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3 **NORTH MARIN WATER DISTRICT**
4 **MINUTES OF REGULAR MEETING**
5 **OF THE BOARD OF DIRECTORS**
6
7 **September 6, 2022**

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17 **CALL TO ORDER**

8 President Petterle announced that due to the Coronavirus outbreak and pursuant to the
9 Brown Act as modified by Assembly Bill 361, this was a virtual meeting. President Petterle called
10 the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m.
11 and the agenda was accepted as presented. President Petterle added that there was not a public
12 location for participating in this meeting, but any interested members of the public could participate
13 remotely by utilizing the video or phone conference dial-in method using information printed on
14 the agenda. President Petterle announced that in the event of technical difficulties during the
15 meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be
16 rescheduled for a future special meeting which shall be open to the public and noticed pursuant
17 to the Brown Act.

18 President Petterle welcomed the public to participate in the remote meeting and asked
19 that they mute themselves, except during open time and while making comments on the agenda
20 items. President Petterle noted that due to the virtual nature of the meeting he will request a roll
21 call of the Directors. A roll call was done, those in remote attendance established a quorum.
22 Participating remotely were Directors Jack Baker, Rick Fraitas, Jim Grossi, Michael Joly and
23 Stephen Petterle.

24 President Petterle announced that all public attendees will be invited to speak and will
25 need to use the raised hand icon in Zoom or dial *9 to be called upon.

26 Mr. Williams performed a roll call of staff, participating remotely were, Tony Williams
27 (General Manager), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Eric Miller
28 (Assistant GM/Chief Engineer), Robert Clark (Operations/Maintenance Superintendent), Pablo
29 Ramudo (Water Quality Supervisor), Pete Castellucci (Interim Construction/Maintenance
30 Superintendent) and Rebecca Sylvester (Receptionist/Customer Service Assistant). Additionally,
31 District employee Connie Filippi joined the meeting.

32 President Petterle requested that for those joining the virtual meeting from the public to
33 identify themselves and there was no response.

34 **MINUTES**

35 On motion of Director Joly seconded by Director Baker, the Board approved the minutes
36 from the August 16, 2022 Regular Board Meeting by the following vote:

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

38 NOES: None

39 ABSTAIN: None

40 ABSENT: None

41 **GENERAL MANAGER'S REPORT**

42 Mr. Williams announced that on August 20th a Drought Pop-up was held at Pini Hardware.
43 He reported that 125 drought kits were given away which contained a bucket, showerhead,
44 shower timer, hose nozzle, sink aerator and leak detection tablets. Mr. Williams expressed his
45 appreciation to Ryan Grisso and Jose Ochoa for taking part in this regional event.

46 Mr. Williams apprised the Board that on August 26th he attended a Zoom meeting with
47 Congressman Huffman and representatives from Marin Water and Sonoma Water, which
48 presented an overview of the Marin Water Strategic Water Supply Study. He noted that Ben
49 Horenstein, Lucy Croy, Grant Davis Jack Gibson, Supervisor David Rabbitt, Jay Jasperse, and
50 Don Seymour were also in attendance. Mr. Williams noted that Director Baker was unable to
51 attend the meeting, but has been briefed of the information covered.

52 Mr. Williams announced that Curtis Paxton is the new General Manager of Las Gallinas
53 Valley Sanitary District. He noted that Mr. Paxton came from the City of Vacaville, which is a full-
54 service city. Mr. Williams added that Mr. Paxton has also worked at two water districts.

55 Mr. Williams informed that the Board that last week the Governor declared a state
56 emergency due to extreme heat. He noted that per the executed order, the District can deploy
57 emergency generators without any restrictions or limitations since the heat could have an impact
58 on energy.

59 Mr. Williams noted the Marin Voice article by Jack Gibson and added that staff supports
60 the concept of regional storage to hold Russian River winter flows.

