

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 2, 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 Fraiters, Michael Joly and Stephen Petterle. Director Grossi joined the meeting at 6:14 p.m.

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. Williams performed a roll call of staff, participating remotely were, Tony Williams (General Manager), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Eric Miller (Assistant GM/Chief Engineer), Robert Clark (Operations/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor) and Pete Castellucci (Interim Construction/Maintenance Superintendent). Also participating remotely was 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 July 19, 2022 Regular Board Meeting by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Grossi

Director Baker commented on page four of the minutes in which Mr. Williams had a discussion with the Novato Fire Protection District (NFPD). He stated that although NFPD are well intended this is a unique situation and no matter what, they need to understand that there is no parking on top of the tank. Director Baker suggested NFPD be reminded periodically by NMWD staff.

GENERAL MANAGER'S REPORT

Mr. Williams reported that the Federal Energy Regulatory Commission (FERC) approved the PG&E surrender and decommissioning application schedule, which ends in January 2025 with a surrender application submitted to FERC. He noted that it is not clear how much public outreach will occur during this thirty-month period.

Mr. Williams announced that FERC also approved PG&E's flow variance request, so the diversions in Lake Mendocino will be reduced significantly from the current 92 cfs down to 10-15 cfs with a minimum of 5 cfs. He noted that this will result in a drop in the Lake Mendocino water levels as the releases from the lake will occur to maintain minimum flows downstream. Mr. Williams added that the good news is Lake Mendocino has a higher volume compared to last year, however there is no indication from SCWA of the long-term summer impact.

Mr. Williams apprised the Board that as of the end of July, the total savings for Water Contractors was 32.5% compared to 2020.

Mr. Williams highlighted the miscellaneous item in which the State Department of Water Resources (DWR) featured us on their grant funding webpage for the Gallagher Well No. 2 project. He stated that staff are currently working with DWR on a grant amendment to include rehabilitation of Gallagher Well No. 1.

On Mr. Williams behalf, Mr. Ramudo briefed the Board on the 2021 event that occurred while backfeeding Stafford Lake and dechlorinating water. He reminded the Board that it occurred last year in February. Mr. Ramudo stated staff were running the backfeeding operation to increase storage in Stafford Lake and using a new dechlorination chemical, noting the operation

was monitored remotely with SCADA and everything appeared fine. Mr. Ramudo added, on the following Monday the dechlorination monitoring appeared to have issues and the problem was reported to the Regional Water Quality Control Board (Regional Board) under the permit to discharge treated water. Mr. Ramudo also reported updates to the Board during a Water Quality Progress Report at which time he stated that we expected an enforcement letter would be coming and hoped they would offer a settlement instead of a formal action. Mr. Ramudo added that the settlement was received and is for the minimal penalty which is \$3,000 a day for four days. Mr. Ramudo reminded the NMWD Board that there was a similar situation in 2014 in which Wild Horse Tank overflowed and we settled with a \$40,000 fine. He noted that the Regional Board recognized in the most recent case that we needed storage due to the drought, in addition there was a supply chain issue and staff was unable to get the proper chemical agent ordered, and there was a mechanical problem. Additionally; staff took quick action and also reported it as soon as the incident occurred.

Mr. Williams stated that settlement offer was in the amount of \$12,000. He stated he spoke with Mr. McIntyre and his recommendation was to settle as the offer was fair.

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

Director Petterle stated that he heard that one of the Commissioners resigned and asked what impact that could have. Mr. Williams replied that he thought it was not a Board Member but a staffer, noting in either case it should not have much of an impact. Director Joly stated that the comments were unflattering about the Governor's commitment.

Director Joly asked when the backfeeding incident occurred. Mr. Williams stated that the occurrence was from February 26 through March 1, 2021 and reported on March 1st. Director Joly asked why it took four days. Mr. Williams replied that staff did not think there was a problem because the analyzer showed zero chlorine. He noted when the operator came in on Monday, March 1st, he saw that the analyzer was not reading properly. Director Baker asked if the problem was mechanical or electrical. Mr. Ramudo replied that there were several problems that have since been corrected. He stated that there was an issue with the sample port in which air accumulated and caused an air lock, and a new tap has been put on a straight pipe that will allow for a more direct flow. Mr. Ramudo added that the analyzer was replaced with a more robust model and we now have the dechlorination agent we are familiar with. Director Joly asked if staff felt a similar occurrence would not happen again. Mr. Ramudo replied that it will not happen with backfeeding, as long as there are no other major catastrophes. He added that Mr. Stompe did a biological assessment of the lake and saw no harm and staff acted in good faith, noting all of this was reported to the Regional Board, which is likely why NMWD was given the mandatory

minimum amount for the settlement. Director Baker asked if there is anything staff would do differently in the future. Mr. Ramudo replied that when backfeeding the lake, it runs unmanned and staff rely on alarms and that's when issues could occur. Director Baker asked if it would be prudent to add more staff at that time. Mr. Ramudo agreed that he thought that would be beneficial. Mr. Clark stated that he would push the backfeed to start on a Monday to help avoid this type of situation in the future. He stated that, otherwise the backfeeding was successful without interruption, noting operators and on-call staff will again be trained on all discharges in the distribution system.

