added the West Marin customers have had unrest the last two years, with dry conditions, fire risk, and the first year of the new rate for some may be a difficult increase. Director Joly stressed however, no one wants to raise rates, but we must follow the law and be fair. He noted this was a well thought out and thorough process that both District staff and the consultant worked on. Director Grossi concurred with staff and the Board. He agreed the study was complex and the District needed to comply with Proposition 218. He thanked Mark Hildebrand and staff for making the process as simple as they could.

On motion of Director Baker, seconded by Director Fraites the Board approved Resolution No. 21-12 amending Regulation 54 pertaining to Water Rates and Charges to reflect a 6% global revenue increase for customers in the West Marin service area, effective July 1, 2021 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC HEARING – APPROVE: PROPOSED OCEANA MARIN SEWER RATE INCREASE

President Grossi declared the public hearing for the Oceana Marin Sewer Rate increase opened at 6:57 p.m.

Ms. Blue announced the ordinance in front of the Board is for the Oceana Marin proposed 5% rate increase that will be put on the Marin County Property Tax bills.

Ms. Blue continued the discussion noting there are 235 customers in Oceana Marin and the District complied with the Prop. 218 notification procedures by mailing individual letters and the Public Hearing notice was also published twice in the Point Reyes Light newspaper. Ms. Blue stated this increase will provide \$14,000 in revenue, and there were no official protests. Ms. Blue added the need for the increase was reviewed by the Board during the financial plan and budget review. Additionally, Ms. Blue stated when looking at the 2021 Coastal Area Sewer Cost Comparison, Oceana Marin was the highest among the six surveyed. She noted however, Oceana Marin is a unique small system.

Mr. McIntyre mentioned when the motion is made to also amend the Ordinance No. 42 title to reflect Fiscal Year 2021-22 not FY 2020-21.

President Grossi asked the Directors if they had any questions or comments and there was no response.

President Grossi asked if anyone from the public had any questions or comment and there was no response.

President Grossi declared the public hearing closed at 7:03 p.m.

On motion of Director Petterle, seconded by Director Joly the Board approved Ordinance 42 with the title amended to FY 2021-22 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

On motion of Director Petterle, seconded by Director Joly the Board approved Ordinance 42 electing to have the Oceana Marin Sewer charges be collected on the tax roll of the County of Marin and approved Resolution No. 21-13 amending Regulation 109, effective July 1, 2021, to increase the Oceana Marin Sewer Service Rate to \$1,236 per dwelling unit per year by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

CONSENT ITEMS

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

ANNUAL WATER QUALITY REPORT - NOVATO

The Board approved the text for the annual Water Quality Report for Novato. The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually.

ANNUAL WATER QUALITY REPORT – POINT REYES AREA

The Board approved the text for the annual Water Quality Report for the Point Reyes area. The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually.

ACTION ITEMS

WEST MARIN WATER & OCEANA MARIN SEWER FY 21/22 BUDGETS

Ms. Blue reminded the Board that on several occasions they reviewed the FY 21/22 Budgets for West Marin Water, and Oceana Marin Sewer. In West Marin Water, planned capital expenditures were reviewed and the Board was advised that \$2.8M is budgeted over the next five years. The West Marin water financial plan and budgets project one new connection every other year and 65MG of water sales. Operating expenditures are budgeted to increase 9%. In Oceana Marin, budgeted expenditures for next year total \$209K. The 235 existing Oceana Marin customers are scheduled for \$3M in Capital Projects over the next 5 years. New connections are anticipated at one every other year since growth has remained relatively stable. Operating expenses are projected to increase 1% next year. Ms. Blue stated the budget includes the proposed rate increases for West Marin Water (6%) and Oceana Marin Sewer (5%). She reminded the Board that to date they have reviewed financial forecasts for each service area and these financial forecasts were five-year projections outlining the overall financial status of each

service area, which explained the need for District wide rate increases. Ms. Blue added if approved tonight a full budget document will be provided to the Board at a subsequent meeting.