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

62 Director Joly asked about the meeting Mr. Williams was supposed to have with Mr.
63 Horenstein last week to discuss and get further insight of what was presented at the Huffman
64 meeting about the Marin Water Strategic Water Supply Study. Mr. Williams stated that the
65 meeting had to be rescheduled until September 7th due to a bad accident on the freeway. He
66 added that the Marin Water study should be wrapped up this year, and this will be a good

67 opportunity to collaborate and get more information on their plans for desalination.

68 **OPEN TIME**

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

71 **STAFF/DIRECTORS REPORTS**

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

74 Mr. Clark announced the first electric vehicle in the NMWD fleet arrived a couple of weeks
75 ago. He noted that this vehicle will be used by the lab to take water quality samples throughout
76 Novato.

77 **CONSENT CALENDAR**

78 Director Joly removed Item 6 from the Consent Calendar for additional discussion. Mr.
79 Williams reported that during the demolition stage of the Administration Office Building, lead-
80 based paint was discovered under the fascia and overhang. He added that removal of the lead-
81 based paint requires regulatory oversight and monitoring which was completed by PES
82 Environmental. Mr. Williams explained the amendment to this agreement compensates PES for
83 work that has already been completed and required by state and federal law. Director Baker
84 requested that at the end of the renovation he would like staff to report back to the Board with a
85 list of hazardous materials present in the building. He added that the District needs to
86 acknowledge the environmental issues and respect the law. Mr. Williams stated that there is also
87 a signed manifest for asbestos material, noting Mr. Miller will include this information in future
88 updates. Director Joly stated that he appreciated the explanation.

89 On the motion of Director Baker, and seconded by Director Fraites the Board approved
90 Item 5 on the consent calendar by the following vote:

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

92 NOES: None

93 ABSTAIN: None

94 ABSENT: None

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

97 The Board approved Re-Authorizing Meetings by Teleconference of Legislative Bodies of
98 North Marin Water District. Resolution 22-27 will extend the continuation of teleconference
99 meetings effective September 6, 2022 through October 6, 2022 pursuant to Brown Act provisions.

100 **ITEM #6 - CONSULTANT SERVICES AGREEMENT WITH PES ENVIRONMENTAL –**

101 **CONTRACT AMENDMENT**

102 After discussion as described above, the Board authorized the General Manager to amend
103 the Consulting Services Agreement with PES Environmental in the amount of \$50,250. Planned
104 expenditures for additional materials abatement monitoring for the NMWD Administration and Lab
105 Upgrade project make a contract amendment necessary.

106 On the motion of Director Baker, and seconded by Director Joly the Board approved Item
107 6 on the consent calendar by the following vote:

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

109 NOES: None

110 ABSTAIN: None

111 ABSENT: None

112 **ACTION CALENDAR**

113 **CONSULTING SERVICES AGREEMENT FOR LYNWOOD PUMP STATION (LPS)**
114 **IMPROVEMENTS WITH FREYER AND LAURETA, INC.**

115 Mr. Miller reminded the Board that the project was identified in the 2018 Novato Water
116 system Master Plan Update and was scheduled to commence in FY 24, followed by design and
117 construction improvements in FY26. He stated that, however, due to findings during a site
118 investigation in May 2022 staff proposed to accelerate the project schedule to begin now. Mr.
119 Miller apprised the Board that the District solicited a Request for Proposal to nine qualified
120 consulting firms and a total of two proposal were received and evaluated by a panel of five District
121 employees consisting of staff from the Engineering, Maintenance and Operations departments.
122 He reported the scope of work includes: an assessment of existing LPS; an assessment of
123 existing conditions; a conceptual design of improvements at the current LPs site; an evaluation of
124 two alternative locations to compare pump station location vs. reconstruction at the current LPS
125 site; and a technical report that details the findings and recommendations.

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

127 Director Grossi asked what was the estimated amount in the budget that had to do the
128 actual design work. Mr. Miller replied that \$2.5M to \$3.5M was the estimated range of the total
129 project, depending on if new land is needed to relocate the pump station all together. He noted
130 that he believed this amount was penciled in the FY 2024/25 budget. Director Joly asked why
131 they may need to relocate the pump station. Mr. Miller replied that it is due the architectural
132 design, although it is aesthetically pleasing, it is difficult to access the pump and electrical
133 equipment and it is not a safe environment for employees. He added that, at a minimum the
134 pump station should be above ground, noting an alternative would be another location that has

135 better access and hydraulics. Mr. Miller stated that an additional option would be to consider two
136 separate pump stations with two pumps each to improve the hydraulics to the Zone 1 distribution
137 network.