Director Baker announced Director Grossi joined the meeting at 6:14 p.m.

Director Petterle stated that the dechlorination reporting was not a topic on the agenda and the Board and staff spent twenty minutes discussing it. He recommended next time it should be presented as a memo to the Board and then the public would have the opportunity to raise a question.

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.

Director Joly asked in reference to the Local Supply Study, if the Board was going to discuss increasing supply anytime this year. He mentioned the dam spillway gate at Stafford Lake alternative and asked when we will be moving from the report to actually increasing supply. Mr. Williams replied that this was presented at the July 19th NMWD Board Meeting and was covered in a slide showing the summary of CIP projects for this fiscal year. Mr. Williams stated that it would be prudent to scope and plan the dam project and be sure that the budgeted amount for the project is reasonable. Additionally, he noted that the current CIP includes an efficiency study for the Stafford Treatment Plant which is another alternative from the Study. Director Grossi asked at the time of the finalized report if priorities and budgets for all sources of water will be considered. Mr. Williams replied that there was a formal acceptance at the July 19th Board Meeting, and the CIP Budget was approved in parallel with three alternatives. He added that the diversion of storm water alternative is a more complicated process and outreach would need to be made to Marin Flood Control and the privately-owned properties it would impact. He added that he also has a coordination meeting with Ben Horenstein on August 25th to discuss other issues raised in Marin Water's study that include their Soulajule and Nicasio Reservoirs. Director

Grossi commended Mr. Williams for doing a good job at identifying those projects that will affect us immediately in addition to reporting beyond the Resiliency Study.

Director Joly asked where SCWA is on the Jacobs Study, noting that it affects NMWD regionally. Mr. Williams replied that the Jacobs Study was accepted by all the water contractors at an earlier WAC/TAC meeting and the SCWA Board also accepted the study. He noted that it is an interim report and will be revisited when the rest of the resiliency components are looked at. Mr. Williams stated that they are maximizing the use of groundwater with their wells. He added that staff will be monitoring via TAC and WAC meetings.

Director Petterle stated that he read an Op Ed article in the Marin IJ about a desalination plant and the possible cost to MMWD rate payers. He stated that it put things in perspective stating it would take five years to complete a desalination plant. Director Petterle added that the letter stated that the pipeline option would take eighteen months, however he does not believe the design could even be completed in that timeframe. He noted that, it is good to create an awareness of cost of these types of projects.

Mr. Clark addressed a question one of the Directors had about a SCWA project that was listed in a recent WAC/TAC update. He stated that he, Mr. Ramudo and Mr. Stompe all attend regular operations meetings and the project was discussed. Mr. Clark said SCWA provides updates and he stated that this project has been discussed the last couple of months and it was not an emergency. He stated that staff are paying close attention to all projects on the aqueduct and all other projects related to water supply.

Mr. Clark announced the July consumption and production was good, noting customers are doing a great job conserving compared to last year. Director Fraites asked what the percentage was this year versus last. Mr. Clark didn't have percentages, but replied that it was 8.13MG on average last July and 7.42MG this July, noting it will be reported in the next quarterly report. There was a discussion regarding notifying our customers on a great job they are doing between Director Fraites, Director Grossi and Mr. Clark, who mentioned that August and September were still ahead of us. Director Petterle stated that it sounds like a job for Kiosk to somehow give our customers the pat on the back they deserve, but at the same time let them know we still have a long way to go, perhaps by messaging them that they are doing a great job conserving and encourage them to keep up the good work. Mr. Clark stated that he will discuss with Mr. Grisso and Kiosk on this.

CONSENT CALENDAR

On the motion of Director Joly, 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

AMEND CONSULTING SERVICES AGREEMENT – WOOD RODGERS

The Board authorized the General Manager to amend the General Consulting Services Agreement with Wood Rodgers with a not-to-exceed limit of \$20,000. Wood Rodgers would establish baseline conditions with a drawdown test and a down hole camera survey, present solutions and specifications the District can use to approach vendors for pricing, monitor the work as it is performed and then retest well production to determine if conditions improve at Gallagher Well No. 1.

ADOPT HAZARD MITIGATION GRANT PROGRAM RESOLUTION – OCEANA MARIN TREATMENT AND STORAGE POND REPAIR

The Board adopted the Authorizing Resolution for the Hazard Mitigation Grant Program Resolution for the Oceana Marin Treatment and Storage Pond Repair. Part of the requirement of the grant program is to provide confirmation that the Board will designate signature authority to an “Authorized Agent” for federal financial assistance funding with the California Governor’s Office of Emergency Services.

