

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 1, 2022**

CALL TO ORDER

President Petterle 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 Petterle 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 Petterle 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 Petterle announced that 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 Petterle 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 Petterle 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 Petterle announced that 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), Robert Clark (Operations/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator) and Pablo Ramudo (Water Quality Supervisor). Also participating remotely were; Morgan Biggerstaff (Legal Counsel), and IT consultant Clay Smedshammer (Core Utilities).

President Petterle requested that for those joining the virtual meeting from the public to identify themselves and there was no response.

MINUTES

On motion of Director Joly seconded by Director Baker, the Board approved the minutes from the January 18, 2022 Regular Board Meeting with minor revisions by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Gallagher Well No. 2 Easement

Mr. McIntyre announced that Jennifer Maude Carlin, Marin Agricultural Land Trust's acting Executive Director signed the Gallagher Well No. 2 easement on February 1st and the easement will be recorded soon.

NBWRA

Mr. McIntyre stated that he and Mr. Williams have a North Bay Water Reuse Authority (NBWRA) meeting on February 2nd at 1:00 p.m. He also noted that Napa Sanitation District General Manager, Tim Healy had been appointed NBWRA Technical Advisory Committee (TAC) Chair.

WAC/TAC Meeting

Mr. McIntyre reported that upcoming WAC/TAC meeting will be on Monday, February 7th at 9:00 a.m. He noted that both Director Baker and Director Grossi will be virtually participating in this meeting. Mr. McIntyre stated that a presentation will be given on the updated Jacobs Regional Water Supply Resiliency Study which will show the near-term water supply projects and address projected shortfalls over the next five years. Mr. McIntyre added that staff is working on having a similar presentation given to our Board at the February 15th NMWD Board meeting.

Flood Control Zone 1 Advisory Board Meeting

Mr. McIntyre announced that the FCZ1 AB meeting has been moved from February 3rd at 6:30 p.m. to February 10th at the same time. Director Grossi stated that due to a prior commitment he will be unable to attend this meeting. Mr. McIntyre confirmed he will attend.

Director Baker asked when Mr. McIntyre plans on formally announcing his retirement to the other agencies. Mr. McIntyre replied in March.

OPEN TIME

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

Ms. Kehoe announced that Item #11 of the agenda had a revision to include Exhibit A, and the revised information was added at the end of the agenda.

Director Petterle stated we are still in a drought. He reported that January is usually the wettest time of the year. Director Petterle noted that last year was the driest on record with only four inches of rain, this year we got six-tenths of an inch with no rain in site the next two weeks. Director Petterle emphasized that we must remain vigilant to conserve water and explore possibilities of water supply.

QUARTERLY FINANCIAL STATEMENT

The Quarterly Financial Statement for Fiscal Year 2021-22 for ending December 31, 2021 was reviewed by Ms. Blue. She stated the District generated a net income of \$803,039 and noted that at year end the ratio of total cash to budgeted annual operating expense stood at 141%.

President Petterle asked if there were any comments or questions from the Board and the following was discussed.

Director Grossi stated that he went through the entire document and noted this document tells us a lot about the District. He added the report was very helpful and gave a good summary on what and how the District is doing financially. Director Joly agreed that Ms. Blue and the accounting staff did a good job putting this together and it is a tremendous help to the Board and the officers. Ms. Blue replied that it is one of the most thorough reports and gave a lot of the credit to the accounting team.

CONSENT CALENDAR

Director Joly asked about Item #9 Rate Hearing Schedule, inquiring if he and Director Grossi will be meeting with Mr. Hildebrand before the rate hearing. Ms. Blue stated that staff was not planning on any separate meetings, however we can consider a finance committee if that is the pleasure of the Board. Director Joly replied that it would be fine to proceed as planned.

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

AUTHORIZE SIGNATORIES ON DISTRICT ACCOUNTS

The Board approved adding Tony Williams, incoming General Manager as a signor on District Accounts and Drew McIntyre will be removed upon retirement.

APPROVE WEST MARIN 2021 DRY YEAR WATER CONDITIONS REPORT

The Board approved the West Marin 2021 Dry Year Water Conditions Report.

PROPOSED FY22/23 BUDGET REVIEW SCHEDULE

The Board approved the proposed FY 2022/23 Budget Review Schedule.

PROPOSED FY22/23 RATE HEARING SCHEDULE

The Board approved the proposed FY 2022/23 Rate Hearing Schedule.

ACTION CALENDAR

GALLAGHER WELL NO. 2 WELL INSTALLATION – AWARD CONSTRUCTION CONTRACT TO MAGGIORA BROS. DRILLING, INC.

