

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

CALL TO ORDER

President Grossi announced that due to the Coronavirus outbreak and pursuant to the Brown Act as modified by Assembly Bill 361, 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 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 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 Fraitas, Jim Grossi, Michael Joly and Stephen Petterle.

President Grossi announced 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), Tony Arendell (Construction/Maintenance Superintendent) and Robert Clark (Operations/Maintenance Superintendent). Also participating remotely were Andy Beck (Fedak and Brown LLC) and IT consultant Kevin Cozart (Core Utilities).

President Grossi announced for those joining the virtual meeting from the public to identify themselves. Participating remotely was Keith Cunningham.

MINUTES

On motion of Director Joly seconded by Director Petterle, the Board approved the minutes from the October 19, 2021 Regular Board Meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Recent Rainfall Events

Mr. McIntyre announced the large atmospheric river event over the weekend of October 23-24 brought over 7-inches of rain to Novato and more to our watershed. He stated while most of the rainfall was absorbed into the dry soils, we did gain about three feet in Stafford Lake elevation equating to ~300 AF of storage. Mr. McIntyre added as of yesterday, total rainfall to date was 8.6 inches which equals the total rainfall recorded last winter. He noted since the third week in October the Stafford Lake level has increased 4.3 feet equating to ~500 AF of additional storage. Mr. McIntyre reported Lake Sonoma increased storage by ~14,000 AF. He emphasized while these recent storms have produced significant rainfall, they do not break the multi-year drought. He noted our need for continued conservation prevails as overall storage in Lake Sonoma is still at historically low levels.

Sonoma County Water Agency (SCWA) Amended Temporary Urgency Change Order (TUCO)

Mr. McIntyre reported on October 22, 2021 the State Water Board amended the TUCO by suspending the cumulative diversion reduction requirement of 20% while natural flows are available on the Russian River. He added this suspension is likely to extend through November 30th as a minimum. Mr. McIntyre noted although the diversion reduction mandate has been suspended, the agency continues to call for continued 20% conservation recognizing the record low storage level in Lake Sonoma.

Potter Valley Project (PVP) PG&E Transformer Update

Mr. McIntyre referred to an article under miscellaneous that provided a summary of the Potter Valley powerhouse transformer failure problem. He informed the Board that the transformer is estimated to cost five to ten million dollars to replace and take at least eighteen months. Mr. McIntyre added, as a result of this news there is a lot of discussion about reduced Eel River water transfers into Lake Mendocino this winter since the powerhouse will not be able to generate power.

Director Grossi asked how much water was diverted in a normal year. Mr. McIntyre replied if the powerhouse is functional winter diversion rates are about 240 cfs. He added that there is

the potential for 130 cfs to be diverted using the bypass facility however PGE has not committed to diverting any flow above the 45 cfs required to serve Potter Valley.

Director Joly asked what the percentage of capacity was in both Lake Sonoma and Lake Mendocino. Mr. McIntyre responded Lake Sonoma was at 40% and Lake Mendocino was at 32%, adding Lake Pillsbury was at 47,000 AF.

OPEN TIME

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

STAFF/DIRECTORS REPORTS

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

Mr. Clark provided an update on the West Marin Low Sodium Water Fill Station. He stated low saline potable water was provided for the last four weeks. Mr. Clark noted there has been four consecutive weeks with system wide sodium levels lower than 115mg/L, therefore the District will discontinue fill station operation on November 5th.

ACTION ITEMS

RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT

The continuation of the Board of Directors meetings by Teleconference was discussed. Mr. McIntyre proposed re-authorizing meetings by teleconference, proclaiming that due to the ongoing public health State of Emergency remote meetings should continue. He stated Resolution 21-26 will extend the continuation of teleconference meetings thirty more days effective November 2, 2021 through December 2, 2021 pursuant to Brown Act provisions.