Director Joly stated he found the budgets helpful and explanatory. He asked how long it will take to pay off the \$150,000 interagency loan from Novato to West Marin. Ms. Blue replied it is scheduled to be paid back in ten years.

President Grossi asked if any Directors had any questions or comments and there was no response.

President Grossi asked if anyone from the public had any questions or comments and there was no response.

On the motion of Director Baker, and seconded by Director Joly the Board approved the West Marin and Oceana Marin Sewer FY 21/22 Budgets by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

AGREEMENT WITH KIOSK FOR COMMUNICATIONS AND PUBLIC OUTREACH

Mr. Grisso reminded the Board that as a result of the 2018 Strategic Plan, Kiosk was hired to do a public outreach plan, create a new website and implement key strategies from the first year of the plan. He stated now we are at the end of the agreement and we have a robust social media and website presence. Mr. Grisso stated Kiosk has helped with the Waterline newsletter, with newspaper ads and communications, website assistance and also handled website hosting, security and forms for submission. Mr. Grisso recommended to renew the agreement with Kiosk for communications and public Outreach in an amount not to exceed \$60,000. He stated the scope of the agreement includes website news story creation, social media post creation and management, website hosting and security services in addition to website form hosting.

Director Joly asked if the \$60,000 agreement is for an eighteen-month period. Mr. Grisso confirmed that the agreement has been extended. He replied he did not want to be tied to the June 30th date, and a year from now he may come back with an amended or supplemental agreement, adding he needs flexibility as this year has been an immense demand on Mr. McIntyre, himself and the District in regards to communication.

Director Petterle reminded the Board three to four years ago he requested the District get their presence out there and shortly after that he sat down with Kiosk. He added he thought Kiosk has been remarkable and this year we really needed them, and will continue to need their services moving forward. Mr. McIntyre also stated he is pleased with Kiosk and recognizes they are in

Novato, locally owned and the head of the company is a customer of NMWD. Director Grossi stated they are good to have on our team and they have been great. He complimented Mr. Grisso for all he does and believes the District is moving in the right direction with an increase of presence on social media. Director Grossi also thanked Mr. McIntyre for putting the article together. He added all the Board members and staff have done a good job making sure the public knows who we are.

On the motion of Director Petterle, and seconded by Director Fraites the Board authorized the General Manager to execute an agreement with Kiosk to assist in continued communication and public outreach implementation in an amount not to exceed \$60,000 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

SCOTT FOSTER ENGINEERING GENERAL SERVICES AGREEMENT

Mr. Williams reminded the Board that since completion of the Aqueduct Energy Efficiency Project in 2015, Sonoma County Water District (SCWA) no longer operates the Kastania Pump Station to deliver water to North Marin Water District (NMWD) and Marin Municipal Water District (MMWD) via the North Marin aqueduct. He added in May of this year, MMWD Board of Directors approved the Kastania Pump Station Rehabilitation Project which would re-activate the pump station as early as November of this year. Mr. Williams noted in order to fully understand the impacts of the pump station operation on the North Marin aqueduct itself, as well as key elements of the Novato distribution system, staff is recommending that a pressure surge analysis be performed.

Director Joly asked a question about Kastania pump station history and a discussion ensued. Mr. McIntyre reminded the Board in 1999 the decision was made to transfer the pump station to SCWA and transfer a northern segment of NMWD's aqueduct to SCWA. He added what MMWD is now proposing is to re-acquire the Kastania pumps station and property they originally owned prior to 1999.

Director Petterle stated he is concerned about the CEQA and wants to make sure of the proposed operation by MMWD doesn't create any CEQA risks to NMWD

Director Grossi asked about the timeline of the process. Mr. Williams replied a draft three-way agreement might come back to the Board in late August since MMWD places a high priority on this project. Director Petterle asked Mr. Williams to look into the matter of whether the new agreement will have an end date. Director Grossi stated he had a concern with impacts and

wanted to be sure this project will not result in any limitations on our use. Mr. Williams responded Mr. Stompe and Mr. Clark are heavily involved in these conversations and understand the impact.

