

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 7, 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 Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle. Director Baker joined the meeting shortly after roll call.

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/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Robert Clark (Operations/Maintenance Superintendent), Ryan Grisso (Water Conservation Coordinator) and Pete Castellucci (Distribution/Maintenance Foreman) and Tony Arendell (Construction/Maintenance Superintendent) joined the meeting shortly after roll call. Additionally, District employee Connie Filippi (Accounting Clerk II) joined the meeting. Also participating remotely were Craig Judson (Legal Counsel) and IT consultant Clay Smedshammer (Core Utilities).

President Petterle requested that for those joining the virtual meeting from the public to identify themselves. Participating remotely were Steve Gogler and Roger Burstrem.

## **MINUTES**

On motion of Director Joly seconded by Director Fraites, the Board approved the minutes from the May 17, 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**

Mr. Williams reminded the Board that at the last meeting there was a discussion as to whether we needed to hold the scheduled June 21<sup>st</sup> regular meeting. He stated that, at this time staff does have some items for Board consideration, therefore we plan to hold the meeting. Mr. Williams added that the meeting should be relatively short.

Mr. Williams reported that per the District Stafford Rain Gauge as well as two county gauges, Novato recorded 0.12 inches of rain over the weekend. He stated that although this added precipitation, it does not help with drought relief. Mr. Williams added June rains are always appreciated.

Mr. Williams announced the Closed Session item is scheduled directly after the end of the open session. He noted that the attorney will be available around 7:00 p.m. due to an engagement with another agency and he hoped to be close to that timeline.

Mr. Williams apprised the Board that in Marin and the Bay Area in general, there has been a spike in COVID-19 cases. He added that the District has recently seen a spike, and noted that he has also been out with symptoms and is awaiting test results.

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

## **OPEN TIME**

President Petterle asked if anyone from the public wished to bring up an item not on the agenda.

Roger Burstrem stated that he lives in the Hamilton area of Novato and has been on the Meadow Park Homeowners Association Board for eleven years, where he serves as treasurer. He added that he is concerned about the water supply and noted that 85% of the irrigation in Meadow Park uses recycled water, but there in one area that is still using potable water and asked if the District would be looking into it, noting the homeowners would love to see this on the agenda.

Director Petterle thanked Mr. Burstrem for coming to the meeting, however he noted that since this was not an item placed on the agenda, it is not up for discussion. He added that the General Manager or other staff members will contact him directly. Director Petterle thanked Mr. Burstrem for bringing it to the Board's attention.

### **STAFF/DIRECTORS REPORTS**

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

Ms. Blue announced that on May 31<sup>st</sup> the bank loan for the Administration and Lab Renovation Project closed with a 3.11% interest rate. She noted that the cost of issuance was \$124,000 and we are ready to go forward with the building remodel. Director Joly asked if this included the building permit. Ms. Blue clarified that she only reporting on the funding part of the project. Director Petterle congratulated Ms. Blue for her good work and success with securing the loan. Director Joly also congratulated Ms. Blue.

Mr. Castellucci reported there was a main break on Arthur Street which involved a 90-degree elbow on a pipe that was over 50 years old. Director Joly asked if there was any damage to private property. Mr. Castellucci confirmed there was some landscape damage and he told the consumer to send the District the bill from her landscaper once it was repaired. He added that the consumer was very nice and understanding of the emergency situation. Director Joly stated that this was a good response. Director Baker asked if that pipe was scheduled for replacement, or was it just a problem with that location. Mr. Arendell replied that the pipe was approaching the end of its useful life, but noted that the problem may have been the 90-degree elbow was not originally addressed properly. Director Baker stated that Arthur Street is a bad location for a major leak, especially if there was a repeat occurrence. He suggested staff might want to consider preventive measures. Director Joly asked if staff knew forensically what caused the situation. Mr. Williams replied that staff were still evaluating the failure. He noted that it was an old asbestos cement pipe and they are vulnerable. Director Petterle thanked the crew for their good work out in the field.