Mr. Williams recommended the construction contract for the Gallagher Well No. 2 well installation be awarded to Maggiora Bros. Drilling, Inc. He stated that there were only two bidders on this contract, and Nor-Cal sent a letter to the District stating they have experienced significant delays on their projects and would not protest the award of the contract to Maggiora Bros.; even though Maggiora Bros. failed to sign Addendum #2.

Mr. Williams reported that as mentioned at the January 18th Board Meeting, the District received a grant from the California Department of Water Resources (DWR) in the amount of \$464,019, covering both construction phases of the project. He added that staff is currently working with DWR on a grant funding agreement and will return to the Board once more details are available.

President Petterle asked if there were any questions or comments from the Board.

Director Grossi commended staff for doing a great job in getting a grant. He added that he is not worried about the difference in cost, because there are valid reason for that. Director Grossi asked if we were not delayed a year due to appeals, would that have benefitted us with the cost. Mr. Williams replied that it cost us time, but he is not sure it impacted the financial cost. He stated that well drillers were already in demand. He added the silver lining however was the delay gave us the opportunity to apply for the DWR grant. Director Baker wanted to know that all bid issues were resolved, and now that we have the letter nothing will come back on us later. Mr. Williams replied there are no concerns.

President Petterle asked if there were any questions or comments from the public and there was no response.

On the motion of Director Grossi, and seconded by Director Baker the Board approved to waive the bid irregularities in Maggiora Bros. Drilling, Inc. bid, approve award of the contract to

Maggiore Bros. Drilling, Inc. and authorize the General Manager to execute an agreement with Maggiore Bros. Drilling, Inc. by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

RESOLUTION 22-02 MOVING FROM STAGE 2 TO STAGE 1 OF THE WEST MARIN WATER SHORTAGE CONTINGENCY PLAN, DISCONTINUING THE DROUGHT SURCHARGE, AND AMENDING EMERGENCY WATER CONSERVATION ORDINANCE NO 39 FOR THE WEST MARIN SERVICE AREA.

Mr. McIntyre opened the discussion by saying he wanted to add to President Petterle's earlier comment. He stated there is no question that we are still in a drought. Mr. McIntyre added that in Novato, with rainfall at 62% of average, there is still a 20% mandatory reduction in water use coupled with a drought surcharge. He added, our primary Novato Service Area supply is from Lake Sonoma which is also at 62% capacity equaling a two-year supply, however we are still below the average. Mr. McIntyre noted that in West Marin it is different as rainfall is 140% above the minimum threshold for normal water year conditions. He emphasized that water conservation is still recommended for West Marin as well. Director Joly asked if staff is still thinking about backfeeding Stafford Lake again. Mr. McIntyre replied that the backfeed target for Stafford Lake was 1,100-acre feet which would fill the lake to 50% capacity. He added, since we are at 75% capacity already, no additional backfeeding is planned for the summer.

Mr. Grisso reported on Resolution 22-02 which would repeal Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enact Stage 1 voluntary 15% reduction in water use under the West Marin Water Shortage Contingency Plan. Mr. Grisso stated that this revision will discontinue the drought surcharge, and amend Sections 4,5, and 6 of Ordinance No. 39.

Director Grossi commented that we are moving in the right direction. He added we don't know what will happen in February and March, and he has stopped trying to predict the rainfall. However, Director Grossi stated that the strongest storms in Marin County were in March of 1982, which brought about enormous floods, so it is anybody's guess. He added the resiliency study is coming on at just the right time. Director Joly stated that normal conditions for West Marin is wonderful news for our West Marin customers who had to endure so much in the last year. He asked if lifting the drought surcharge gives the right message to large water users. Mr. McIntyre replied that in West Marin we are operating under normal water year conditions, noting we need

to be careful with our messaging when we enact a surcharge or not. Mr. McIntyre reported, historically, a surcharge was enacted due to dry year conditions with less than 28 inches of rainfall. He added there is currently over 38 inches of Kent Lake rainfall since October 1, 2021 and continuing the West Marin drought surcharge during normal water year conditions would not be consistent with our Water Shortage Contingency Plan. Director Joly replied that he can see that now and stated Mr. McIntyre's response was well articulated. Director Grossi stated that the timing could not be better to award the bid for the new Gallagher well. He added that he could see West Marin being in better shape than the rest of the county. Director Petterle stated we need to make sure whatever message we send, that it is clear that West Marin relies on MMWD flows and they had a good rainfall year. He added, Novato is not in the same situation. Director Petterle also asked if the Board would need to give permission should MMWD request to backfeed Stafford Lake. Mr. McIntyre replied yes. Director Petterle noted that his concern is that their reservoirs are at 94% and ours are not.

