

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 16, 2020**

CALL TO ORDER

President Joly 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 Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 6:02 p.m. and the agenda was accepted as presented. President Joly added that there was not a public location for participating in this meeting, but any interested members of the public could participate telephonically by utilizing the access information printed on the agenda. President Joly asked if there were any members of the public participating to announce themselves. In the audience were Mark Hildebrand (NMWD consultant) and Morgan Biggerstaff (NMWD Legal Counsel). Additionally, Pat Eklund, Greg Nelson (V.P. Finance/Ops, College of Marin), Will Houston (Marin IJ reporter) and residents Greg Borchardt, Diane Schaumleffel, June Friedman, and an additional anonymous caller.

President Joly welcomed the public to participate in the call and asked that they mute their phone, except during open time and while making comments on the agenda items. President Joly noted that due to the virtual nature of the meeting he will conduct a roll call from the Directors. A roll call was done, all were in remote attendance therefore establishing a quorum. Participating remotely by phone were Directors Jack Baker, Rick Fraites, James Grossi, Michael Joly and Stephen Petterle.

President Joly 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.

Mr. McIntyre performed a roll call of staff, participating by phone were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue, Construction/Maintenance Superintendent Tony Arendell, Water Quality Supervisor Pablo Ramudo and Cashier/Receptionist Monica Juarez.

MINUTES

On motion of Director Baker, seconded by Director Petterle the Board approved minutes from the June 2, 2020 regular meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

On motion of Director Petterle, seconded by Director Grossi the Board approved minutes from the June 9, 2020 special meeting by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

PUBLIC HEARING – CONSIDER PROPOSED INCREASE IN WATER RATES FOR NOVATO SERVICE AREA AND RESULTING REVISIONS TO DISTRICT REGULATION 54, WATER RATES

Mr. McIntyre reviewed the public outreach leading up to the hearing. He noted customers were noticed individually of the proposed increase by letter and a notice of the Public Hearing was published in the June 4th edition of the Marin Independent Journal. Mr. McIntyre added during the process the District carried out an extensive Novato Water Rate Study public outreach campaign that began in October 2019 and included news flashes, a newsletter mailed to all customers, water bill messages, social media posts, ads in the local newspaper, web notices and two public workshops.

Ms. Blue reported the District received fourteen official protests against the proposed increase, the same amount as last year. Additionally, five emails in opposition of the rate increase were received and an additional one was received and sent out today to all the Board of Directors. Ms. Blue reminded the Board the Water Rate Study was accepted in March by the Board. She stated the District's consultant Mark Hildebrand will give a presentation summarizing the Water Rate Study process.

Resident Diane Schaumleffel asked when the public would be allowed to ask questions and Director Joly responded that questions from the public will be taken after the presentation.

Mr. Hildebrand gave the final presentation of the draft 2020 Novato and Recycled 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.

Director Joly thanked Mr. Hildebrand for the presentation and commented that the Board is sensitive to the effect the rate increase has on our customers which is why only a single year rate increase is being considered at this time. He noted the Board is mindful of the recent COVID-19 pandemic and encourages customer feedback.

President Joly opened the hearing for public comment at 6:20 p.m. He asked all members of the public to identify themselves before speaking.

Resident Greg Borchardt asked if North Marin Water has considered looking at other districts. He stated 54 full time employees (FTE) is high for a water district of our size and we should eliminate positions to reduce the rate increase from 6% to 2-3%. Mr. McIntyre thanked Mr. Borchardt for his question. He explained that ten years ago NMWD had 58 FTE and we have reduced staff down to 54. Mr. McIntyre noted the District has kept 54 employees even though we did a major recycled water expansion, added two new tanks and added twenty miles of pipeline. He reported the number of staff for the number of accounts is very efficient when compared to other agencies and any further reduction would impair our ability to provide safe and reliable water service to our customers.

