

1 **NORTH MARIN WATER DISTRICT**
2 **MINUTES OF REGULAR MEETING**
3 **OF THE BOARD OF DIRECTORS**
4 March 5, 2024

5 **CALL TO ORDER**

6 President Baker called the regular meeting of the Board of Directors of North Marin Water
7 District to order at 4:01 p.m. at the District Headquarters and the agenda was accepted as
8 presented. Present were Directors Jack Baker, Ken Eichstaedt, Rick Fraites, Michael Joly, and
9 Stephen Petterle. Also present were General Manager Tony Williams, District Secretary Eileen
10 Mulliner, Assistant General Manager/Chief Engineer Eric Miller, and Auditor-Controller Julie Blue.

11 District employees Chris Kehoe, Construction/Maintenance Superintendent, Ryan Grisso,
12 Water Conservation Coordinator, Lia Solar, Engineering Services Representative were also in
13 attendance.

14 Mr. and Mrs. Rus of 715 Eucalyptus Ave, were also in the audience.

15 **MINUTES**

16 On the motion of Director Eichstaedt, and seconded by Director Joly, the Board approved the
17 minutes from the February 6, 2024 regular meeting as presented by the following vote:

18 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly and Petterle

19 NOES: None

20 ABSENT: None

21 ABSTAIN: None

22 **GENERAL MANAGER'S REPORT**

23 Tony Williams told that Board that Marin LAFCO had kicked off their municipal service
24 review. There may be a future meeting of our Ad-hoc committee about NMWD's West Marin
25 boundary in relation to the Inverness PUD boundary. They are verifying the information they have
26 and requesting information from the District related to our territory boundaries. Mr. Williams also
27 said that our Sonoma County residents will probably remain as "outside boundary" customers with
28 us for the time being.

29 Mr. Williams said that the Water Management Ad-hoc committee met with staff and Mark
30 Hildebrand, who is preparing the Novato Rate Study. He said that Ryan Grisso, Julie Blue and he
31 are working on a communications plan so the information can go out to the public, especially
32 opportunities attend various occasional unscheduled meetings.

33 Mr. Williams also said he and Julie Blue are part of the TAC Finance Subcommittee. He
34 said that the draft 2024/25 budget for Sonoma Water originally showed a possible 16.27% rate
35 increase but is now down to 11.74% and that the draft budget was approved by the TAC members
36 on Monday, March 4, 2024, at that regular meeting. Sonoma Water representatives will attend the

1 March 19, 2024 Board meeting to provide more details on their budget. Director Petterle asked
2 about Lake Sonoma water management and Mr. Williams said that Sonoma Water can hold an
3 additional 19,000 acre-feet above the water supply pool based on a “minor deviation” storage.

4 Director Joly asked if grant money was being reduced due to state budget cuts and Mr.
5 Williams said nothing at this time seems to directly impacts us. Director Joly also asked, in relation
6 to any recent storms, are any of our facilities being compromised. Mr. Williams said there is a lot of
7 flow in the Oceana Marin sewer system but Construction filled the infiltration site. He also said there
8 had been power loss in West Marin. He also mentioned that there is still some water flowing at the
9 Redwood Blvd aqueduct site but so far, it is holding ok.

10 Mr. Williams also said that the Interim Strategic Planning kicked off at the end of February
11 and that Kiosk presented their overall approach and timing to senior staff. The upcoming actions will
12 be a staff survey and also Board interviews in April.

13 Finally, Mr. Williams said that the rainfall to date looks good, that it has been over the fiscal
14 year average of 27 inches.