### **CONSENT CALENDAR**

Director Joly had a question about Item 8, therefore it was removed from the Consent Calendar for additional discussion. He asked if the total soft costs were correct and Mr. Williams confirmed. Director Joly asked if some of the soft costs included the cost of financing and what that cost was. Ms. Blue confirmed, that the cost of financing was \$124,000 included in the soft costs; which included the NHA Advisors consultants, the cost for legal counsel to review the transaction and two state fees. Director Joly asked if there will be no more soft costs for

management in addition to Noll & Tam and CCM. Mr. Williams replied that there is one additional consultant PES Environmental who will perform abatement and another firm will perform geotechnical engineering as required for the project. He added that the PES contract will be on the June 21<sup>st</sup> agenda and is estimated at \$16,500. Director Joly asked if the total soft cost all together would not exceed \$3M and Mr. Williams noted that excluding some of the previous work such as master planning that was done years ago, the total soft costs will be under the \$3M amount. Director Grossi stated that with these types of projects it is not unusual for the soft costs to go up to 25% and since the District is under 20% we are in good shape compared to other projects of this size. Director Petterle agreed, stating that the soft costs are not out of the ordinary for the size of the project.

On the motion of Director Baker, and seconded by Director Joly the Board approved the following Items 5, 6, 7 and 9 on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**ITEM #5 -RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT**

The Board approved Re-Authorizing Meetings by Teleconference of Legislative Bodies of North Marin Water District. Resolution 22-17 will extend the continuation of teleconference meetings effective June 7, 2022 through July 7, 2022 pursuant to Brown Act provisions.

**ITEM #6 -ASSISTANT GENERAL MANAGER/CHIEF ENGINEER APPOINTMENT**

The Board appointed Eric Miller as the Assistant General Manager/Chief Engineer of the North Marin Water District effective June 16, 2022.

**ITEM #7- AGREEMENT WITH KIOSK FOR COMMUNICATIONS AND PUBLIC OUTREACH**

The Board approved the agreement with Kiosk for communications and public outreach implementation in an amount not to exceed \$60,000.

**ITEM #9 - PIPELINE DISPOSITION AGREEMENT WITH PACIFIC GAS & ELECTRIC**

The Board approved the Pipeline Disposition Agreement for Rush Creek Place with Pacific Gas and Electric.

**ITEM #8 - NMWD ADMINISTRATION AND LABORATORY UPGRADE PROJECT – ARCHITECTURAL AND CONSTRUCTION MANAGEMENT SERVICES**

After discussion as described above, the Board approved the NMWD Administration and Laboratory Upgrade Project for architectural and construction management services.

On the motion of Director Joly, and seconded by Director Baker the Board approved Item 8 on the Consent Calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **ACTION CALENDAR**

#### **RESOLUTION OF APPRECIATION FOR ANTHONY ARENDELL**

President Petterle read Mr. Arendell's Resolution of Appreciation, 22-18. He stated that Mr. Arendell is retiring after almost thirty-six years of service. President Petterle stated that, Anthony (Tony) Arendell was hired on October 16, 1986 as a "Laborer" at North Marin Water District and promoted through the ranks of Pipeman Apprentice (1988), Pipeman (1990), Pipeline Foreman (2005), and culminating his career with the District as Construction Superintendent and Construction/Maintenance Department Head from 2014 to 2022. President Petterle noted that Mr. Arendell performed all his duties with deep commitment and dedication. The Construction/Maintenance Department, under Mr. Arendell's leadership, strengthened its "workforce" and continued its longstanding and well-deserved reputation of being a highly competent, hardworking, efficient, proud and a close-knit group. He added that, Mr. Arendell presented a competent and helpful demeanor to customers and persons he did business with on behalf of the District and pursued his work in a professional and businesslike fashion. President Petterle noted that Mr. Arendell held the respect of his men, fellow District employees and District managers he served, the Board of Directors, contractors, developers and engineers. He stated that Mr. Arendell developed and maintained strong and trustworthy relationships with local and regional partners such as City of Novato, Novato Sanitary and County of Marin. Mr. Arendell's devotion to the District is exemplified by his willingness to try new construction techniques and equipment in the field, and his "can do" attitude to accomplish work assigned. President Petterle added Mr. Arendell's knowledge of the District's distribution system combined with his expertise has been instrumental in ensuring quality designs of District projects.

President Petterle thanked Mr. Arendell for his amazing career and service to the District and stated that he will be missed.

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

Ms. Kehoe stated that she has worked with Mr. Arendell at the District for almost 35 years. She stated that Mr. Arendell always had a positive attitude and was always a team player offering his help without hesitation. Ms. Kehoe wished Mr. Arendell all the best and stated that he will be

missed by all.