Greg Nelson from the College of Marin stated the Board needs to understand the large government account users who rely on tax money, noting an increase in rates could cause an increase in taxes for the entire county. Mr. Nelson added that he hoped in the future the Board will take public comment ahead of time. He stated College of Marin has paid a sufficient amount to the District in connection fees in comparison to what has be paid to MMWD and he also suggested the District allow more third-party construction instead of using NMWD employees, claiming it would be more cost effective. Mr. Nelson requested the Board hold off on adopting the rate increase and advised them to get more input and recommendations going forward. Director Joly thanked Mr. Nelson for the points he expressed.

Resident Diane Schaumleffel emphasized that the tier change was slipped under the rug in this rate proposal. She stated she talked to a number of people and no one knew the tiers were changing, they got the flyers but there was nothing about the tier change. Ms. Schaumleffel stated people are angry because the Water District was not transparent, and the proposed new Tier 1 structure will give customers 1/3 of the water they had before, bumping them to the higher tier rate. She stated staff said she will be paying less, but how can that be if 2/3 of the use is in a

higher tier. Ms. Schaumleffel stated that it is unconscionable to expect people to pay this when they are out of work, stuck at home and doing victory gardens. She added, not everyone is young and affluent on social media, some of us do regular mail and need to be informed. Director Joly thanked Ms. Schaumleffel for her email earlier in the day and thanked her for her comments. He then asked Mark Hildebrand to address Proposition 218 and how it relates to the Tier 1 water allocation.

Mr. Hildebrand replied that the Water Rate Study did list all the proposed cost for rates and a full study was on the District website with complete details on how it will be implemented and noted that the 262 gallon Tier 1 threshold is not an arbitrary number but is based on the quantity of imported water supply. Ms. Schaumleffel stated that maybe the percent ratio sounds nice to staff, but the District is dealing with human beings who need a quality of life and instead they are treated by the reduction of allotted Tier 1 water, we need our environment and our trees, we are not ratios. Director Joly replied that the Board understands, we are all people and we all understand the need to protect the environment. Mr. Hildebrand responded that the District essentially has no choice in making these rate structure changes due to recent court interpretations of Proposition 218, and referenced a "landmark" case in San Juan Capistrano. He added the District must justify the amount they can charge their customers in each tier otherwise they could become vulnerable for a lawsuit. Ms. Blue noted the Tier 2 quantity charge has decreased substantially and during high use summer months some customers may pay the same or even less.

Pat Eklund thanked the Board for doing a tremendous job at getting the work done and getting recycled water throughout town. She stated it is remarkable what advances the District has made and she now has a better understanding of the rationale behind the changes. Ms. Eklund however requested the Board reconsider the rate increase, noting the unintended consequences for people that have to use more than 262 gallons per day and end up in the higher tier. Reducing Tier 1 from 615 to 262 gallons per day is too much of a reduction, it impacts the basic cost of water. She stated she understood Stafford Lake water costs more to produce, but did not understand why we would be reducing Tier 2 and Tier 3 if it cost more. Ms. Eklund provided an example that a one-person household may only use 120 gallons per day, but it would be hard for a family of four to six, or a ninety-three-year-old mom who needs special care to keep their use under the Tier 1 threshold. She implored the Board to add criteria if possible based on how many people are in the household, using the census numbers, more people should be allowed more use. Ms. Eklund stated she understands the cost to provide water is going up, however she highly

suggests the Board make it more equitable to families. Director Joly asked Ms. Eklund if she understood that Sonoma County Water Agency is raising NMWD's rates by 6.79% which affects 75% of our water supply. Director Grossi pointed out that the Tier 1 rate increase is less than 6% and Tier 2 rates are actually decreasing. Mr. McIntyre thanked Ms. Eklund and Ms. Schaumleffel for their comments and expanded on what Director Grossi stated. He explained that the first-tier rate increase is closer to 1%, and each tier has a different increase and threshold. Mr. McIntyre encouraged customers to use the Water Rate Calculator to see how their individual bill is affected due to all the various proposed rate structure changes. Ms. Eklund replied that she did use the calculator, but she was speaking on behalf of family's because they will not be able to stay in Tier 1, noting she is concerned on what they will have to pay in the long run. Director Joly thanked Ms. Eklund for her comments and for her many years of service on the City Council.