15 **OPEN TIME**

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

18 **STAFF/DIRECTORS REPORTS**

19 Eric Miller reminded the Board that there will be a public meeting for the Lynwood Pump
20 Station on Wednesday, March 6, at 5:30. He said that Tim Fuelle and also Jeff Tarantino of Freyer
21 and Laureta will be there to give a presentation and take questions. He said that we have been
22 getting feedback from the public on the project and that there is a lot of interest from the community
23 on the potential alternative locations for the new pump station. Director Fraites said that he has
24 received several emails on the project. He said that he doesn't think the district maps are detailed
25 enough (the one that delineate the district for each Director). He asked if it will be possible to zoom
26 into the meeting on Wednesday and Mr. Miller said he would look into it. He also said that there is a
27 lot of concern about the size of the building. Director Joly asked if we are monitoring social media
28 and Mr. Miller said we don't and cannot monitor Nextdoor but we are logging all comments that are
29 received. Director Petterle said that he has forwarded the emails he has received. Director Fraites
30 asked if they should forward emails received and Mr. Williams said that the Directors can respond if
31 they want to but to forward them as well as we will respond to all emails as part of the CEQA
32 process. Director Joly wanted to confirm who the project lead is and Mr. Miller said it is Tim Fuelle.

33 **ACTION CALENDAR**

34 **APPROVE: IMPLEMENTATION OF DISTRICT REGULATION 4, MULTIPLE SERVICE**

1 Eric Miller addressed the Board for this item. He said that the District's Regulation 4, Multiple
2 Service, was last updated in 2017, and that this regulation requires separate meters for each
3 dwelling unit on a parcel unless it falls under one of the two exemptions in the regulation. One of the
4 exemptions regards low income housing. He said the owners at 715 Eucalyptus, who attended and
5 spoke at the January 16, 2024 Board meeting, intend to build an ADU on their property and are
6 requesting an exemption to requiring a separate meter because they intend for the ADU to be low-
7 income housing. He said that the owners were told that their ADU does not qualify for the
8 exemption and would need a separate meter for the water measurement of the two dwellings on the
9 property. Director Joly said the memo was quite definitive and asked if the owners had seen the
10 memo. Mr. Miller said they were sent the memo prior to the meeting. Carl Nelson, legal counsel
11 was on the phone and Tony Williams asked him to add to the conversation. Mr. Nelson said that we
12 have statutes in place and that the memo was correct. Mrs. Rus addressed and thanked the Board.
13 She asked why one meter won't be adequate for the water measurement law. She said that when
14 they upgraded their water service it was because they intended to build an ADU and it would be for
15 low-income housing. She said that they didn't think they needed to trench all the way to the ADU
16 and that would require the driveway to be cut into for the trench. She asked that if the Board could
17 reconsider, to please do so. Mr. Rus then addressed the Board. He said that when they built an
18 extension to the garage, they spoke to the District and said they would be putting in a 1" pipe to
19 serve the ADU. He said the cost to separately meter the ADU would be extreme. He said that it is
20 possible to submeter a service. He thanked the Board for their time. Director Baker asked Mr.
21 Nelson if he had any comments and Mr. Williams asked if he had anything to add regarding the
22 ADU and for proposed low-income. Mr. Nelson said that Senate Bill (SB) 7 covers this. Director
23 Petterle asked about submetering. Mr. Williams said that a submeter location would be beyond the
24 street and on the property and the District would not be able to access it. He also said that a
25 submeter would not help the District with individual dwelling water measurement. He asked Mr.
26 Nelson about a submeter being in a different location and would we want property rights to the
27 meter location for access. He said the meter doesn't have to be at the street as long as it could be
28 accessed. Mr. Rus said one solution would be to install both water meters at their garage. The line
29 could be split at the garage or keep the meter where it is and submeter in the other location.
30 Director Petterle asked who would own the line to the two meters. He also said that that if the line
31 broke would the district have to pay for the repair and said that an easement would be required for
32 access. Director Petterle asked if the line was already in place and Mr. Rus said yes. He said it is a
33 brand new line and the chances of failure would be low. There was some discussion regarding
34 options for the locations of the meters. Mr. Nelson asked Mr. Rus if he had shared his drawings with
35 the District. Both he and Director Baker were having a problem following the routing of the piping
36 and location(s) of meters. Director Baker said that he thinks staff should visit the location and see if