Director Grossi commended Mr. Arendell on his level of excellence when working with outside contractors. He stated that he never heard any complaints, he always did an excellent job and carried forth the legacy of field crews and staff.

Mr. Castellucci congratulated Mr. Arendell on a well-deserved retirement. Mr. Castellucci stated he has learned a lot from Mr. Arendell over the last sixteen years. He added that Mr. Arendell's knowledge of the North Marin Water District and the City of Novato are unmatched. Mr. Castellucci thanked Mr. Arendell and expressed that he hoped he will keep in touch.

Director Joly stated that it was like looking at the American Dream, the fact that Mr. Arendell started as a laborer and then became the head of the Construction/Maintenance Department, noting that it was an incredible accomplishment. He added that Mr. Arendell and Ms. Kehoe collectively have worked for the District for 71 years, which is incredible since the District is 74 years old.

Mr. Clark stated that Mr. Arendell was a great asset to the District, noting he could always locate problems in the distribution system. He added that he could not say enough about how helpful Mr. Arendell was and he has learned a lot from him. Mr. Clark gave Mr. Arendell some retirement advice, to put a leash on his coffee cup. Mr. Arendell replied that he was considering an electronic device. Mr. Clark wished Mr. Arendell the best of luck in his retirement.

Director Fraites stated that Mr. Arendell has been solid as a rock during his employment at the District. He added that Mr. Arendell is one of the most stunning employees on staff. Director Fraites thanked Mr. Arendell for his service and for helping NMWD to be one of the leading water districts in the state.

Director Baker agreed with the comments from his colleagues, adding Mr. Arendell was responsible, knowledgeable and took good care of his crew.

Mr. Williams stated that on behalf of the Engineering Department, he would like to acknowledge Mr. Arendell's ability to review projects and offer his ideas for a better design. He noted that he will miss the conversations they had on a daily basis.

Director Petterle stated that Mr. Arendell was always professional and treated people with respect. He added that Mr. Arendell had the patience to explain questions that would arise and helped the Board understand any given situation. Director Petterle congratulated Mr. Arendell on his retirement.

Mr. Arendell stated that his legacy will carry on as there is a good guy taking over for him. He added that the men in the department go all out and asked that the District take care of them. Mr. Arendell stated that he believes most of his men will work for NMWD as long as he did,

because it is a really good place to work.

It was acknowledged by both the Board of Directors and staff that he will be greatly missed at the District.

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 adopted Resolution 22-18 in appreciation of Anthony Arendell who was retiring after almost 36 years of employment with North Marin Water District by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**CONSIDER APPROVAL OF RESOLUTION 22-19 AUTHORIZING IMPOSITION OF A \$1,000 ADMINISTRATIVE FINE FOR VIOLATIONS OF SECTION 6(B)(1) AND AMENDING SECTION 8 OF EMERGENCY WATER CONSERVATION ORDINANCE NO. 41**

Mr. Grisso apprised that the Board of Resolution 22-19 which would authorize an imposition of a \$1,000 administrative fine for violation of Section 6(b)(1) and amending Section 8 of Emergency Water Conservation Ordinance No. 41. He stated that after one year of enforcement and much discussion and comment, staff found the current enforcement procedure in Section 8(b) of Ordinance 41 to be inefficient. Moreover, staff learned that the administrative fines for first and second violations of Ordinance 41 may not be effectively dissuading some people from initially filling swimming pools and/or refilling completely drained swimming pools.

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

Director Joly stated that he was surprised that people would violate this ordinance during the drought to fill their pools, when the District has made is robustly clear that it is forbidden. Mr. Grisso replied that the current language in Ordinance 41 is written so that staff can only give a warning. Mr. Grisso noted that the District's legal counsel has stated that the \$1,000 was the limit for the fine per the Water Code. Director Grossi stated that someone who is building a pool will likely not be stopped by a \$1,000 fine. He added that we need a higher rate to make a statement. Mr. Grisso noted that MMWD previously had a \$1,000 fine and in the District's Ordinance in 2014 there was a \$500 fine for filling a pool. Mr. Grisso added that if there is a leak or if the pool needs to be repaired for health and safety reasons, the consumer could be allowed a variance. He stated that he can go back to legal counsel to see if there is a way to increase the penalty limit. Director Joly asked if staff knew when someone was filling a pool. Mr. Grisso replied that staff

has a permit list from the City of Novato and hourly data from the AMI system, which is our proof of actual filling. Director Petterle noted that regulations and infractions usually only have small fines, and the fines can increase the more violations you have, but still remain remarkably low. Director Petterle recommended that the Board approve the item as written, but directed Mr. Grisso to have an additional discussion with legal counsel to see if he can come back to the Board with a higher amount. Director Joly agreed that it should be brought back soon. He added that a statement needs to be made on social media to remind customers that the Ordinance forbids the filling of pools. Director Grossi agreed, stating that a higher fee makes a statement.