Resident Greg Borchardt stated last year in July his bill was around \$580, and equally high in other summer months. He added he collects rain water in drums for irrigation. He stated the taxpayer has had enough and they are tired of using their ATM machine. Mr. Borchardt stated he is retired and this rate increase will add \$100 to his bill, he has to use water to maintain his landscape, enough is enough, adding there are other things the District can do to reduce cost. Mr. Borchardt again asked the Board to reconsider reducing cost by reducing staff. Director Joly thanked Mr. Borchardt for his comments and asked if he used the Water Rate Calculator. Mr. Borchardt replied his bill will go up \$100 in the summer time, be he did not do the whole year only the summer months. Director Joly recognized his comment stating the Board welcomes this input and it is important to them.

Ms. Schaumleffel stated everyone was already angry with the District when everyone had to cut back during the drought and then the District raised their rates because they didn't sell enough water. She asked the District to look into other sources of water, other reservoirs like Soulajule and Nicasio and asked the Board if there is a way to do that. Mr. McIntyre replied that having a local supply is important. He added that NMWD and the other retail water contractors who purchase water from SCWA have funded a Regional Water Supply Resiliency study, and Soulajule reservoir will be looked at. Mr. McIntyre added the District will know more in two to three years; however, the cost will still be higher because of the cost to treat surface water. Director Joly stated as a consumer he appreciates the reliability and good quality of the water the District delivers.

Resident June Friedman stated she is upset with the rate of increase. She added many people are out of work, and it will be especially hard on families during the current pandemic, it is

unfair and unfortunate to do this to families now. Director Joly noted the District is providing help to customers to help them get through this difficult period. Ms. Blue added that later in the meeting there is an item to mitigate the impact to customers by not charging late fees, extending the time for payment and making sure there are no issues with providing uninterrupted water service. She also explained the new Low-Income Rate Assistance program which is effective July 1 and is designed to help those low-income customers in financial need. Ms. Friedman stated her main issue is over the last couple of years there has always been a rate increase, it is not right and they need to give customers a break. She stated it was short notice and the Board should not assume everyone in Marin County can afford to pay these increases. Ms. Friedman stated there are other bills to be paid and she would hope the Board makes their decision realizing how the people in the City of Novato feel about this rate.

Mr. Borchardt asked the Board to consider a moratorium for customers who are retired and exempt seniors from the increase. Mr. McIntyre responded that the Low-Income Rate Assistance program is tailored to help seniors on a fixed income and under economic stress. Mr. McIntyre stated the District must remain Prop. 218 compliant, noting the District cannot supplement this program from rate revenue. Morgan Biggerstaff, District Counsel, also cited the Capistrano case, and stated the tiered rates must be based on cost of service, the courts say how the water district must comply with the law. He noted, as Mr. McIntyre stated earlier, Prop. 218 says districts must fund low income rate assistance programs with non-rate revenue. Director Joly asked if there were any final public comments.

Ms. Schaumleffel again expressed that people are upset with the rate increase, with only getting 1/3 of the water in Tier 1, noting if the rate increase goes through it will be a bad thing for the customers. Director Joly stated the mutuality of benefits is important to the Board, they don't want a rate increase to cost the trust of the public, no one wants a rate increase, however; the District has to continue to deliver reliable safe water, it is the fiduciary position of the Board.

President Joly on behalf of the Board thanked all those who wrote letters, emails, and participated in the public hearing. He added it is important to the Board that they get public feedback.

President Joly announced the public hearing was closed at 7:27 p.m. and brought the discussion back to the Board.

