

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 23, 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 remotely by utilizing the video or phone conference dial-in method using information printed on the agenda.

President Joly 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 Joly announced for those joining the virtual meeting from the public to identify themselves, and there was no reply. 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 were Directors Jack Baker, Rick Frites, 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 remotely were Drew McIntyre (General Manager), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Tony Arendell (Construction/Maintenance Superintendent), Pablo Ramudo (Water Quality Supervisor) and Monica Juarez (Cashier/Receptionist). Also participating remotely was Morgan Biggerstaff (NMWD Legal Counsel) and Kevin Cozart (NMWD IT Support).

President Joly reported that since the last meeting was of a long duration, and because of the extra meeting scheduled in June the minutes for June 16, 2020 will be on the July 21, 2020 meeting agenda.

**GENERAL MANAGER'S REPORT**

**Old Ranch Road Tank No. 2**

Mr. McIntyre reported that the sixth Northern Spotted Owl survey has been completed and it has been confirmed they don't need to conduct any additional surveys at this time.

#### New Website

Mr. McIntyre announced the new website launch date has been pushed back one week and is now scheduled to be live on June 30<sup>th</sup>.

#### Gallagher Ranch Streamback Stabilization Project

Mr. McIntyre reported he received formal approval today of another \$104,000 in grant funding to help offset additional project costs. He added he had a meeting with Marin Agricultural Land Trust (MALT) at the project site on June 22<sup>nd</sup> and they agreed to play a key role in post construction project monitoring, which will help mitigate future costs.

#### Assistant General Manager/Chief Engineer AGM/CE Position

Mr. McIntyre announced the District will be using a professional recruitment firm, Ralph Anderson and Associates to help fill the AGM/CE position that was recently re-opened. He reported this firm recently helped MMWD fill two positions, and they also helped fill an AGM position at Dublin San Ramon Services District last month. Mr. McIntyre stated he will continue to update the Board on their progress.

#### **OPEN TIME**

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

#### **STAFF/DIRECTORS REPORTS**

Ms. Kehoe announced the regularly scheduled meeting on July 7<sup>th</sup> will be cancelled unless the Board feels a need to hold this meeting. There was no response from the Board, therefore the meeting will be cancelled.

#### **PUBLIC HEARING – APPROVE: PROPOSED WEST MARIN WATER RATE INCREASE**

President Joly declared the public hearing for the West Marin Water Rate increase opened at 6:05 p.m.

A Public Hearing was held to consider the proposed 4.5% increase in Water Rates for the West Marin Service Area effective July 1, 2020 and resulting revisions to District Regulation 54 water rates.

Mr. McIntyre reminded the Board that the rates reflect the five-year financial plan previously approved by the Board. He stated if the Board directs staff to delay the effective date, similar to Novato's October 1<sup>st</sup> effective date, staff is prepared to accommodate the change and it is reflected in this agenda item as budget Option 2.

Ms. Blue reviewed with the Board the process for the rate increase. She added that all West Marin customers were noticed by mail of the Public Hearing per Proposition 218 requirements and a Public Hearing notice was also published in the Point Reyes Light paper. She stated the proposed rate increase is 4.5%, and it will add \$33,000 in revenue. Ms. Blue reported she received one official written protest and one phone call. She added the five-year financial plan was reviewed at the last three Board meetings, and the rate increase reflected in the Capital Improvement Projects was reported on page 2, and included \$1M for the PRE Tank 4A project. Additionally, she referenced the cost comparison analysis to other agencies, and stated that even after the rate increase, NMWD's rates are below many of the other small local agencies.

President Joly asked for members of the public on the call who would like to express their opinions on the 4.5% increase effective July 1, 2020 to identify themselves before speaking.

President Joly announced that no comments were heard, therefore the public hearing was closed as of 6:19 p.m. and directed the discussion to the Board.

Director Baker made a motion to approve the proposed West Marin water rate increase. Director Petterle requested that we handle West Marin in the same manner as Novato and postpone the West Marin increase until October 1, 2020. Director Fraites concurred with Director Petterle's recommendation. Director Joly summarized the discussion, stating the question is whether the Board wants to delay the effective dated from July 1<sup>st</sup> to October 1<sup>st</sup> in a similar fashion as what the Board approved for the Novato water and recycled water rate increase. He asked for further discussion. Director Grossi replied he has the same opinion as last time.

On motion of Director Baker, seconded by Director Grossi the Board voted increase water rates for West Marin service area by 4.5% with an implementation date of July 1, 2020 and it was defeated by the following vote:

AYES: Director Baker and Grossi

NOES: Director Fraites, Joly and Petterle

ABSTAIN: None

ABSENT: None

President Joly noted that the motion was not passed by a majority and went back to the Board for discussion. He noted the issue seems to be with the implementation date not the increase. Director Petterle announced he will move the 4.5% rate increase with a delayed

implementation date of October 1, 2020 because of the concern about the economic impact to our customers caused by the Coronavirus.

