

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
March 15, 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) and Ryan Grisso (Water Conservation Coordinator). Also participating remotely were; Morgan Biggerstaff (Legal Counsel), Lynne Rosselli (SCWA), Jake Spaulding (SCWA) and IT consultant Clay Smedshammer (Core Utilities).

President Petterle requested that for those joining the virtual meeting from the public to identify themselves. Also participating remotely were Novato resident James Petray and Point Reyes Station resident Ken Levin (Point Reyes Station Village Association).

**MINUTES**

On motion of Director Joly seconded by Director Fraites, the Board approved the minutes from the March 1, 2022 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**

#### **Assistant General Manager/Chief Engineer (AGM/CE) Recruitment**

Mr. McIntyre reminded the Board that at the second meeting in January they approved hiring a professional recruiter for the impending AGM/CE vacancy. He reported the recruiter prepared a brochure and ran a six-week solicitation that closed on March 7<sup>th</sup>. Mr. McIntyre stated that there are eight applicants for which the recruiter will complete the initial screening interviews and then recommend a short list of candidates. He noted that interviews will be first with staff followed by a Closed Session interview with the Board. Mr. McIntyre added that the Board interviews will most likely be in-person interviews with the Board via a Special Board Meeting at a yet to be determined date.

#### **Indian Valley Golf Course (IVGC) Meeting**

Mr. McIntyre apprised the Board that he and Mr. Williams have scheduled a lunch meeting on March 16<sup>th</sup> to introduce Mr. Williams to Jeffy McAndrew and Terry Leach.

#### **Amendment to Recycled Water Interagency Agreements**

Mr. McIntyre informed the Board that staff has been working on updates to the existing Recycled Water Interagency Agreement with both Novato Sanitary District (NSD) and Las Gallinas Valley Sanitary District (LGVSD). He announced that prior NMWD General Manager Chris DeGabriele has been brought back by LGVSD for a second time as interim General Manger as they begin a search for a new General Manger. Mr. McIntyre added he plans to make outreach to Mr. DeGabriele as it relates to updating the current Recycled Water Interagency Agreements. He noted that the same will be done with Sandeep Karkal, General Manager at Novato Sanitary District.

President Petterle asked if the Directors had any questions or comments.

Director Grossi asked if the Special Board Meeting in April will be in person. He added that he may have a conflict in his schedule. Mr. McIntyre requested that Director Grossi provide the dates he will be unavailable to Ms. Kehoe.

Director Joly asked if there were any questions or feedback at the recent Leadership Novato presentation. Mr. McIntyre replied his presentation was brief, noting Mr. Clark had a longer presentation at the Treatment Plant in the morning. Mr. Clark stated that he started the Treatment Plant tour at the top of the dam. He noted that there were several questions about water supply, adding most did not know where their water came from, and he explained Stafford Lake water versus supply from Sonoma County Water Agency. Mr. Clark stated that many of the participants were surprised we had recycled water and asked about getting recycled water for their homes. He explained how the residential recycled water program worked to the participants.

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

### **OPEN TIME**

President Petterle asked if anyone from the public would like to speak.

Ken Levin stated that most of the Point Reyes residents are aware of where their water supply comes from. He stated that many residents are concerned with the present direction of housing that Marin County is considering, noting Director Fraites has mentioned the process in the past and he appreciated the Board paying attention. Mr. Levin added people in West Marin are concerned about the 150 new housing units proposed over the next eight years. He noted that there are currently 300 plus units in town now and this new development will require 50% more water. Mr. Levin stated that it would be appreciated if the Board and staff contemplate that and communicate suggestions and solutions coming forth. He added there is not enough water now and that should be a good enough reason not to build any more housing. Mr. Levin expressed his hope that this housing mandate will be overturned, but he did not have a lot of hope. He thanked the Board for giving him the opportunity to bring this to their attention.