Director Baker stated he appreciated people coming out tonight, noting some issues he had heard in the past and some he hasn't. He noted the Board's decision to raise rates was

largely due the increase of cost from SCWA. In regards to the suggestion to cut back on staff, Director Baker stated NMWD is a very lean organization for the number of people we serve. He added cut backs have been made over the last ten years and it would jeopardize our service reliability and water quality to cut back any more. Director Baker expressed his recommendation is to adopt the rate increase, as unpopular as it may be, this is a practical matter and consumers are getting a good product at a reasonable price.

Director Fraites stated it is imperative that the District make sure customers understand the tiers and rate increase as it is required by Prop. 218. He stated he did not think many understood the rate differential, noting we need to make it easier for them to understand. He agreed with the low-income rate assistance program the District will be providing, adding it is important to help those who are low income to get through this time. Director Fraites also pointed out the District's hands are tied in that we have to comply with Prop. 218, and the Board wants the public to understand why we are doing this. Director Fraites added that he was concerned about the timing and wouldn't mind if the rate was delayed three to six months to get through the pandemic.

Director Grossi thanked everyone for expressing their thoughts. He reminded the Board that the process started in January with the Water Rate Study Subcommittee, and there were presentations and discussions at several Board meetings which gave the public several opportunities to comment. He stated he understands the human issues here, but we cannot put off the rates, noting this is a business discussion and it would be fiscally irresponsible to put off CIP projects and put off replacing sixty and seventy-year-old pipelines. Director Grossi added he has not seen other rates go down, the COVID timing is unfortunate, and the District will have programs in place for those having a hard time financially. He stated the District's responsibility is to provide good quality and quantity of water, quantity of water includes fire protection which is becoming more of an issue and that includes added costs for generators to keep our tanks filled, we have no choice but to move ahead. Director Grossi added he does not want NMWD to be like other Districts who politically put off what needs to be done, and then have to deal with the consequence later. He added District staff have done an excellent job, from the field all the way up the ladder and he is prepared to vote for the increase.

Director Petterle also thanked all those who joined the conversation. He stated his only regret is that the Board has had meetings the first and third Tuesday of every month and there has been so much discussion at that time, and now to boil it down to one hour is frustrating. Director Petterle added that the Board are customers too, also on a fixed income, noting as

Director Grossi indicated a decision needs to be made, and it is the community that asks the Board members to represent them. Additionally, the District must provide good quality water, and water must be provided during outages. Director Petterle stated he understood people are upset with the increase, but also recalls that over the years at the District he has received mostly complimentary calls about the work of the crews, the fast repair of a leak, customer service, leak detection and help with conservation ideas. He agreed it is frustrating to increase the rates when people are conserving, but as a District there are fixed costs that have to be covered. It may seem like we are penalizing those who are conserving, but this is not the case. Director Petterle sympathized with the comments, and noted the presentation made by Mr. Hildebrand emphasizes that we need to make sure the cost we charge the customer reflects the true cost for water delivered to their residence or business. He stated he would support the passage of the rate increase with a caveat. Director Petterle expressed his empathy during these remarkable times and would like to move forward so that this summer will be the same rate as in the past.

Director Joly stated he also supported a rate increase, but is proposing a delay until January 2021 with the low-income rate assistance program starting July 1, 2020. He added it would be an essential gesture of good will to our customers during this extraordinary time. Director Joly recognized NMWD as a highly regulated agency that must abide by state requirements including Prop. 218 which is restrictive and costly. Director Joly added recycled water is now 8% of our water supply and the District received sizable grants to pay for that project and with the aqueduct energy efficiency project, the District saved \$18M by sharing that cost with other agencies. He noted staff is diligent to get funding when available. Director Joly stated tank replacements and maintenance is really costly and we need to keep that in mind. Additionally, he stated that he is not sure if the public is aware that NMWD is responsible for the hydrants and for the water used to fight fires at no cost, it is our moral obligation to our customers and the District. The Board needs to look at the reserves, there is a heavy responsibility for the District to secure a reliable quality product. Director Joly shared that his rates are going up more than 6%, understanding how people feel and would be willing to mitigate the implementation date, however he would like to hear from staff what that would cost the District.