Mr. Grisso added that the other change in Ordinance 41 also addresses more efficient enforcement of other prohibitions including overspray and watering on the wrong day which are more frequent offenses. Director Fraites agreed to see if the fine can be increased. Director Fraites stated that we need to emphasize to our customers that they cannot fill their pools, it is irresponsible during a drought. Director Grossi agreed to approve Ordinance 41 as written and come back to the Board in six months to see about increasing the fine for violation. Director Joly stated that he would like to see a shorter time period than six months. Director Joly asked for a point of clarification, if the six-month duration was part of the motion. Director Joly asked if staff could come back sooner. Mr. Grisso replied that he will review with legal counsel again and come back to the Board soon with more information. Director Petterle requested that in the case legal counsel confirms \$1,000 is the limit, he would like to see supporting information so we can explain to the public why the fine is so low.

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 Baker the Board approved Resolution 22-19 authorizing imposition of a \$1,000 administrative fine for violations of Section 6(b)(1) and amending Section 8 of Emergency Water Conservation Ordinance No. 41 in the Novato Service Area 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**

Mr. Williams provided a review of the draft Board of Directors Hybrid Meeting Plan. He noted that the Board has the option of continuing with a full virtual meeting setting, or



implementing a hybrid meeting setting. Mr. Williams added that due to the consideration of the recent public health recommendations, and considering the construction schedule for the renovation of the existing District Administration building, as well as the logistics of the temporary move to the Wood Hollow office, the earliest a hybrid meeting start date couldn't be until August 2nd. Mr. Williams apprised that the Board that the Directors and Officers of the Board would be the only people physically attending the meeting, the public and consultants would participate via Zoom. He added that there is a lot of cost-effective technology available and there is a lot of flexibility with the new building space.

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

Director Baker asked if the Board Room in the renovated building will be set up similar to Novato Sanitary. Mr. Williams confirmed that it would be a dedicated room, noting the layout will be more symmetrical with respect to the Board and there will be built-in screens and projectors for presentations. Mr. Williams acknowledged that Ms. Kehoe, Kiosk and Core Utilities did the legwork on this plan.

Director Grossi asked for clarification, that when the hybrid meetings start it will be the Board members and all staff. Mr. Williams replied that it would be the Board, and likely only appointed Ms. Blue, Mr. Miller, Ms. Kehoe and himself; other staff would present virtually when needed.

Director Petterle requested that the layout would take safety into consideration.

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

**BUDGET REVIEW – PROPOSED FY 22/23 BUDGETS NOVATO AND WEST MARIN SERVICE AREAS**

Ms. Blue reviewed the proposed FY 22/23 Budgets for the Novato and West Marin Service Areas with a PowerPoint presentation. She noted the changes since the last review and provided a budget and rate hearing schedule. Ms. Blue reported on key assumptions, the consolidated budget, capital improvement projects, equipment budget, studies, special projects, outstanding debt and a Novato water summary.

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

Director Joly stated that he went over the budget in detail and he was concerned with the flatness of the revenue and the rapid growth of expenses. He noted that this is the first time that our debt will be larger than our annual revenue and reserves. He recognized the current inflationary environment, and noted that the financial integrity of the District is paramount and sounded caution to the Board. He added that in 2030 the District will need to work on

improvements at the West Marin Treatment Plant, noting expenses are starting to escalate. Director Fraites stated that every year we raise the rates, from 5 to 6% per year, and it looks like we will need to continue to raise the rates. He added that it is bothersome to him and the Board should look at not raising rates each year. Director Fraites understands that SCWA increases our costs to purchase water 5% each year which affects our budget, so he doesn't know the answer. Ms. Blue responded that SCWA is estimating a 6% increase every year, a cost that the District has no control of, adding there are many variables to consider. Director Fraites stated that in the future we need to look at cutting our spending. Ms. Blue replied that another rate study will be done in five years and that could smooth out our rate increase. She added that pension costs are expected to go down as people retire and new employees fall under PEPRA. Director Fraites asked if there was anything that could be done to further reduce costs. Director Grossi stated that inflation is at 8.3%, and assumed the next study will be one the Board will not want to see, noting everything is costing more. Director Petterle stated that we have a 60-year-old building that needs to be replaced and hundreds of miles of pipeline that are 50-70 plus years old. He noted that those pipes will eventually need to be replaced, adding he does not see there will be a day that we won't need to raise rates.