138 Director Joly asked how many pump stations were located in the Novato community. Mr.
139 Clark replied twenty-seven, but that Zone 1 has only two pump stations which includes Lynwood
140 and San Marin Pump Stations. Mr. Williams stated that the San Marin Pump Station has more
141 space, whereas the Lynwood Pump station is located in the median of the road and although
142 aesthetically pleasing to the eye, it is not functional. Director Baker stated that the LPS was a
143 great success architecturally and received awards, however over the years the District has
144 regretted the design as it has confined space issues and is less than safe for employees. He
145 added that, it may look good, but it might be an example of how not to design a pump station in
146 regard to access and safety. Director Joly noted that a renovation was just done at the San Marin
147 Pump Station. Mr. Clark clarified that the battery backup project is fully funded by a grant, but
148 has not commenced. Director Joly noted the high \$3M price tag and wonders what other projects
149 might be waiting for us in the years ahead, asking if LPS is an exceptionally expensive project.
150 Mr. Miller agreed, stating LPS is a unique situation and the cost has a lot to do with its location.
151 He added that a normal pump station project would cost closer to \$1M, noting the current Crest
152 Pump Station estimate is around \$1.3M. Director Joly stated that in looking at the Master Plan,
153 this pump station is essential for what we are doing now, but will it satisfy a long-term plan in the
154 next ten to 25 years. Mr. Williams noted that it is time to update the Master Plan and staff will be
155 looking at the need to replace or eliminate facilities if feasible. Director Grossi asked if the pump
156 assists with delivering water to MMWD and Mr. Clark replied that this is separate and independent
157 of any water that goes to MMWD. Director Petterle stated that he is very familiar with the LPS
158 and that he was incredibly impressed with the effort NMWD has made in terms of designing the
159 pump station. Director Petterle added that if we need to replace LPS we need to make an effort
160 to be sure the design is pleasing to look at by our neighbors. He stated that people notice, and
161 we need to live up to our obligation to make a similar aesthetic design. Director Joly stated that
162 he goes by San Marin Pump Station every day and it is wonderfully integrated and is a great
163 pump station.

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

166 On the motion of Director Grossi and seconded by Director Fraites the Board authorized
167 the General Manager to enter into a general Consulting Services Agreement with Freyer and
168 Laurenta, Inc. for Lynwood Pump Station improvements with a not-to-exceed limit of \$200,000 by

169 the following vote:

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

171 NOES: None

172 ABSTAIN: None

173 ABSENT: None

174 **INFORMATION ITEMS**

175 **PRELIMINARY FY 2021/2022 FINANCIAL STATEMENT**

176 Ms. Blue presented the preliminary FY 2021/22 Financial Statement. She reported on the
177 quarterly financials for the Novato Water Service Area, the Novato Recycled Water System, the
178 West Marin Water Service Area and the Oceana Marin Sewer System. Ms. Blue apprised the
179 Board that the District generated a net loss of \$777,065 and saw a net cash increase of
180 \$20,080,055. Additionally, she noted that 36% of the Capital Improvement Projects Budget was
181 expended this fiscal year to date. Ms. Blue announced that the accounting team are finishing up
182 the audit with Fedak & Brown and the final Financial Statement should be ready in a couple of
183 months.

