

1 **NORTH MARIN WATER DISTRICT**  
2 **MINUTES OF REGULAR MEETING**  
3 **OF THE BOARD OF DIRECTORS**  
4 April 16, 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 4:00 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, Robert Clark,  
12 Operations/Maintenance Superintendent, and Tim Fuelle, Senior Engineer, were also in  
13 attendance.

14 District customer Margaret Eisen was in the audience.

15 **MINUTES**

16 On the motion of Director Joly, and seconded by Director Petterle, the Board approved the  
17 minutes from the April 2, 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 said that at the last Board meeting he had mentioned that the Eel-Russian  
24 Project Authority (ERPA) had voted on the pump back alternative for the future Potter Valley Project  
25 diversion. He said that in the current agenda packet's Miscellaneous section is an excerpt from  
26 their March 19 meeting with graphics of this alternative.

27 Mr. Williams told the Board that the District's FY2022-23 Annual Report is complete and  
28 hard copies will be ready soon and also will be posted on the website.

29 Mr. Williams said that he attended an ACWA legislative symposium in Sacramento recently.  
30 He said that the topic of interest was the proposed conservation rules. Once the final regulation is  
31 released, more information will be provided at a future meeting.

32 Director Joly asked what is the general feeling about the three wells in Sonoma County  
33 given the last two years of abundant rainfall. Mr. Williams said that groundwater recharge is  
34 complicated especially since those wells are very deep but he can ask Sonoma Water staff about it.  
35 He said that the Todd Rd. well in Santa Rosa is ready to come online if needed and other  
36 improvements to the wells is ongoing including a pumped recharge project.

1 Director Petterle brought up a Letter to the Editor he saw in the Marin IJ written by an  
2 Inverness resident, Bob Johnston, regarding District boundaries in West Marin. Mr. Williams said  
3 that we found that Mr. Johnston has been quoted in past issues of the Pt. Reyes Light and also had  
4 had some conversations with the previous General Manger in the past. Mr. Williams said that Mr.  
5 Johnston seems to be concerned about the District's Marshall boundary. Mr. Williams said that the  
6 boundaries will be addressed in a municipal review by LAFCO but there is a process and cost to  
7 de-annex that boundary.

#### 8 **OPEN TIME**

9 President Baker asked if anyone in the audience wished to bring up an item not on the  
10 agenda.

11 Margaret Eisen addressed the Board. She lives in the Pointe Marin area near one of the  
12 proposed alternative sites for the location of the new Lynwood Pump Station is being contemplated.  
13 She said she had been at Kaiser recently and that there was a pump station, or something similar,  
14 that was very loud. She said that that level of noise is inappropriate to have near houses. She said  
15 she feels it would lower property sales. She said she strongly suggests an Environmental Impact  
16 Report be done and to also consider putting the pump station underground. She thanked the Board  
17 for listening. The Board thanked Ms. Eisen for her comments.

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

19 President Baker asked if there were any staff or director's reports. Director Fraites said that  
20 he and President Baker will be attending an upcoming NBWA event at Sonoma State.

#### 21 **ACTION CALENDAR**

#### 22 **APPROVE: RATE INCREASE (PROP. 218) NOTICE TO NOVATO WATER & RECYCLED** 23 **WATER CUSTOMERS**

24 Julie Blue reported to the Board that the public notice for the proposed water rates has been  
25 prepared since the Board approved its preparation at the April 2, 2024 meeting. She said that the  
26 notice is required by Proposition 218 to be mailed to customers 45 days before the rate increase  
27 public hearing, which is scheduled for June 18, 2024. She said, if approved, the notice will be  
28 mailed out by May 2, 2024. She said the notice shows the rates for a 3-year period. She also said  
29 that there is a graphic included that illustrates the Sonoma County pass-through rates for years 2  
30 and 3. Director Joly said he liked the notice presentation. He asked if the City of Petaluma should  
31 have been listed on the table showing the different agencies' rates. Ms. Blue said she would check  
32 on that to make sure it is included. Director Fraites noted that not all of the agencies may have  
33 raised their rates yet so where NMWD falls within the ranges could change. Given that, Director  
34 Joly also suggested the graphic be dated and Ms. Blue agreed. Director Joly said that we should