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

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

Mr. Clark reported on the FY 2021/22 Third Quarter Progress Report for the Operations/Maintenance Department. He reviewed the activities performed in the Novato, West Marin and Oceana Marin service areas. Mr. Clark reported that since there is not as much water to treat there will be some savings there. Additionally, Mr. Clark reported that all chemical costs in the Bay Area have gone up, and noted that due to the participation with the Bay Area Chemical Consortium Bid Program the District received better prices from the vendors and a guaranteed supply.

Mr. Clark acknowledged the rain events that recently occurred, and noted that it helped with evaporation in the lake, but it did not add to the volume. He also reported on the Cross-Connection program and the pressure regulator work completed in the Black Point area of Novato.

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

Director Baker asked if the chemicals have a shelf life, or can they sit for a while. Mr. Clark replied that the chemicals can last through a season, but not a year or two since they lose effectiveness with age.

Director Fraites commended Mr. Clark for his report. He stated that he knows staff is doing everything they can to save money, however the District needs to let the public know, in general terms, where the District is spending their money.

Director Joly also thanked Mr. Clark for the pump station in San Marin that is providing more efficiency to the District.

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

### **NBWA MEETING- JUNE 3, 2022**

Director Fraites reported on the NBWA meeting that was held on June 3, 2022. He updated the Board on the Bay Area Integrated Regional Water Management Plan (IRWMP)'s recent activities and upcoming engagement opportunities for the North Bay Region. Director Fraites stated that the focus is on disadvantaged communities and providing the grant money to improve their water quality.

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

Mr. Williams stated that the only service area that qualifies as disadvantaged within the District's territory is a small portion of Point Reyes Station.

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

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated May 19, 2022; Disbursements – Dated May 26, 2022 and Disbursements – Dated June 2, 2022.

The Board received the following news articles: Marin IJ – County approves rules for housing – BOARD OF SUPERVISORS; Marin IJ – Experts fear reinfections pose big risk – COVID-19 PANDEMIC; Marin IJ – Marin Voice – Opportunities to diversify water supply still in reach; Marin IJ – Opinion – District should keep all drought rules permanent Ideas for water sources have always been here; Marin IJ – Dick Spotwood – Public meetings on Zoom require more transparency; Marin IJ – Newsom threatens to restrict water – DROUGHT; Marin IJ – Three-year rollout of new water meters eyed – MMWD; Marin IJ – Decorative grass irrigation limited – STATE DROUGHT ORDER; Marin IJ – New tool monitors water supplies – MMWD; Marin IJ – Four strategies for managing state's crucial watershed and Marin IJ – COVID-19 variants drive surge - PANDEMIC• The Board received the following social media posts: NMWD Web and Social Media Report – May 2022.

Director Joly thanked Ms. Blue and staff for the great financial reports provided, which provides great transparency and allows us to see the flow of money throughout the District. Ms.

Blue replied that if anyone has any further questions to feel free to contact her, noting the item will be presented again to the Board on June 28<sup>th</sup>. Director Petterle thanked Ms. Blue for the providing the PowerPoint at the meeting, noting it really summarized the information well and was very helpful. Ms. Blue stated that she will try to provide more PowerPoint presentations in the future.

**CLOSED SESSION**

President Petterle adjourned the regular session at 7:43 p.m. and convened to closed session at 7:55 p.m. in accordance with Public Employee Performance Evaluation as allowed under Government Code Section 54957, Employee: General Counsel (law firm of Bold, Polisner, Maddow, Nelson and Judson)

**OPEN SESSION AND REPORT OUT**

The Board reconvened into open session at 8:15 p.m., President Petterle announced the Board had not taken any reportable action.

**ADJOURNMENT**

President Petterle adjourned the meeting at 8:15 p.m.

Submitted by



Theresa Kehoe  
District Secretary