Director Grossi asked if the new mask mandate will have any impact. Mr. McIntyre replied his recommendation in the near term is to continue to have virtual meetings until there is more certainty on stable infection rates as we move into the holiday season and colder weather. He added that maintaining the recommended social distancing spacing is difficult in our small Board room setting. Mr. McIntyre asked the Board for their input, as to get a consensus of how the Board would like to hold future Board meetings. Director Petterle stated he attended the Marin County Board of Supervisors meeting earlier in the day and it was the first public hybrid meeting he had participated in. He noted the Board themselves wore no masks, but were separated from the public and the speakers took off their masks when they spoke. Director Petterle added otherwise the public wore masks and some attended remotely to help keep the number of people in attendance down. Director Grossi added that hybrid meetings are complicated, because often

people are talking over one another. He noted he was at a conference in Palm Desert with over five hundred people and it was all in person. Mr. McIntyre stated he will continue to monitor trends and, in the meantime, will continue to recommend re-authorizing meetings by teleconference every 30 days.

Director Joly asked out of the fifty-four employees at the District, what the vaccine rate was. Mr. McIntyre replied, he did not know the exact percentage, but he believes it is well above seventy percent.

Director Joly asked for an update on re-activation of SCWA groundwater wells. Mr. McIntyre replied that the first of three wells was up and running producing about 1.5 mgd.

Director Joly stated that at some point when it is safe to meet in a group, it would be nice to get together with entire staff and the Board. Mr. McIntyre agreed, stating we will not be getting together for the holidays; however, he hopes an event can be scheduled in Spring 2022.

President Grossi asked if there were any comments from the public and there were none.

On the motion of Director Petterle, and seconded by Director Fraites the Board adopted Resolution No. 21-26: "Resolution Finding Proclaimed State of Emergency, that Local Officials Continue to Recommend Physical Distancing, and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Re-Authorizing Meeting by Teleconference of Legislative Bodies of North Marin Water District from November 2, 2021 through December 2, 2021 Pursuant to Brown Act Provisions" by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

ACCEPT OUTSIDE AUDITOR'S FY 20/21 FINANCIAL REPORT AND MANAGEMENT REPORT

Ms. Blue stated the District worked with Fedak and Brown LLP this year and had a successful audit. She stated that the memo outlined the end of year account adjustments including Pension and Other Post-Employment Benefits. Ms. Blue reported all work by Fedak and Brown LLP was done remotely and she commended the District's accounting staff for all their hard work and dedicated service.

The FY 20/21 comprehensive annual financial report was presented by Andy Beck of Fedak & Brown LLP. Mr. Beck reported the audit was performed following proper audit and accounting standards. In addition, internal controls, methodologies and best practices were assessed. Mr. Beck noted the audit approach is to review supporting documents to make sure

they support the balances in the financial statements. He reported they did not identify any weaknesses and District staff has done excellent work and gave them the highest rating with no deficiencies.

Director Joly asked about the unrestricted revenue, if it was free to use without any restrictions, for example for pension benefits. Mr. Beck replied the restrictions would be from outside agencies and at this time there were none, the revenue is available for spending on providing water or to finance capital projects.

Director Petterle stated the previous auditors advised the Board about reserves. Mr. Beck replied that reserves are established by policy by the Board of Directors. Ms. Blue stated the District does have a Board approved reserve policy that is provided to the auditors when requested. Mr. McIntyre stated the District looked at the reserve policy during the 2020 Novato Water Rate Study and during the FY 20/21 budget cycle. He noted there was a graph included that demonstrated the current condition of the reserves as well as a forecast. Ms. Blue confirmed that it is also part of the financial planning process and staff looks at the reserves during the budget process.

Director Joly stated on that point, he would like to have a presentation fairly soon to show the cost of additional water supply and cost of the building renovation. Mr. Blue replied they do not have all the known costs yet, and if financial plans change staff will need to give an update to the Board. Director Grossi stated the District needs to have the ability to analyze the debt and look at these upcoming projects.

President Grossi asked if there were any comments from the public and there were none.