Director Grossi stated that he takes pride in the District, it operates without any extras and everything is done efficiently. He would like to see what the District will lose by pushing projects back and stated that the Board may have to look at a higher rate than 6% next year to make up for the loss.

Director Baker agreed, stating delaying the increase until January 1st will have a huge impact. He added a lot of work went into what we accomplished, we can justify the rate with the recent SCWA increase. Director Baker stated the District tried to get SCWA to trim their rates, but the increase still stands. He added he does not support delaying the rates because putting it off could have a huge implication on the District.

Director Petterle expressed his support for the delay. He stated the increase could be approved, but a delay will get people through the summer and that will let our customers know they are important to us.

Director Fraites noted there is a financial downside to this delay and the District needs to stay afloat, adding they were not counting on this pandemic when the Board started these discussions and knows there are a lot of people hurting in the community. He stated he could support a delay in the rate increase as a gesture to get people through the summer. He is in favor of the rate increase, and also in favor of a delay in order to give customers a break.

Director Joly agreed with the sensitivity of the issue and was in support of the goodwill gesture to delay the rate increase until after the summer.

Mr. Hildebrand responded by directing the Board to the financial plan and how the delay in the rate increase could affect the District. He noted July 1st was based on the financial need and forecast, otherwise you would need to delay certain capital improvement projects. In this case there is an option to delay the increase for three to six months. Ms. Blue added that she had discussed this option with Mr. Hildebrand however it is staff's recommendation not to delay the increase, we need to keep our reserves at a healthy level. She stated she understands the reason for the delay, but as Director Grossi mentioned there will be a program in place for those with financial need.

Director Joly summarized that it appeared the Board is unanimously in favor of the increase; however, they need to decide a date to agree on. Mr. McIntyre advised the Board that a motion could be made to approve the resolution amending the water rates as presented with an effective date of July 1, 2020, and if that did not pass then the Board could consider approving the resolution with a different effective date.

Director Petterle made a motion to amend the rates as presented in the resolution, however change the effective date to November 1st. Director Grossi asked if he could make a comment before putting the vote before the Board. He requested to delay the vote until the next meeting so the Board knows which projects will be delayed. If the rates are delayed until January

1st he will vote against it, the District needs to know how it will affect us going forward and how it could affect an increase in next year's rate increase. Director Fraites offered changing the date to October 1st, since this will get our consumers through the summer. Director Petterle amended the motion to reflect the implementation date as of October 1st. Director Baker stated September may be tolerable, October is a compromise, he added that the District would just be pushing our problems ahead of us. Either we pay for it now, or pay for it later. Mr. Biggerstaff, District Counsel, stated they can pass the resolution two ways, to amend the resolution with a different date or suspend the resolution if there is no consensus tonight. Director Joly stated he would like to get it on the record tonight. He added October 1 seems to have support by the majority of the Board. Director Baker stated he is still reluctant because it is not prudent. Director Fraites stated he would support approval, but requested at the next agenda the Board is provided as to what projects will be cut back. Director Baker noted the date is arbitrary, and concurred with Director Grossi that it impacts the projects. Director Grossi made a point of order to define the duration of the rate. Mr. Hildebrand responded it would be in perpetuity until the Board voted to change the rate next year. He added if the Board took no action tonight the rates would go back to what they were.