James Petray thanked the Board for their service and time. He stated that he had three points that he would like to bring up. First, in reference to the building renovation, he stated that inflation is high, there is discussion about a drought surcharge and that being said he wondered if this is the right time to be renovating the building. Mr. Petray added the public will be asked to pay more during the drought and getting less, asking the Board to consider public perception. Additionally, he stated that he hoped the Board would consider the pros and cons for traditional financing and floating bonds.

Secondly, Mr. Petray noted that he understood desalination is a complicated process and that is a valid concern. That being said, perhaps the District should start on the feasibility of desalination now.

Lastly, Mr. Petray commented on the proclamation from the state, stating he does not share their view on housing and we should fight back. He noted that the reality is we are in dire straits with water supply, we are all conserving and yet the state wants to add 13,000 more units in Marin County. Mr. Petray stated that we need to push back, we have no resources and we cannot make it rain. He emphasized that there are some very tough years ahead and this is a serious matter.

Director Petterle stated that public meeting protocol states the Board cannot comment on open time items. However, Director Petterle stated that all comments are noted and advised Mr. Petray to keep an eye on the agenda to learn more about our water supply.

### **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.

Mr. Clark announced that staff will start up the residential recycled water program soon. He added David Ladd has been in communication with MMWD and they are going to start their program up the first week in April and we are looking to do the same. Mr. Clark noted that we have the same temporary staff as last year so we are prepared and ready for the program to begin.

Ms. Kehoe reminded the Board that completion of the Ethics Training and the Form 700's are due April 1<sup>st</sup>.

Director Petterle stated that as we continue to read in all the newspapers we are still in a drought. He noted that if you look at tonight's agenda we will be reviewing that topic as well.

### **MONTHLY PROGRESS REPORT**

The Monthly Progress Report for February was reviewed. Mr. McIntyre reported on key areas such as water production, local and regional lake/reservoir capacity, Oceana Marin effluent, safety, COVID financial impact and delinquent bill impacts and customer complaints and service orders. Ms. Blue reported on the February 2022 Investments.

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

Director Grossi asked if staff were thinking anymore about backfeeding Stafford Lake. Mr. McIntyre replied that Stafford Lake is already at 75% capacity, noting we are in a good position for the Plant to achieve typical summer production levels.

Director Joly asked if there has been a slowdown in COVID costs for the District. Mr. McIntyre replied that there was an uptick from picking up sick leave time for those employees who had to quarantine or had COVID in November and December. He added that due to the Omicron variant surge in late December through early February, additional overtime costs were incurred

as construction crews had to be separated again lessening the pool of potential on-call staff. Mr. McIntyre reported now that the Omicron outbreak is flattening, he expects costs should flatten off as well. Director Joly asked how much the refund dropped the delinquencies. Ms. Blue replied \$85,000 and West Marin got \$20,000 of that.

Director Joly asked about the increase in reported tags for leaks. Mr. McIntyre replied that he talked to staff about it and it was due to the field staff revamping the protocol on how to create tags and work orders. He added that this new protocol is doing a better job of tracking, and now with the COVID cases dropping, staff can do more field visits than before and do a better job out in the field with customer interactions. Director Petterle asked if the 36% year to date increase in leak tags could also be attributed to the AMI system. He noted that now customers can go online and see their usage, they can contact the District right away when they notice excessive use. Mr. McIntyre confirmed.

President Petterle asked if anyone from the public would like to speak and there was no response.

### **CONSENT CALENDAR**

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

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

Resolution 22-05 will extend the continuation of teleconference meetings.

After approval of the Consent Calendar, Director Joly asked if staff had any idea of when we may be able to go back to in person meetings. Mr. McIntyre responded that the county and state are saying indoor meetings must be social distanced with six feet of separation and face masks are strongly recommended. He added that the Governor's emergency order is still in place and remote meetings can still be held. Mr. McIntyre stated that he does not recommend being one of the first public agencies to return to in-person meetings, since we are constantly being surprised with new COVID variants. He apprised the Board that when talking with legal counsel, he was informed there are some potential changes in the Brown Act that might make it more flexible for remote meetings in the future, however he still favors in-person meetings.