On motion of Director Petterle, seconded by Director Fraites the Board approved Resolution No. 20-13 amending Regulation 54 pertaining to Water Rates and Charges to reflect a 4.5% increase for the typical residential customer in the West Marin service area, effective October 1, 2020 by the following vote:

AYES: Director Fraites, Joly and Petterle

NOES: Director Grossi

ABSTAIN: Director Baker

ABSENT: None

**PUBLIC HEARING – APPROVE: PROPOSED OCEANA MARIN SEWER RATE INCREASE**

President Joly declared the public hearing for the Oceana Marin Sewer Rate increase opened at 6:25 p.m.

Mr. McIntyre announced the ordinance in front of the Board is for the Oceana Marin proposed 5% rate increase that will be put on the Marin County Property Tax bills. He stated, if the Board elects to treat Oceana Marin the same as Novato and West Marin by changing the implementation date, the way to do this is different. Mr. McIntyre advised since the sewer bill is on the tax bill, the county cannot change the effective date; therefore, a one-time credit of \$15 would yield a similar savings. He noted that should the Board want to provide a credit, it would require taking action on a revised ordinance.

Mr. McIntyre asked Mr. Biggerstaff, District Legal Counsel, how many votes are required to pass the sewer rate increase ordinance. Mr. Biggerstaff replied an ordinance needs a 2/3 approval; therefore, four out of the five votes.

Ms. Blue continued the discussion noting there are 235 customers in Oceana Marin and the District complied with Prop. 218 notification procedures by mailing individual letters and the Public Hearing notice was also published twice in the Point Reyes Light newspaper. Ms. Blue stated this increase will provide \$14,000 in revenue, and there were no official protests and only one email. Ms. Blue added the need for the increase was reviewed by the Board during the financial plan and budget review at the last three Board meetings. She added there are Capital Improvement projects that need to be addressed and if a sewer rate credit is approved to match

the intent of the delayed Novato and West Marin water rate increase implementation date, this will result in approximately \$4,000 lost in revenue.

President Joly asked for members of the public participating in the meeting who would like to address their opinions on the 5% increase effective July 1, 2020 to identify themselves before speaking.

President Joly announced that no comments were heard, therefore the public hearing was closed as of 6:30 p.m. and directed the discussion to the Board.

Director Petterle commented that he did not feel as strongly about changing the effective date since the customers will not get a tax bill until September and payment is not due until December. He added the delay of the implementation date made sense for Novato and West Marin water, because the idea was to delay the rate increase until customers are below their peak water use. Director Petterle stated the delay does not apply in this situation and he would vote to support the motion.

On motion of Director Baker, seconded by Director Grossi the Board approved Ordinance 40 electing to have the Oceana Marin Sewer charges be collected on the tax roll of the County of Marin and approved Resolution No. 20-14 amending Regulation 109, effective July 1, 2020, to increase the Oceana Marin Sewer Service Rate to \$1,176 per dwelling unit per year by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

President Joly announced the 5% Oceana Marin rate increase was approved unanimously by the Board and provided a second reading of Ordinance 40.

**CONSENT ITEMS**

On the motion of Director Baker, 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

### **ANNUAL WATER QUALITY REPORT - NOVATO**

The Board approved the text for the annual Water Quality Report for Novato. The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually.

### **ANNUAL WATER QUALITY REPORT – POINT REYES AREA**

The Board approved the text for the annual Water Quality Report for the Point Reyes area. The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually.

Director Baker asked if we get much feedback on these reports from the property owners. Mr. Ramudo confirmed. He stated throughout the year customers go on to our website and look at the report and reach out to us. Mr. Ramudo added not all tests are provided in the report and sometimes customers will call about compounds that are not detected in our water supply. He noted the report would be too large to list everything the District tests for. Director Grossi noted that on the West Marin Water Quality Report his name was listed twice and Director Baker's was omitted. Mr. Ramudo responded that this will be corrected, the reports in the agenda packet are draft reports from the printer and there are a number of corrections to be made. Director Joly requested that it would be important to add to the report a notation that our water is safe and there are no contamination issues caused by COVID-19. Mr. Ramudo replied it is entirely possible and it would be good to add that text in the front part of the report where it talks about meeting all the state requirements.

### **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 18<sup>th</sup> 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 including having some employees work from home, but all critical operations needed to maintain essential services continue. Mr. McIntyre also noted relocation of additional staff back to the District buildings, and certain other projects and activities has been occurring and we are now operating with 85% 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 are complete, 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 advised physical Board meetings will be reinstated as soon as it is safe for Board members, public and staff to do so. Additionally, Mr. McIntyre addressed the question that arose at the last Board meeting in reference to staff tracking the financial impact with customers and delinquent bills. He noted Ms. Blue reviewed the bills over the last three months and spoke with consumer services staff and the current delinquency rate is averaging 1.5% of all customers which is not atypical. Mr. McIntyre reported a more detailed analysis will be provided at a subsequent meeting.