On motion of Director Petterle, seconded by Director Joly the Board approved Resolution 20-12 amending Regulation 54 pertaining to water rates and charges to reflect a global revenue increase of 6% for the customers in the Novato Service Area, with an effective date of October 1, 2020 by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: Director Grossi

ABSTAIN: None

ABSENT: None

GENERAL MANAGER'S REPORT

Temporary Urgency Change Petition (TUCP)

Mr. McIntyre reported that on June 8th, the Sonoma County Water Agency (SCWA) submitted a Temporary Urgency Change Petition (TUCP) to the state of California to reduce water releases from Lake Mendocino due to lower than expected Eel River transfers. He stated the request is similar to what was made in 2014. Mr. McIntyre also announced that on June 8th, he and Jennifer Burke, Santa Rosa Water, participated in a YouTube video with Supervisor James

Gore to discuss the low flow conditions expected this summer in the Russian River and what the Water Contractors are doing to use water efficiently.

Potter Valley Project (PVP)

Mr. McIntyre reported that on June 10th he moderated the eighteenth call between the Water Contractors and SCWA regarding the PVP relicensing efforts as part of the Common Interest Agreement approved by the WAC in November 2018.

OPEN TIME

President Joly asked if anyone in the audience wished to bring up an item not on the agenda and there was no response.

STAFF/DIRECTORS REPORTS

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

Ms. Blue announced the District filled the HR/Safety Manager position. She noted the new manager has both HR, government and safety experience and will start in July. Director Joly commended Ms. Blue's for her efforts to fill this position.

MONTHLY PROGRESS REPORT

Mr. McIntyre reviewed the Monthly Progress Report for May. He reported that water production in Novato is up 10% from one year ago and up 6% year to date. In West Marin, water production is up 8% from one year ago and down 7% year to date. Recycled Water production is up 41% from one year ago and up 19% fiscal year to date. Stafford Treatment Plant produced 60 MG during the month of May and production is up 24% fiscal year to date. Mr. McIntyre also advised the Board that Stafford Lake is at 68% capacity, Lake Sonoma is at 77% capacity and Lake Mendocino is at 77% capacity. He added that in Oceana Marin there were no unusual trends. Under Safety and Liability, he noted that we had 133 days without a lost time injury. Under Utility Performance Metric, Mr. McIntyre stated that there were 51 planned disruptions under four hours compared to eight the same time last year. On the Summary of Complaints and Service Orders, the Board was apprised that total numbers are down 44% from May one year ago and there were no unusual trends in complaints and service orders for the month. In addition, Mr. McIntyre noted that the cost for bill adjustments decreased 28% from last year's adjustments.

Ms. Blue reported on the May 2020 Investments, where the District's portfolio holds \$22.4M earning a 1.67% average rate of return. Julie noted that during May the cash balance decreased by \$1,215,551. She also noted the LAIF rate is 1.36%. Ms. Blue stated the District also purchased a CD with a 0.89% interest rate, noting the interest rate is lower than in the past and is a sign of the times.

CONSENT ITEMS

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

TEXT FOR SPRING 2020 NOVATO 'WATERLINE', VOLUME 21, ISSUE 44

The Board approved the text for the Spring 2020 Novato "Waterline", Volume 21, Issue 44.

AMENDMENT No. 2 TO UTILITY AGREEMENT BETWEEN STATE OF CALIFORNIA AND NORTH MARIN WATER DISTRICT FOR CALTRANS' MSN B3

The Board authorized the General Manager to execute Amendment 2 to Utility Agreement No 1780.1 between the State of California and NMWD for the Caltrans Marin Sonoma Narrow (MSN) B3 project. Staff has requested this second amendment to enable the District to invoice Caltrans for another \$73,000 in related expenses incurred by NMWD.

ESA CONSULTING SERVICES AGREEMENT AMENDMENT 2 – ADDITIONAL PERMITTING SERVICES FOR GALLAGHER RANCH (LAGUNITAS CREEK) STREAMBANK STABILIZATION PROJECT

The Board authorized the General Manager to amend the consulting services agreement with ESA for additional permitting services for Gallagher Ranch (Lagunitas Creek) Streambank Stabilization Project. ESA requested a contract modification of \$28,590 for pre-construction surveys and construction monitoring for compliance with all permit conditions.