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

185 Director Joly stated that the Financial Statement was wonderfully complete. He noted that
186 under the subject of “water supply”, we are required to have a 20% reduction and yet we have a
187 6% increase in expenses and found the model to be worrisome. He asked Ms. Blue as CFO what
188 the worry points were. Ms. Blue replied that she has confidence in the financial data, adding we
189 have cash reserves if we need it. She stated that a decrease in sales is not always predicable
190 however, she does have confidence in the financial resiliency, because we reevaluate the
191 District’s finances annually and also do a rate study every five years. She noted that NHA
192 Advisors worked with us recently to secure a loan and were able to do so, because our finances
193 were solid. She noted that the FY 2021/22 budget came in close to the actual financial
194 performance. Director Joly agreed the budget estimates are good, however he wanted to look
195 out further ahead. He added that with the expense of the infrastructure build out and recently
196 taking out a \$19M loan it is worrisome.

197 There was further robust discussion regarding the financials as they relate to the West
198 Marin Water system, the cost of operating the Stafford Treatment Plant, and issues that would
199 arise if the drought continued. There was also a discussion pointing out the differences between
200 how a private company can operate compared to a public agency like the District.

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

203 **CALPERS PENSION UPDATE**

204 Ms. Blue gave an update of the District's CalPERS pension to the Board. She informed
205 the Board that the retirement benefit formula for Classic members is 2.5%@55 and the PEPRA
206 formula is 2%@62. Ms. Blue stated that in Fiscal Year 22/23 employer contributions increased,
207 from the prior fiscal year by approximately 1.4% to an equivalent of 31.9% of payroll earnings.
208 Additionally, she noted that Classic member employees contribute 8% of their earnings and
209 PEPRA members contribute 6.75% to fund the plan. Ms. Blue added that the funded ratio over
210 the past ten years has varied from 70.4% to 80.7%, noting the positive change in funding status
211 is due to CalPERS' investment returns of 21.3% in FY 21. She stated that this will be offset by
212 the estimated rate of investment returns for FY22 of -6.1% which will bring the overall funding
213 status down to approximately 72%.

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

215 Director Joly commended Ms. Blue for a great memo, and stated that it was well
216 presented. Director Joly asked if there was anything to worry about, if the cost of the pension
217 could rise. Ms. Blue replied that since PEPRA started in 2013 the employee base is now 50%
218 Classic and 50% PEPRA, and this will help to get the liability under control.

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

221 **NBWA MEETING – SEPTEMBER 2, 2022**

222 Director Fraites reported on the NBWA meeting held on September 2, 2022. He updated
223 the Board on the Causes and Consequences of Urban Tap Water Trust and Equity. Director
224 Fraites stated that the causes and consequences of public trust and mistrust of drinking water
225 quality in public water supplies in the Bay Area and throughout California are associated with
226 inequities in disadvantage communities. He stated that many distrust the water in the pipes due
227 to color or taste and prefer bottled water which includes those who are foreign born. Director
228 Fraites stated that many blame the water districts when it is related to pipeline problems, noting
229 it can take hundreds of millions of dollars to replace in some of these communities. He added
230 that NMWD have replaced many of our pipes, but we have many more to go, and emphasized
231 this is a problem that exists in the disadvantaged communities.

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

233 Mr. Ramudo asked to make a comment. He stated that NMWD's entire system is not
234 disadvantaged, however there are many foreign born in our community that still prefer bottled
235 water. Mr. Ramudo noted that our water quality report is now available in Spanish. Director
236 Fraites and Joly thought this was a great idea. There was a subsequent discussion about aging

237 pipelines, pipe materials and the effect on apparent water quality. Director Joly stated that he
238 saw on Nextdoor that some people do not think NMWD water is safe to drink, and many are
239 disenfranchised with the government in general. He noted that bottle water is less pure, less
240 regulated and more expensive. Director Joly stated that we need to make sure our customers
241 understand that our product is safe. Director Petterle stated that he thought this would be a good
242 job for Kiosk. Director Fraites agreed with Director Joly, but also stated that it is hard to convince
243 those people in the disadvantaged communities who turn on their water and it is brown. Director
244 Joly stated that we are proud of our product and we should put out a message on social media.
245 Director Fraites stated that he thought they should increase the standards of bottled water.
246 Director Grossi stated that he does not like bottled water, and grew up on spring water. He agreed
247 we should market our product more to convince people not to buy the bottled water.