1 list as many reasons as possible for the rate increase, such as fire protection and funds for water  
2 resiliency and Ms. Blue said she would incorporate additional reasons. Tony Williams said that  
3 once the notice is mailed there will also be a social media campaign and website updates to get  
4 more information regarding the rate increase out to customers. Director Joly also said it is  
5 important to note that the rate increase to the District from Sonoma Water is 11.74% and we are  
6 only increasing the rates to our customers by 8.5%, therefore we are absorbing 3%. He also  
7 suggested that one of the reasons for the increase should include the cost of continuing to explore  
8 water resiliency. It was also suggested that because the 8.5% effects the tier rates differently it  
9 would be good to note that individual rates may vary and Ms. Blue said the difference in tier rates  
10 would be better clarified. Mr. Williams said that everyone is a Tier 1 customer, paying the same  
11 rate until they start using more water, then the rate goes up via the next two tiers. Director Pettele  
12 said that the term resiliency is a water industry term and perhaps it could be worded differently so  
13 customers understand what that means. Director Eichstaedt asked about the increased investment  
14 of water facilities and perhaps that should be rephrased to make it clear what facilities need  
15 upgrading. He said that once facilities are built or in the ground, they begin degrading. Mr.  
16 Williams agreed and emphasized that people don't understand that facilities start degrading soon  
17 after construction.

18 On the motion of Director Joly, and seconded by Director Eichstaedt, the Board approved  
19 the item by the following vote:

20 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly and Pettele

21 NOES: None

22 ABSENT: None

23 ABSTAIN: None

24 **APPROVE: RATE INCREASE (PROP. 218) NOTICE TO WEST MARIN WATER & OCEANA**  
25 **MARIN SEWER CUSTOMERS**

26 Julie Blue told the Board that, similar to Novato, the Prop. 218 hearing will be on June 18,  
27 2024 for West Marin and Oceana Marin. The West Marin notice has similar text to Novato's and the  
28 Oceana Marin notice is much simpler. She said that the rate increase for West Marin will be a flat  
29 rate increase of 6% and the notice is only for next year and then a planned 5-year rate study will be  
30 performed after that. Director Eichstaedt asked if we want to mention that the rate study will be  
31 upcoming and Ms. Blue said that will be included in the FY 24/25 budget. Tony Williams added that  
32 it will also be mentioned in the West Marin *Waterline* newsletter that is sent to West Marin  
33 customers. Director Eichstaedt also said that the term elevation zones are really pumping zones to  
34 different geographic locations and that the term could be confusing. Mr. Williams agreed, it is about  
35 pumping water to various areas however, he noted that Regulation 54 uses the term elevation

1 zones. Ms. Blue confirmed that Regulation 54 uses both terms, elevation and hydraulic zones, and  
2 the Prop. 218 notice would be changed to be consistent with the regulation.

3 Ms. Blue said, in regards to the Oceana Marin rate increase notice, that it is similar to the  
4 prior year's notice and will be mailed out to all property owners. She said it will be a 6% increase,  
5 approximately \$146 per year, and the charge will be on the customers' property tax bills.