### **ACTION CALENDAR**

**DROUGHT SURCHARGE REVIEW AND PROPOSED REVISIONS TO DISTRICT REGULATION 54(a)(3) AND (c)(3)**

Ms. Blue apprised the Board on the Drought Surcharge Review and revisions to District Regulation 54(a)(3) & (c)(3).

Consultant Mark Hildebrand provided a brief Drought Surcharge Review Presentation to the Board. He provided information on purposes of drought surcharges; current drought surcharges and drought surcharge analysis.

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

Director Grossi asked if we are looking at the drought surcharge uniformly for everyone. Mr. Hildebrand confirmed.

Director Joly stated that he previously spent an hour with Ms. Blue and Mr. Hildebrand to help clarify some of the questions he had. He noted that Proposition 218 does not apply to recycled water unless the Board chooses to do so. Director Joly stated that he hated to ask anyone to pay more, but he felt the surcharge was worthy. Mr. Biggerstaff clarified the comment in regards to recycled water charges and Proposition 218. He stated that there are instances in which recycled water can be treated in the same manner, but in this case, it does not change the analysis made.

President Petterle asked if anyone from the public would like to speak and there was no response.

On the motion of Director Grossi, and seconded by Director Fraites the Board accepted the Drought Surcharge Review-Proposed Revisions to District Regulation 54(a)(3) and (c)(3) and directed staff to prepare a Proposition 218 Notice of Public hearing on the proposed drought surcharges by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**AUTHORIZE AFFIRMATIVE VOTE FOR SCWA FY2022-23 WATER TRANSMISSION SYSTEM BUDGET**

Mr. McIntyre reported that the Water Advisory Committee Ad Hoc Finance Subcommittee, which included Ms. Blue, met twice in February 2022. He stated that the TAC unanimously approved the proposed FY 2022-23 SCWA Water Transmission System Budget on March 7, 2022. Mr. McIntyre added that a special WAC meeting will be held on April 4, 2022 to consider budget approval.

Mr. McIntyre introduced Lynne Rosselli, SCWA Finance Director who provided a presentation of the Draft FY2022-23 SCWA WTS Budget.

Ms. Rosselli reported that the budget proposes NMWD water purchases next fiscal year at \$1,101.82 per acre-foot, versus \$1,047.34 per acre-foot this current fiscal year. The increase in water rates account for an estimated increase in annual purchased water of \$280,000. As previously reported to the Board, SCWA's rate increase for NMWD will be 5.2%.

Mr. McIntyre stated, absent any objections by Board members, he recommended that the NMWD WAC representative, Director Baker, vote in favor of the budget as presented.

President Petterle thanked Ms. Rosselli for the presentation, and asked if there were any comments or questions from the Directors.

Director Joly also thanked Ms. Rosselli and Mr. Spaulding for the wonderful presentation, and noted that he was pleased to see water supply and security were both addressed. He also noted that he was happy NMWD has a mutual beneficial relationship with SCWA. Director Joly asked about some of the data in the presentation and a discussion ensued.

Mr. McIntyre complimented SCWA and stated that the agency continues to make great strides in obtaining grant funding for capital improvement projects, which help offset rate increases.

President Petterle asked if anyone from the public would like to speak and there was no response.

On the motion of Director Joly, and seconded by Director Baker the Board authorized WAC representative Jack Baker, to vote in favor of the FY 2022-23 SCWA Water Transmission System Budget by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **INFORMATION ITEMS**

#### **FY 2021-22 SECOND QUARTER PROGRESS REPORT – OPERATIONS/MAINTENANCE**

Robert updated the Board on the FY 2021-22 Second Quarter Progress Report for Operations/Maintenance. Mr. Clark provided a general overview of activities. He summarized completion of maintenance tasks and operation of the Stafford Lake and Point Reyes Treatment Plants. In addition, Mr. Clark reported on Water Quality as it related to support from the Construction, Maintenance and Operations staff.