ACTION CALENDAR

CONSULTING SERVICES AGREEMENT FOR CONNECTION FEE STUDY WITH HILDEBRAND CONSULTING

Ms. Blue requested authorization from the Board for a Connection Fee Study for Novato Water, Recycled Water and West Marin Service Areas. She stated that the objective of the Connection Fee Study is to ensure that the charges collected for new connections reflect the estimated reasonable cost of giving access to water systems capacity for new development, based on estimated cost and value of the system capacity. Ms. Blue added that the recommendation for the new water connections fees will be documented in a written report and will include a description of the calculation methodology and rationale. Additionally, she recommended Hildebrand Consulting since they have provided professional expertise for NMWD in the past during the rate studies for the Novato water (2020), Recycled Water (2020), and West Marin (2021) Service Areas. Ms. Blue noted that the agenda packet did not include the proposal, however it was emailed out prior to the meeting.

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

Director Joly stated that he did not review the proposal, but had complete faith in Mr.

Hildebrand, noting the study would not exceed \$51,000. Director Baker asked why the proposal was not sent with the agenda packet. Ms. Blue replied that it was left out in error. Mr. Baker expressed concern with an agenda item since the agreement was not provided. Ms. Blue stated that the agreement was emailed prior to the meeting and the item can be held and approved at the next Board Meeting if that is the pleasure of the Board. Director Baker replied that it would not be necessary as he does have confidence with both Mr. Hildebrand and staff. Director Petterle asked if this connection fee study would require a public hearing. Ms. Blue stated that it does not require a Proposition 218 notice, and she would need to check with the District legal counsel to confirm that no hearing is needed. Mr. Williams stated that it does not affect all rate payers, only those who are requesting a new connection. Director Joly stated that it would be a good level of transparency to have at least one public hearing. Director Petterle stating a public hearing is a formal hearing, and this may not need to be formal. Mr. Williams stated that staff can do outreach so the public knows they can attend and comment at our regular Board meeting.

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 Fraites the Board authorized the General Manager to execute an agreement between Hildebrand Consulting and the District for a Connection Fee Study for the Novato Water, Recycled Water and West Marin Service Areas with a not-to-exceed amount of \$51,060 by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

BOARD OF DIRECTORS HYBRID MEETING PLAN UPDATE

Mr. Williams updated the Board on the Board of Directors Hybrid Meeting Plan. He stated that the Board has the option of continuing with a full virtual meeting setting or implementing a hybrid meeting setting at 100 Wood Hollow. Mr. Williams added that, considering the current status of the COVID subvariant case rates, and especially the recent indoor setting public health recommendations; it is staff's recommendation to continue with the fully virtual meeting setting.

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

Director Fraites stated that he agrees with Mr. Williams to hold off on the hybrid meetings. He stated that the new variant is increasing and we need to be careful even while gathering outdoors. Director Fraites added that virtual meetings are working and he has no problem

continuing with virtual Board meetings for a while. Director Grossi agreed, we all still need to be very careful. Director Petterle stated that under a hybrid setting we are not talking about having the public attend, they would continue to attend virtually. Mr. Williams confirmed, stating in a hybrid situation it would be only the Board and the officers, not all staff. Director Joly emphasized that it would be wise to wait.

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 July 21, 2022, Disbursements- Dated July 28, 2022, California Department of Water Resources – One Year Later, DWR Has Provided that Nearly Half a Billion in Drought Relief to Communities and FY22 4th Quarter Labor Cost Report.

The Board received the following news articles: Marin IJ – County has eye on viral variant – COVID 19 PANDEMIC; Marin IJ – Building permit, inspection process changes studied – NOVATO ; Marin IJ – Leaf blowers powered by gas head for Novato ban – SOME EXEMPTIONS ; Marin IJ – Welcome to your watershed – UC MARIN MASTER GARDENER; Marin IJ – Deep look at complex water supply options – MARIN MUNICIPAL; Marin IJ – 179 offices at stake on Marin fall ballot – NOV. 8;Marin IJ – Experts’ water alerts went unheeded – STATE DROUGHT; Marin IJ – Water supply study looks at reservoir, pipeline costs – MARIN MUNICIPAL ;Marin IJ – COVID remains high in county –OMICRON SUBVARIANT and Marin IJ – Revised version of controversial Delta water plan - \$16B NEWSOM PROJECT.

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

Director Joly had a question on the disbursements in reference to the CalPERS minimum liability. Ms. Blue replied that it is an annual payment, and when paid upfront it saves on interest payments. She added that there is an item that goes to the Board annually as a follow up that will give the Board more information. Director Petterle stated that with the market tanking we could expect more current numbers. Ms. Blue stated that it is hard to track as one year there could be a gain and the next a loss. Director Joly stated that last year was 31%. Ms. Blue responded that it is hard to predict, they use different models, but currently we are around 76% and she did not suggest paying down the liability in this market. Director Joly stated that he is looking forward to the memo on this subject.

ADJOURNMENT

President Petterle adjourned the meeting at 7:05 p.m.

Submitted by

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

Theresa Kehoe
District Secretary