1 there might be a solution that hadn't been thought of. Mr. Nelson said that submeters are usually
2 owned by the owners and we should look at the location to evaluate if any of the options would work
3 or not. Director Joly said that our Board members empathize but the District does have limitations
4 and asked if staff would be open to further discussions. Mr. Miller said that staff understands the
5 various options being discussed and that the District could consider a non-standard installation, but
6 that a non-standard installation could result in future issues, particularly at such time that the
7 property changes ownership. He also said that submetering would result in District administrative
8 staff calculating separate bills for each dwelling each cycle. Director Fraites asked if Reg 4. had
9 been updated when the pipe was put in at the garage and Mr. Miller said it was updated in 2018 and
10 Mr. Rus said they installed the pipe before the Reg was updated. Mr. Miller stated that installing two
11 meters at the garage would be a non-standard installation. Director Eichstaedt said he gets
12 concerned when something is done non-standard because it can cause problems down the road
13 with new owners. He said he looks at the critical nature of the water system and it should be
14 resilient. He said he feels it is important to help but doesn't like to deviate from the standard.
15 Director Petterle said he empathizes but that we are bound by regulations that we have follow and
16 feels that is what we need to do. Mr. Rus said he doesn't think the submeter deviates, it is common
17 and inexpensive to do. Mr. Miller said there is a provision in Regulation 4 for submetering but that
18 there is only one instance of residential submetering within the District, which is a series of non-
19 standard installations located on the northern end of the West Marin water system. Mr. Nelson said
20 the issue with a non-standard installation is that there are no specifics in this situation that
21 distinguishes this from any other person installing an ADU. Director Petterle said this could be a
22 precedent that could lead to difficulties in the future. Director Petterle moved to concur with staff as
23 in the memo and Director Eichstaedt seconded. Director Joly said the property owners can see that
24 we take into consideration different situations but we have rules in place. Director Fraites noted that
25 he was concerned about a precedent in the future and he supports staff on this. Director Joly
26 thanked Mr. and Mrs. Rus for coming and Mr. Rus thanked the Board.

27 On the motion of Director Petterle, and seconded by Director Eichstaedt, the Board approved
28 by the following vote:

29 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly and Petterle

30 NOES: None

31 ABSENT: None

32 ABSTAIN: None

33 Lia Solar left the meeting.

34

35

1 **APPROVE: RAINWATER CATCHMENT REBATE ENHANCEMENT**

2 Ryan Grisso addressed the Board. He said stated that there is a funding allotment from the
3 County of Marin for rainwater catchment rebates with a portion budgeted for the District. He said that
4 although there likely would not be a large increase in participation in this rebate to begin with, it is an
5 easy program to get started for rainwater catchment and this could help our long-term participation
6 to increase. He said we are asking to for a temporary increase in the rebate while the funds are
7 available through the County. Director Petterle asked if someone wanted to catch rainwater do we
8 make an effort to ensure people aren't doing something that isn't feasible. Mr. Grisso said it is one of
9 the best programs to initiate this joint effort to promote water and stormwater awareness and that we
10 pre-inspect customer project plans and let people know if their catchment system doesn't look
11 feasible. Director Joly said that anything that enhances water conservation is good. He confirmed
12 with Mr. Grisso that the program will stay in place.

13 On the motion of Director Petterle, and seconded by Director Eichstaedt, the Board approved
14 by the following vote:

15 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

16 NOES: None

17 ABSENT: None

18 ABSTAIN: None

19 Ryan Grisso left the meeting.

20 **APPROVE: APPROVAL OF SALARY, TERMS AND CONDITIONS OF EMPLOYMENT –**
21 **GENERAL MANAGER**

22 Christopher Boucher of Boucher Law attended the meeting via phone. He read aloud a
23 statement for the Board item. *In accordance with Government Code section 54953(c)(3), I am*
24 *providing an oral summary of the recommended action. The item before the Board tonight is to*
25 *approve the Employment Agreement and approve the salary and terms and conditions of*
26 *employment for General Manager.*