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

#### **NOVATO, RECYCLED WATER, WEST MARIN & OCEANA MARIN FY 20/21 BUDGETS**

Ms. Blue reminded the Board that on several occasions they 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, which explained the need for District wide rate increases. Ms. Blue shared that based on last week's meeting and the Board's decision to delay implementation of the Novato rate increase she has put together two options of the budget. She focused on Option 2 for the Novato and West Marin budgets and noted she will put back the \$4,000 revenue loss in the final copy of the budget next meeting since the Oceana Marin rate increase will stay at the original proposed July 1, 2020 implementation date. Ms. Blue stated Option 1 and Option 2 shows the change in revenue and how it effects the bottom line, adding she did not change anything but the revenue numbers. She stated the budget has been reviewed three times, it included all areas, the financial plan, and rate study. Ms. Blue recommended approving Option 2 subject to amendment to put back in the Oceana Marin Budget \$4,000 of additional revenue. She stated that the one-time projected revenue loss will be factored in when developing the five-year CIP

plans and for Novato, this represents a reduction of approximately \$100,000 per year, for the next four years.

Director Joly commended Ms. Blue, stating the memo was extremely well done, noting it was a tremendous accomplishment for her and her staff to have this analysis in place in such a timely manner. Director Grossi stated he would like to echo that comment.

On the motion of Director Petterle, and seconded by Director Fraites the Board approved the modified Option 2 of the Novato, Recycled Water, West Marin and Oceana Marin FY 20/21 Budgets by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **REFINANCING OF EMPLOYER ASSISTED HOUSING LOAN**

Ms. Blue requested authorization for the General Manager to sign the Subordination Agreement for Mr. Rodriguez with Caliber Home Loans, Inc. She stated this loan was part of the Employer Assisted Housing Program which is there to help employees purchase local housing within the District's service territory to rapidly respond to District emergencies.

Ms. Blue stated in 2018 the District approved a home loan with Mr. Rodriguez and two years later he is requesting to refinance the current loan to reduce the current interest rate from over 4% to under 3%. In order to take advantage of the low interest loan a Subordination Agreement must be signed. Ms. Blue noted the agreement was reviewed by District legal counsel and their position is that the risk to the District is minimal.

On the motion of Director Baker, and seconded by Director Fraites the Board approved authorizing the General Manager to sign a subordination agreement to district employee Chris Rodriguez to refinance his senior housing loan by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **INFORMATION ITEMS**

### **WEST MARIN CAPITAL IMPROVEMENT PROJECTS – FY 19-20 PRELIMINARY YEAR-END PROGRESS REPORT**

Mr. McIntyre reported on the preliminary year-end status report on the District performance in completing budgeted FY 19-20 Capital Improvement Projects (CIPs) in the West



Marin (including Oceana Marin) service territories. He noted a total of eight CIPs were originally budgeted, four projects were added and one was carried over. Out of the thirteen projects, eight projects have been completed and all of the originally budgeted project expenditures were at or below the original budget. Mr. McIntyre added the estimated Oceana Marin project expenses of \$159,500 are \$104,000 above the Oceana Marin CIP budget of \$55,000 which is due to adding the 75% grant funded Oceana Main Treatment Pond Rehabilitation project.

Director Joly thanked Mr. McIntyre for doing a fine job on the memo.

### **WAC/TAC MEETING – MAY 18, 2020**

Mr. McIntyre presented the draft minutes for the WAC/TAC Meeting for May 18, 2020. He also referenced the attached Potter Valley Project Relicensing Feasibility Study report that was submitted to the Federal Energy Regulatory Commission on May 13, 2020. He noted that this report discusses the potential formation of a Regional Entity to apply for a license and also identifies the project plan showing capital modifications, fisheries restoration and financial impacts. He also discussed current water supply conditions noting that SCWA will be filing a Temporary Urgency Change Petition with the State Water Resource Control Board requesting as of July 1, minimum stream flows in the upper Russian River be reduced to 50 cfs and 60 cfs in the lower Russian River due to below average rainfall conditions within the Eel and Russian River Watersheds

### **MISCELLANEOUS**

The Board received the following miscellaneous item: Disbursements – Dated June 18, 2020.

The Board received the following news articles: Water district board to vote on raising rate – NORTH MARIN; AWWA: Water sector meeting pandemic challenge; County to ask state for faster reopening and Virus Hardships prompt board to delay increase – NMWD Rates.

Director Joly thanked Mr. McIntyre and Ms. Blue for their multiple reports, for Mr. Ramudo for his Water Quality Reports, to Ms. Kehoe for setting up the virtual meeting and to Mr. Clark and Mr. Arendell for attending the meeting. He gave special thanks to Mr. Cozart and Ms. Juarez for helping manage the Zoom platform and to Mr. Biggerstaff for his good legal advice. Director Joly reminded the Board the next meeting will be on July 21, 2020 and thanked the Board for their participation in this heavy action meeting.

### **ADJOURNMENT**

President Joly adjourned the meeting at 7:06 p.m.

Submitted by

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

Theresa Kehoe  
District Secretary