ACTION ITEMS

RENEW DECLARATION OF LOCAL EMERGENCY RELATED TO COVID-19 PANDEMIC

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.

Mr. McIntyre reminded the Board that staff has been operating under partial Emergency Operations Center (EOC) activation since March 18th and summarized various key measures implemented by the District's emergency management team since that time.

He stated the District's staff are physically separated as much as possible by rotating shifts and having some employees work from home, but all critical operations needed to maintain essential services continue. Mr. McIntyre also noted relocation of some staff back to the District buildings, and certain other projects and activities has been occurring over the last couple of

weeks and the District is now operating with 75% of staff on-site or in the field. He noted once our COVID-19 response plan is updated, additional training occurs and physical work space modifications occur, additional staff will be able to return to work on-site. Mr. McIntyre provided the Board with an update on current coronavirus conditions in Marin County. He apprised the Board that currently we have no employees who have been instructed to be isolated or are self-quarantined. He stated that physical Board meetings will be re-instated as soon as it is safe for Board members, public and staff to do so.

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

TEMPORARY MEASURES MODIFYING LATE CHARGE AND SHUT-OFF POLICY NO. 6 IN RESPONSE TO POTENTIAL CUSTOMER IMPACTS DUE TO THE COVID-19 PANDEMIC

Ms. Blue reviewed the temporary measures modifying Late Charge and Shut-Off Policy No. 6 in response to potential customer impacts due to the COVID-19 pandemic. She explained the proposed temporary changes include (1) an extension of ninety days to the suspension of disconnections, once the end date of the order has been established, (2) extension of the duration of payment plans to twenty-four months from the current twelve months as outlined in the policy and (3) extension of the District's current forbearance of customer late fees for a 180-day duration. Ms. Blue added that the Low-Income Rate Assistance program is available in July for all single-family residential customers who are low-income and also participate in Pacific Gas & Electric's (PG&E) California Alternate Rates for Energy (CARE) program. She stated customers are calling in for an application due to our public outreach, and those that qualify should see a fifteen-dollar credit per billing cycle.

Director Grossi asked if at some point the Board will know the cost to the District, since at this time we have no idea, and expressed the need to track it. Ms. Blue agreed, and stated she will report back to the Board on how the policy impacted our customers and the District and the variables that will go with that report out. Director Joly asked if this policy will be effective July 1st. Ms. Blue replied that the policy was revised to be effective June 17th.

On the motion of Director Petterle, and seconded by Director Baker the Board approved the temporary measures modifying Late Charge and Shut-Off Policy No. 6 in response to potential

customer impacts due to the COVID-19 pandemic by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

NOVATO AND RECYCLED WATER FY 20/21 BUDGETS

Ms. Blue reviewed the FY 20/21 Budgets for North Marin Water District which include Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Ms. Blue stated the budget was based on the proposed rate increases for Novato (6%), West Marin Water (4.5%) 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, explaining the need for District wide rate increases. Ms. Blue summarized the changes made since the last review.

Director Joly requested that based on the changes made to the Novato rate schedule the Board carry over approval of the budgets until the meeting the June 23rd. Ms. Blue agreed to delay approval of the budget so she could make adjustments based on the rate increase vote tonight and she will bring it back to the Board with those adjustments. Director Baker asked if she would have enough time to make those adjustments. Ms. Blue responded that she can work it in her schedule and will also consider a delay for West Marin and Oceana Marin. Mr. McIntyre recommended that at the meeting on June 23rd, the Board is presented with two scenarios, one to proceed with the original effective date of July 1st and the other with replacement pages in the budget adjusting the West Marin potable and OM budgets with similar rate increase delays as what was provided for Novato tonight.