27 *The recommended action is to set the annual base salary for the General Manager position*
28 *will be \$275,456, effective October 1, 2023. The total annual salary increase is \$39,305 + \$315 in*
29 *related employer payroll taxes.*

30 *The proposed salary increase takes into account the market comparable salary, as well as a*
31 *5% cost-of-living adjustment consistent with the increases approved by the Board on January 16,*
32 *2024 for all other District employees. This will bring the General Manager classification to within 1%*
33 *(-1%) of salary survey median. In addition, the proposed salary also maintains the existing internal*
34 *equity structure between the General Manager and the Assistant General Manager classifications.*

1 *Additional details regarding this item are set forth in the agenda and resolution associated*
2 *with this item.* Mr. Boucher asked if there were any questions from the Board or members or the
3 public regarding this item and there were none.

4 On the motion of Director Fraites, and seconded by Director Joly, the Board approved by the
5 following vote:

6 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

7 NOES: None

8 ABSENT: None

9 ABSTAIN: None

10 **APPROVE: DISTRICT PRACTICE FOR CONSENT ITEMS – DIRECTION TO STAFF**

11 Tony Williams addressed the Board and said that the intent of consent items is to expedite a
12 meeting. He also said that it only takes one member of the Board to pull an item from Consent and
13 move it for discussion similar to the Action items. Mr. Williams said that Eric Miller and Julie Blue
14 helped him create the list shown in the Board memo and that it is meant to a practice or a guideline
15 but not an official policy. Director Joly noted that when a Board member brings up a concern about
16 an item, that it is brought back to a future meeting by staff and he appreciates that. It was noted that
17 the only thing the Board would like changed is that if the item is greater than or equal to \$100,000 it
18 should be on the list.

19 On the motion of Director Joly, and seconded by Director Fraites, the Board approved with
20 the modification by the following vote:

21 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

22 NOES: None

23 ABSENT: None

24 ABSTAIN: None

25 **INFORMATION ITEMS**

26 **FY 23/24 2ND QUARTER FINANCIAL STATEMENT**

27 Julie Blue addressed the Board and summarized the 2nd Quarter Financial Statement. She
28 said that operating revenue was at 57% of the budget and operating expenses were 57% of budget
29 as well. She said \$5.6M (34%) of the capital plan was completed and consolidated net income was
30 \$3.5M. She said that year to date operating revenue in Novato was 15% higher than the prior year
31 due to rate increases as well as a slight rebound in water sales. The income for Novato was \$3.1M
32 and \$210,000 was received in Facility Reserve Charges. Stafford Treatment Plant produced 409
33 mg. Ms. Blue said that an estimated 119 million gallons (MG) of recycled water (RW) was
34 consumed in Novato and the RW net income year to date was \$250,000. In Pt. Reyes (West Marin
35 Water), an estimated 130 MG was consumed and operating revenue was 0.4% lower than prior

1 year. The net income for West Marin Water was \$76,000. She said that Oceana Marin has 236
2 active accounts, there was a net income of approximately \$12,000, and \$75,000 in connection fees
3 were collected. Director Eichstaedt asked in regards to West Marin why the operating revenue
4 dropping 15%. Tony Williams said it could be related to the Gallagher Well as it was grant funded.
5 Director Joly noted that many of the actual expenditures were very close to budget.

6 **PROPOSED FY 24/25 BUDGET REVIEW AND RATE HEARING SCHEDULE**

7 Julie Blue told the Board that the next meeting, March 13, will be the first of several meetings
8 related to the Novato and recycled water rate study and FY 24/25 budget. Mark Hildebrand of
9 Hildebrand Consulting will be reviewing the initial rate study findings at the March 13th meeting.
10 There will also be several more meetings and public hearings before the budget is approved.
11 Director Petterle asked what would happen if the rates weren't approved and how that would affect
12 the District's finances. Ms. Blue said that it would be very challenging and that the budget would
13 have to be adjusted and approval would likely be delayed. Director Petterle suggest we put the
14 meeting schedule in the paper. Ms. Blue said that there will be public outreach announcing the rate
15 study workshop and budget meetings.