Director Baker expressed concern and wanted to be sure Scott Foster Engineering was competent for the project and vetted by staff. He noted a company from the Los Angeles area is not as accessible for meeting, or doing site visits. He added he understands there is not enough time for an RFP, but typically he would like to support the Marin community and its consultants. Mr. McIntyre stated he completely supports those comments to keep the work local, however this is really specialized work that is only done on large diameter pipes.

On the motion of Director Petterle, and seconded by Director Joly the Board authorized the General Manager to execute a General Consulting Services Agreement with Scott Foster Engineering, Inc. for \$20,000 plus a \$2,500 contingency by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

AMEND GENERAL SERVICES AGREEMENT WITH ENVIRONMENTAL COLLABORATIVE

Mr. Williams apprised the Board that Environmental Collaborative (EC) has been providing necessary environmental support services for several Capital Improvement Projects (CIP) and continued support is needed for these projects as they transition into construction. He informed the Board of the recent field work consisting of a rare plant survey for the San Mateo Tank 24-inch Transmission Main Project will likely exhaust the remaining balance on the contract and a required bird survey is still needed for the Old Ranch Road Tank No. 2 Project, in addition to the Oceana Marin Ponds Rehabilitation project.

On the motion of Director Fraites, and seconded by Director Joly the Board authorized the General Manager to amend the General Services Agreement with Environmental Collaborative, and increase the budget by \$20,000 with an extension of time from December 31, 2021 to December 31, 2022 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) since March 16, 2020.

He reported District staff and our HR legal counsel will be reviewing the recent COVID workplace regulation changes as we develop a plan to gradually transition back to normal operations. Mr. McIntyre noted the key elements of this plan include updating the District's COVID Preparedness document to ensure it aligns with the new local, state and federal requirements; reopening of the District Office to the public, developing a phased approach for returning our few remaining remote workers to onsite work and resuming in-person Board meetings.

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.

Director Joly asked if we had a timeline as to when we will no longer have virtual meetings. Mr. McIntyre replied it may be extended through September. He added there has been a bill introduced and there is high likelihood that in the future the District will continue to provide remote access. Director Grossi stated the Marin County Office of Education will be transitioning to in person next month, and it would be nice when NMWD can get back to in person meetings.

On the motion of Director Petterle, 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

WEST MARIN CAPITAL IMPROVEMENT PROJECTS – FY 20-21 PRELIMINARY YEAR-END PROGRESS REPORT

Mr. Williams reported on the preliminary year-end status report on the District performance in completing budgeted FY20-21 Capital Improvement Projects (CIPs) in the West Marin (including Oceana Marin) service territories. He noted a total of seven CIPs were originally budgeted in FY20-21 for the West Marin Water and Oceana Marin Sewer service areas, six projects were added and none were carried over or deferred, for a total for thirteen projects. Mr. Williams reported out of the thirteen projects, six projects have been completed. Mr. Williams added the estimated Oceana Marin project expenses of \$68,500 are well below the Oceana Marin CIP budget of \$290,000. He noted he will provide the full fourth quarter report which will include the Novato Service Area later in the year.

Director Joly commended Mr. Williams and found his memo to be very helpful.

MISCELLANEOUS

The Board received the following miscellaneous item: Disbursements – Dated June 17, 2021 and Press Release – Sonoma Water – State Board Orders Reduction of Minimum Instream Flows and Diversions from the Russian River.

The Board received the following news articles: Marin IJ -MMWD might escalate water-saving measures – DROUGHT; Press Democrat – Lower Russian River flows to be halved under state order to preserve stored supplies; Point Reyes Light – Letters – Rebuttal to Bennett op-ed; Marin IJ – District hikes rate for water in Novato – NORTH MARIN and Point Reyes Light – Inverness revises rules for new service in drought.

ADJOURNMENT

President Joly adjourned the meeting at 7:52 p.m.

Submitted by

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

Theresa Kehoe
District Secretary