President Petterle asked if there were any comments or questions from the public and there was no response.

On the motion of Director Joly, and seconded by Director Grossi the Board approved Resolution 22-02 repealing West Marin Service Area Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enacting Stage 1 voluntary 15% reduction in water use and under the West Marin Water Shortage Contingency Plan, discontinue the drought surcharge, and amending Sections 4,5, and 6 of Ordinance No. 39 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

EXTENSION OF PAID SICK LEAVE FOR COVID-19 RELATED REASONS.

Ms. Blue requested the Board approve an extension of paid sick leave for COVID-19 related reasons. She recommended to credit employees time off hours taken with any unused Supplemental Paid Sick Leave for COVID19 related reasons between October 1, 2021 through December 31, 2021.

President Petterle asked if there were any comments or questions from the Board.

Director Grossi asked if there were any employees out with COVID-19 during that period. Ms. Blue confirmed that there were. Director Grossi asked about the extent of the loss. Ms. Blue replied it will be a \$16,200 credit back, noting there was a surge of cases in the county. Director

Joly stated that he is happy to support staff, they are entitled to this as they have worked hard during the pandemic.

President Petterle asked if there were any questions or comments from the public and there was no response.

On the motion of Director Joly, and seconded by Director Fraites the Board approved to extend the 2021 Supplement Paid Sick Leave (SPSL) and credit employees time off hours taken with any unused SPSL for COVID-19 related reasons between October 1, 2021 through December 31, 2021 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

NMWD ADMINISTRATION AND LABORATORY UPGRADE PROJECT UPDATE

Mr. Williams and Mr. Ramudo updated the Board on the NMWD Administration and Laboratory Upgrade Project.

Mr. Williams presented both short-term and long-term lease evaluations, and included a timeline for Board action.

Mr. Williams also reported on the lease of commercial space at the Wood Hollow Office Complex. He stated that a draft lease agreement has been reviewed by staff and legal counsel and included a provision for the General Manger to sign once finalized, however, the lease would not be in effect until the Board ratifies it at a later date . Mr. Williams noted the draft lease also has a clause that required a \$5,000 non-refundable deposit upon signed by the General Manger if the lease is not ratified.

Mr. Ramudo discussed the lab certification process involved in moving to a temporary location. Mr. Ramudo concluded, that there are significant savings of approximately \$27,000, if the certification for the temporary lab can be in place before the expiration of the existing certificate and then letting the current certificate lapse with renewal.

President Petterle asked if there were any comments or questions from the Board.

Director Joly asked if the \$15.75M was a soft cost that included Phase 1 and Phase 2, but did not include the third phase. Mr. Williams confirmed, stating Phase 3 is another wing of the building. Director Joly asked what the additional cost would be. Mr. McIntyre responded that the cost was outlined in the 2020 Board approved Master Plan, and he also did not recall the exact amount, but it was significant enough to defer Phase 3 so as not to incur the cost now. Director

Joly stated that it would be helpful for the Board to know. He stated that we are still in a drought with only two years of water supply in Lake Sonoma. Director Joly added, we all understand the new building has merit, but he would like to know what the cost for additional water supply projects may be. He added his basic question was would our reserves and debt capacity support all three phases of the building and any long-term water supply projects. Director Grossi stated that water supply, storage is not cheap whether it is above or underground. He added that recycled water extension may be a better option for us. Director Grossi noted we can not do this by just borrowing the funds, the District may have to look into bonding and other options. Director Petterle thanked Directors Joly and Grossi for their comments.

President Petterle asked if there were any comments or questions from the public and there was no response.

NBWRA MEETING – NOVEMBER 29, 2021

Mr. McIntyre reported on the November 29, 2021 NBWRA Meeting.

President Petterle asked if the Board or the public had any comment or questions and there was no response.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated January 20, 2022, Disbursements – Dated January 27, 2022, Information - FY21 2ND Quarter Labor Cost Report and NOAA Three-Month Outlook Temperature and Precipitation Probability- January 20, 2022.

The Board received the following news articles: Marin IJ – Editorial – District must carefully ease water rules; Marin IJ – Marin water officials lift drought limits, penalties and Marin IJ – Novato reviews new election district maps – FOUR PROPOSALS.

ADJOURNMENT

President Petterle adjourned the meeting at 7:14 p.m.

Submitted by



Theresa Kehoe
District Secretary