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

Director Grossi asked if the work order system is part the of the Next Gen system. Mr. Clark confirmed it was.

Director Grossi stated that College of Marin has a Tesla Battery, and suggested Mr. Clark may want to talk to Greg Nelson to get more information on how it works and its benefits. Director Joly stated that electric costs are soaring, and asked how staff will be able to control the electricity cost increase. Mr. Clark replied staff try to avoid higher rates by avoiding peak rate pricing. Additionally, he added staff are evaluating the District's pump stations, changing out motors, and replacing them with a high efficiency ones.

Director Joly asked about any supply restraints staff might be encountering, including the purchase of chemicals. Mr. Clark replied that the biggest issue is the vendors don't give quotes anymore because the materials are so hard to find. He added that everything is going up, blaming supply and the current rise in gas prices as the main drivers.

President Petterle asked if anyone from the public would like to speak and there was no response.

### **PREPARING FOR DRY YEAR CONDITIONS -2022**

Mr. McIntyre talked about preparing for dry year conditions, updating the Board on Lagunitas Creek, Stafford Lake and SCWA water supply.

Mr. McIntyre noted, similar to last year, it is likely that SCWA will need to submit another Temporary Urgency Change Petition to the State Water Board in May to maintain storage in both reservoirs via reduced water releases. He added that it is expected the new Order in June of this year will include provisions similar to last year, wherein water diversions from Lake Sonoma must be reduced by 20% compared to 2020.

Mr. McIntyre reported Stafford Lake storage is at 3,240 AF or 75% capacity this year due to early winter rainfall and noted that we are in a much better situation than in 2021. He reminded the Board that at that time the District purchased natural Russian River water flow water from SCWA to backfeed the lake. He stated that Operations staff still expect to meet a FY23 production goal of 500MG, which is approximately 80% of our normal water year production goal.

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

Director Joly commended Mr. McIntyre for a great report. He stated that it looks as though Novato will stay in Stage 2 for now. He added that until looking at the chart, it had never occurred to him that the atmospheric river in October was a miracle and gave us half of our normal rainfall. Director Petterle stated that if we had rain in January, February and March we might have had a normal year of rain. Director Grossi stated that next year we will probably have floods.



President Petterle asked if anyone from the public would like to speak and there was no response.

**NBWRA MEETING – FEBRUARY 28, 2022**

Mr. McIntyre reported on the NBWRA Meeting held on February 28, 2022. He noted that the next NBWRA meeting will be held on March 28, 2022.

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

President Petterle asked if anyone from the public would like to speak and there was no response.

**NBWA MEETING – MARCH 4, 2022**

Director Fraites reported on the NBWA meeting that was held on March 4, 2022. He announced that there will be a NBWA virtual conference on April 8<sup>th</sup> that will cover various topics including climate change and sea-level rise. Director Fraites stated that he will send an email to all Directors, noting it would be beneficial for them to attend.

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

President Petterle asked if anyone from the public would like to speak and there was no response.

**MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated March 3, 2022 and Disbursements – Dated March 10, 2022.

The Board received the following news article: Marin IJ – MMWD delays decision on desalination measure – DROUGHT OPTIONS.

The Board received the following social media posts: NMWD Web and Social Media Report – February 2022.

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

President Petterle asked if anyone from the public would like to speak and there was no response.

**ADJOURNMENT**

President Petterle adjourned the meeting at 7:50 p.m.

Submitted by

A handwritten signature in cursive script that reads "Theresa Kehoe". The signature is written in black ink and is positioned centrally below the "Submitted by" text.

Theresa Kehoe  
District Secretary