On the motion of Director Fraites, and seconded by Director Joly the Board accepted the Outside Auditor's FY21 Financial and Management Report by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GALLAGHER WELL NO. 2 INSTALLATION – APPROVE BID ADVERTISEMENT

Mr. Williams reported this is for Phase 1 of the Gallagher Well No. 2 Project. He stated the scope of work for Phase 1 construction includes drilling of the new well, installation of the well and conductor casings, well screens and seals, and pump testing. Mr. Williams noted the preliminary engineer's estimate for Phase 1 of the project is \$80,000, including contingency. Mr. Williams added with Phase 2 of the project most of the work will be done by District crews, however Phase 1 requires a specialty contractor and well driller. He apprised the Board that once

the District secures the easement from the Gallagher family, we will be ready to start the project. Mr. Williams reported the challenge will be the availability of well drillers since they are currently in high demand. He noted if the schedule falls in place the District should have a fully operational well by mid-summer.

President Grossi asked if there were any comments from the public and there were none.

On the motion of Director Joly, and seconded by Director Petterle the Board authorized the bid advertisement for Gallagher Well No. 2 Phase 1 – Well Installation and Development by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated October 21, 2021, Point Reyes Light – Salinity Notice for October 21, 2021, Point Reyes Light – Salinity Notice for October 28, 2021, NOAA Three Month Precipitation Outlook – November, December, January, FY22 1st Quarter Labor Cost Report, Customer Email – Point Reyes Fill Station, Cal OES – Emergency Action Plan Approval – Novato Creek Dam, Marin IJ – Legal Notice – NMWD Summary of Emergency Water Conservation Ordinance 41 for the Novato Service Area, and Point Reyes Light – Legal Notice – NMWD Summary of Emergency Water Conservation Ordinance 39 for the West Marin Service Area.

The Board received the following news articles: Marin IJ – Marin County Drought Tracker; Marin IJ – Creating redundancy crucial for future of Marin water supply; Marin IJ – Approve water pipeline, push for other ways; Marin IJ – Marin rainfall year ends with dicey outlook ahead – DROUGHT; Maven Reports – This Just In...Governor Newsom Expands Drought Emergency; Statewide, Urges Californians To Redouble Water Conservation Efforts; The Mendocino Voice – Powerhouse down at Potter Valley Project, creating more uncertainty about its future; Point Reyes Light – Coastal commission rejects appeal of North Marin well; Marin IJ – Edicts to save water stiffen – DROUGHT; SFGATE – Top expert on California’s atmospheric rivers: ‘It can break the drought’; Marin IJ – Rain lifts hopes for suppliers of water; Marin IJ - MMWD tilts away from desal plant and Point Reyes Light – Storm brakes records, fills waterways.

Mr. McIntyre noted the Cal OES letter in reference to the Stafford Dam Emergency Action Plan approval. He added that there is a new requirement for all dam owners to have regular annual emergency training exercises moving forward.

Director Joly referred to the letter written by Laurie Monserrat and asked which employee she was referring to. He stated he thought it was a wonderful comment made by our customer and commended the employee for being so helpful and supportive to our customers. Mr. Clark replied she was referring to our temporary employee Jose Ochoa. He stated Mr. Ochoa has been helping with both the Residential Recycled Water Fill Station and the West Marin Low Sodium Water Fill Station and his work has been outstanding. Director Joly asked Mr. Clark to tell Mr. Ochoa the Board's appreciation for doing a great job. Director Grossi added it was good to hear the great feedback.

CLOSED SESSION

President Grossi adjourned the regular session at 6:48 p.m. and the Board began the closed session at 6:58 p.m. in accordance with Conference with Legal Counsel –Significant Exposure to Litigation Pursuant to California Government Code Section 54956.9(d)(2) One Potential Case.

OPEN SESSION

Upon returning to the regular session at 7:25 p.m., President Grossi announced the Board had not taken any reportable action during closed session.

ADJOURNMENT

President Grossi adjourned the meeting at 7:25 p.m.

Submitted by

A handwritten signature in cursive script, reading "Theresa Kehoe".

Theresa Kehoe
District Secretary