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

250 **CONDITIONAL OFFER TO SETTLE VIOLATIONS OF NPDES PERMIT CAG140001 SAN**
251 **FRANCISCO BAY REGIONAL WATER QUALITY CONTROL BOARD**

252 Mr. Williams apprised that the Board of the conditional offer to settle violations of the
253 NPDES Permit CAG140001 with the San Francisco Bay Regional Water Quality Control Board
254 concerning backfeeding of Stafford Lake in 2021. Mr. Williams provided a summary of events for
255 the backfeeding operation from February 18th through April 30, 2021 which included a malfunction
256 in the District's equipment. Mr. Williams reported that the SFBRWQCB has posted a public
257 notification of the settlement on their website for a 30-day public comment period, which ends on
258 September 12th. He added that staff will report back to the Board if any public comment is received
259 by the close of the 30-day period, or if there is a change in the settlement offer' otherwise a
260 payment of \$12,000 will be made following receipt of an invoice from SFBRWQCB. Mr. Williams
261 noted that as allowed by the settlement offer, the District's payment will go towards a
262 supplemental enforcement project in lieu of payment in the State Water Pollution Cleanup and
263 Abatement Account.

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

265 Director Grossi asked about the residual chlorine and asked for confirmation that the lake
266 chlorine level was not high. Director Grossi also asked how long does it take before the chlorine
267 dissipates. Mr. Ramudo replied that staff has a short amount of time to inject the dichlorination
268 chemical, and that it is only a fraction of the pipe in which the dichlorination continues to happen.
269 He stated that it is fifty feet from the chlorine monitor and an additional six hundred feet to the
270 intact tower, noting the additional dichlorination is happening in the pipe due to the location of the

271 line. Additionally, Mr. Ramudo reported there is an interaction of organic material that will eat up
272 the chlorine, and that it is a minimal amount and it quickly dissipates. He noted that we do not
273 use chloramines which is toxic to fish. Director Joly stated that staff and the Directors spent
274 twenty minutes and two other meetings talking about this. He added that we did our job and
275 notified the powers to be, the key question is what are we doing so that this does not happen
276 again. Mr. Clark replied that the procedures have been rewritten to double check the system on
277 weekends when backfeeding, and now there is a more robust point where the sample is being
278 taken. Mr. Ramudo stated that Construction and Operation staff will train more regularly under
279 the permit requirements for flushing, backfeeding and cleaning the pipes.

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

282 **MISCELLANEOUS**

283 The Board received the following miscellaneous items: Disbursements – Dated August
284 18, 2022, Disbursements – Dated August 25, 2022, Disbursements – Dated September 1, 2022,
285 Point Reyes Light – Salinity Notice August 18, 2022, Point Reyes Light – Salinity Notice August
286 25, 2022, Point Reyes Light – Salinity Notice September 1, 2022 and SWRCB 20% Mandatory
287 Reductions in Russian River Diversions – Tracking Status (July 2022).

288 The Board received the following news articles: Marin IJ – Newsom outlines water strategy
289 – DROUGHT CRISIS; Marin IJ – Las Gallinas sewer district board hires general manager –
290 VETERAN UTILITY DIRECTOR; Marin IJ – Marin stays cautious on COVID risk – ASSESSING
291 DANGER; Marin IJ – Superstorm: New worry for California – STUDY RELEASED; Marin IJ –
292 Races shape up for Marin election – NOV. 8 VOTE; Marin IJ – District probes water options –
293 NOVATO; Marin IJ – Focus belongs on solutions for housing – EDITORIAL; Marin IJ – Water
294 crisis demands better oversight on well-drilling – CALIFORNIA VOICE; Point Reyes Light –
295 NMWD fined for Stafford Lake chlorine release and Marin IJ – Director explains Russian River
296 ‘winter water’ concept – MARIN VOICE.

297 President Petterle asked if there were any comments from the Directors and there were
298 none.

299 **ADJOURNMENT**

300 President Petterle adjourned the meeting at 7:22 p.m.

301

Submitted by

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

302

303

304

305

Theresa Kehoe
District Secretary