Director Grossi asked where we stood with the virtual meetings. Mr. McIntyre replied that we are not able to hold the meeting at the Dance Palace due to COVID-19 social distancing requirements. He added that staff is working with IT on adding a video option for the June 23rd meeting.

OCEANA MARIN SEWER SERVICE CHARGE INCREASE ORDINANCE -FIRST READING

Ms. Blue requested the Board approve the first reading of the ordinance for the Oceana Marin Sewer Service Charge Increase.

President Joly read the full title of the proposed Oceana Marin Service Charge Increase Ordinance.

On the motion of Director Grossi, and seconded by Director Fraites the Board approved the first reading of the Oceana Marin Sewer Service Charge Increase Ordinance by the following

vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

FY 19-20 THIRD QUARTER PROGRESS REPORT-WATER QUALITY

Mr. Ramudo reported to the Board on the third quarter FY 19/20 Water Quality Report. He reported on the Novato and Point Reyes systems. Mr. Ramudo noted that the lab currently has reduced staffing since the vacant chemist position has not be filled. He stated that during the third quarter we did not use Stafford Lake water. Systemwide water quality was monitored by the lab on a bi-weekly basis. He added that in West Marin, staff continues to mitigate the effects of salinity intrusion to the aquifer. Additionally, he stated that the Point Reyes Treatment Plant production was optimal and reported the District had no problem meeting the disinfection byproduct limits during the quarter. Mr. Ramudo noted there was no Novato recycled water to report since the Deer Island facility was off during this quarter and all recycled water was supplied by Novato Sanitary District and Las Gallinas. Director Joly thanked Mr. Ramudo for the brilliant report and asked him to thank his staff for all their work. Mr. Ramudo thanked Director Joly and said he will pass on the kind words to staff.

NBWA MEETING – JUNE 5, 2020

Director Fraites summarized the NBWA Meeting held on June 5, 2020. He stated Bryan McFadin, Senior Water Resources Engineer, North Coast RWQCB and Greg Andrews, Fisheries Program Manager for MMWD were there to provide an overview on state planning efforts underway to enhance and protect instream flows for fish. Director Fraites reported they discussed stream conditions that are optimum for fish recovery and discovered that if they measure the pool ripples they can determine how long the pool will stay filled and support the fish.

Additionally, Director Fraites reported that Pam Jeane from Sonoma Water updated the Board on the Potter Valley Project. Director Joly thanked Director Fraites for attending the meeting on behalf of the Board.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated June 4, 2020, Disbursements – Dated June 11, 2020, Pt. Reyes Light Newspaper - Declaration of a Water Shortage Emergency West Marin Service Area – May 14, 2020, SCWA Press Release -Sonoma Water Temporary Urgent Change Petition, Marin IJ Newspaper - North Marin Water District Water

Rate Hearing – June 4, 2020 and FY21 Insurance Purchase Renewal.

The Board received the following news article: PG&E behind on plan to ease fire shut-offs.

Director Joly complimented reporter Will Houston, his editor, and the Marin IJ for their fine multiple article reporting on the District's Novato water rate study and rate increase. He thanked Mr. Houston for his good and proper reporting which kept the public aware that this rate hearing was happening. Mr. Houston was commended for providing a great service to us all.

Director Joly also thanked water rate consultant Mark Hildebrand for his great presentation and his remarkable work on the rate study. He also thanked Morgan Biggerstaff the District's Legal Counsel and staff for attending this very long and great Board meeting. Additionally, Director Joly thanked the public for their participation, letters, email suggestions, and commended those who participated. He also thanked the Board for participating in this long and professional Board meeting and reminded the Board there will be another meeting next week. Director Petterle thanked Director Joly for the professional manner in the way he handled tonight's meeting. Director Joly responded that it is always an honor.

ADJOURNMENT

President Joly adjourned the meeting at 8:42p.m.

Submitted by



Theresa Kehoe
District Secretary