16 **FY 2023/24 MID-YEAR PROGRESS REPORT – ENGINEERING**

17 Eric Miller briefed the Board on the mid-year Engineering progress report. He said that at
18 mid-year \$8M had been budgeted for the new Admin and Lab Building project. He also said that the
19 Novato Enhanced Master Plan (2024 Update) was budgeted in the Special Studies. He said there
20 will be some new chapters added to it and it should be published in early 2025. He said there that
21 many of the Capital Improvement Projects that were budgeted will not be done as there isn't enough
22 time and/or labor resources to do them. Mr. Miller said that the Lynwood Pump Station
23 Replacement project is very large and there is also the Crest Pump Station and a new pump station
24 in the Bahia area. He also mentioned that eventually the District's hydropneumatic systems will be
25 removed, with the one in Bahia being the first. Mr. Miller said the Novato Blvd Widening Project
26 managed by the City of Novato is moving along and is planned to start in 2025. This District's
27 budget for this project is \$2.1M. He said that the Stafford Treatment Plant Supernatant project is
28 complete. Director Joly asked if there had been any grant money for this project but Mr. Miller said
29 no, it was done with District funds. Director Joly asked how often this work may need to be done
30 and Mr. Miller said approximately every 40-50 years. Director Fraites asked when the road from
31 Novato Blvd to the Stafford Dam will be resurfaced and Mr. Miller said it is a condition of the lease
32 the Indian Valley Golf Course has with us. He also said that the lease is up for an extension and the
33 District may participate in some of the road work as it benefits us. Mr. Miller noted that there is a new
34 superintendent at the Admin & Lab Building project and is very professional. He said the previous
35 superintendent retired. Mr. Miller said out in West Marin, the Oceana Marin ponds project is funded

1 by federal grant money and the force main project could be grant funded in the future. He said the
2 Caltrans is moving forward with the "Green Bridge" replacement in Point Reyes Station and our new
3 pipeline will be suspended along the side of the new bridge. Mr. Miller said that an electrical
4 enclosure will be installed at the Gallagher Wells and there will be an amendment to the state grant
5 funding for this project. Director Eichstaedt asked about the Gallagher Well No. 1 Rehabilitation and
6 noted that there was not a noticeable improvement.

7 Director Joly asked about the Stars Restaurant and Mr. Miller said that it recently re-opened
8 and that upcoming prohibitions on non-functional turf may result in removal of the turf on the
9 frontage of that property. Director Joly asked Chris Kehoe about the Construction Department and
10 Mr. Kehoe said all was going well and he has a good crew. Mr. Williams mentioned that a pipe
11 recently blew out at the Pt. Reyes Treatment Plant and noted that Mr. Kehoe and the crews did a
12 great job dealing with it.

13 **MISCELLANEOUS**

14 The Board received the following miscellaneous items: Disbursements dated February 8,
15 February 15, February 22, and February 29, 2024, Monthly Progress Report, Auditor-Controller's
16 Monthly Report of Investments for December 2023, NOAA Three-Month Outlook Precipitation
17 Probability - January 15, 2024.

18 The Board received the following news articles: Marin IJ City fills opening for public works
19 department head – NOVATO, County fair theme planned on water-related subjects – JULY 3-7,
20 Water district adopts plan aimed at improving agency – MARIN MUNICIPAL, Marin to conduct
21 emergency alert test on March 23 – REGISTERED USERS, Building of ADUs receives new push –
22 LOWER FEES, Mendofever - PG&E's Hesitation Casts Shadow on Eel-Russian River Diversion
23 Plan – WATER.

24 The Board also received the NMWD Web and Social Media Report – January 2024.

25 **ADJOURNMENT**

26 President Baker adjourned the meeting at 6:12 p.m.

27 Submitted by

28 

29 Eileen Mulliner
30 District Secretary
31
32