6 On the motion of Director Eichstaedt, and seconded by Director Petterle, the Board  
7 approved the item by the following vote:

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

9 NOES: None

10 ABSENT: None

11 ABSTAIN: None

12 **INFORMATION ITEMS**

13 **ADMINISTRATION & LABORATORY UPGRADE PROJECT – CONSTRUCTION UPDATE**

14 Eric Miller gave a construction update presentation on the Administration and Laboratory  
15 Upgrade Project, which was a quarterly update, the last presentation was in January 2024. He said  
16 the Board room now has reclaimed redwood on the walls behind where the Board will sit. The  
17 redwood has been salvaged by the District crews from the PRE Tank 4A when it was replaced. The  
18 redwood will also be in the lobby and lunchroom. He said the exterior panels on the lab building are  
19 being installed and almost completed. Mr. Miller spoke to a slide that showed the unforeseen  
20 issues that have been or still are impacting the project schedule. He said four of the five issues  
21 have been resolved and that the remaining issue, the main electrical panel, still has an unknown  
22 delivery date but is estimated to be delivered in July 2024. The contractor's most recent project  
23 schedule indicates a completion date of May 2024, but Mr. Miller offered his opinion that a realistic  
24 move-in date would be closer to September 2024. Mr. Miller said that the project is now technically  
25 in 'contractor delays' and that liquidated damages are listed in the contract at \$1,000 per day, and  
26 although the original completion date has past, the project is still within budget and it is expected  
27 the project will remain under budget at the final completion. Director Eichstaedt thanked Mr. Miller  
28 for the presentation. He asked if we are actively in communication with our legal counsel regarding  
29 the delays and Mr. Miller said we are. The contractor has submitted their first claim which indicates  
30 that the District is responsible for all delays however, the District's position is that much of the  
31 delays are a result of the contractor's actions. Director Joly asked if we have attempted to contact  
32 the electrical supplier and Mr. Miller said no that we don't have direct contact to the electrical  
33 supplier but we have done as much investigation as we can on the matter. Director Petterle asked  
34 if the main electrical panel were to be delivered on August 1, what would be the completion date.  
35 Mr. Miller said mid-September. Another unknown related to the main electrical panel is that once  
36 the panel is installed and approved by the City, PG&E will then need to provide power from nearby

1 overhead lines which requires extensive coordination. Mr. Miller offered to provide tours to the  
2 Directors for any time that is convenient.

3 **NBWA MEETING – MARCH 1, 2024**

4 Director Fraites reported that he and President Baker attended the meeting which was  
5 located at City of Sonoma's City Hall. The speaker was Eileen White, Executive Officer of the San  
6 Francisco Bay Regional Water Quality Control Board, who gave a presentation on recent activities  
7 of the RWQCB.

8 **MISCELLANEOUS**

9 Director Joly inquired why the energy use has increased 22.3%, referring to the Monthly  
10 Report. Robert Clark said it was due to PG&E's time of use rate changes and because of when we  
11 operate pumps, it has been very difficult to take advantage of lower time-of-use rates. He also said  
12 we are no longer receiving solar credits for the Stafford system. Director Fraites asked if we will  
13 have solar panels on the new administration building project. Mr. Clark said not in the parking lot as  
14 we had originally hoped due to the fire department and PG&E height restrictions but the new  
15 administration/lab building will be solar-ready.

16 The Board received the following miscellaneous items: Disbursements – April 4 and 11,  
17 2024, Monthly Progress Report, and Eel-Russian Project Authority Board presentation excerpt –  
18 March 19, 2024.

19 The Board received the following news articles: Marin IJ – Directors share plan for reliable  
20 resilient water supply – MARIN VOICE, Utility weighs pros, cons of recycled drinking water, Options  
21 for water pipeline narrowed – MARIN MUNICIPAL, Marin water reservoirs flush as summer nears –  
22 ENVIRONMENT, Project to overhaul bridge starts along Grant Avenue – NOVATO, NMWD rate  
23 increase proposed – NEW STUDY, Mendocino County News – Divided Waters, Debate over Scott  
24 Dam's Fate Boils Over in Eel Russian Project Authority Meeting.

25 The Board also received the NMWD Web and Social Media Report – March 2024.

26 **ADJOURNMENT**

27 President Baker adjourned the meeting at 5:26 p.m.

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Submitted by

  
Eileen Mulliner  
District Secretary