

1 **NORTH MARIN WATER DISTRICT**  
2 **MINUTES OF REGULAR MEETING**  
3 **OF THE BOARD OF DIRECTORS**  
4 **SEPTEMBER 17, 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, Auditor-Controller Julie Blue and AGM/Chief Engineer Eric Miller.

11 District employees Chris Kehoe, Construction Superintendent, and Tim Fuelle, Senior  
12 Engineer, were also in attendance.

13 **MINUTES**

14 On motion of Director Petterle, seconded by Director Joly, the Board approved the minutes  
15 from the August 20, 2024 meeting as presented by the following vote:

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

17 NOES: None

18 ABSENT: None

19 ABSTAIN: None

20 **GENERAL MANAGER'S REPORT**

21 Tony Williams told the Board that at the September 9 TAC meeting, an attorney for the  
22 proposed Alexander Valley Water District (AVWD) attended and gave a presentation, a copy of  
23 which is in the Miscellaneous section of the agenda packet. He said there are mixed feelings about  
24 the proposed district among the water contractors, they are concerned that the new district may  
25 want to be another party to Sonoma Water's existing contractors and, although their water is  
26 supposed to come from the Russian River, they may want to receive an allocation from the stored  
27 volume in Lake Mendocino.

28 Mr. Williams also mentioned there was a presentation at the Marin Conservation League by  
29 Charlie Schneider of Caltrout on Eel River Dams and their challenges and opportunities. The flyer  
30 for this event is also in the Miscellaneous section.

31 Mr. Williams said that on August 29, he and Pablo Ramudo, Water Quality Supervisor,  
32 attended a hearing held by the County Deputy Zoning Administrator regarding coastal and use  
33 permitting for the Coast Guard Affordable Housing project. He said a copy of the meeting agenda is  
34 in the Miscellaneous section of the agenda, and there is a link to the recording of the meeting in the  
35 agenda. Mr. Williams said he provided comments at the hearing including the concern about who is  
36 going to operate the proposed wastewater facility.

1 Mr. Williams told the Board that related to the September 5 NBWRA TAC meeting, we will  
2 probably be invoiced in the future for approximately \$10,000 related to grant management for Phase  
3 1 funding (previously received) after discussions with Sonoma Water and after Julie Blue did some  
4 research and analysis of the proposed reconciliation. He said we have received just under \$11M in  
5 total grant funds under Phase 1.

6 On September 10, Mr. Williams, Eric Miller, Jeff Corda, and Director Eichstaedt met with  
7 Assemblymember Damon Connolly at the Coast Guard property and showed him the Pt. Reyes  
8 Treatment Plant and the Coast Guard wells and told him the District needs to secure grant funding  
9 in the future for the treatment plant upgrade and to possibly find another well upstream.

10 Mr. Williams mentioned the previously Board-approved Comment Letter that was sent to  
11 Assemblymember Connolly regarding the Low-Income Rate Assistance program (SB-1255) and that  
12 the bill was not approved at the State level and has been shelved for now.

13 Mr. Williams informed the Board that usually at the first December meeting each year, the  
14 reorganization and oath of office of the Board occurs. However, because of when the election is  
15 held this year, the County requires 30 days from the date of the election to complete certification  
16 process, that day will be after our first December meeting on the 3<sup>rd</sup>, and therefore the  
17 reorganization and Oaths of Office will occur at the second December Board meeting.

18 Director Joly asked if we know how the AVWD could impact our water. Mr. Williams said it is  
19 a long way from being formed but that they will have their own water rights, mostly likely  
20 groundwater and shouldn't affect our allocation from Sonoma Water and most likely will not become  
21 a water contractor. He said he will keep the Board updated.

22 President Baker mentioned Gateway Commons and was appreciative of Mr. Lee of their  
23 HOA attending the previous meeting. He said he wondered if something was missed in the  
24 development of the complex however Mr. Williams said he didn't think so and that there were no  
25 backflow requirements back then. He said things have changed with State mandates which is  
26 driving the current backflow requirements. Eric Miller noted that the backflow issues they are having  
27 came to our attention when the AML meters were installed since they alert us when backflow occurs.  
28 Director Joly said he was surprised how onerous the State regulations are becoming and the issues  
29 they create.

### 30 **OPEN TIME**

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

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

34 Eric Miller mentioned to the Board that at a prior meeting a Lynwood Pump Station  
35 Replacement project update was possibly going to be on a September agenda, but since that was

1 not the case, our website has been updated to say that an update will be on a November or  
2 December agenda, likely after we have moved into the new building. Director Eichstaedt asked if  
3 we have received any calls about the project and Tim Fuelle, project manager, said that we have  
4 not.

5 Director Eichstaedt noted that he, Tony, Eric Miller, and Jeff Corda met with  
6 Assemblymember Damon Connolly and said it was encouraging to meet with him and that Mr.  
7 Connolly has a good interest in what our issues are in West Marin.

8 **CONSENT CALENDAR**

9 Director Joly asked to have Item #5 removed from the Consent Calendar and there was no  
10 opposition from the other directors.

11 On the motion of Director Petterle, and seconded by Director Joly, the Board approved the  
12 Consent Calendar (Items #6 and #7) by the following vote:

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

14 NOES: None

15 ABSENT: None

16 ABSTAIN: None

17 **APPROVE: CONTRACT EXTENSION FOR NMWD TRENCH RESTORATION PAVING – W.K.**

18 **MCLELLAN COMPANY**

19 W.K. McLellan Company has been the District's trench restoration paving contractor since  
20 1997. The current contract was approved by the Board in 2019 with extensions in 2020, 2021,  
21 2022, and 2023. We have had a very good relationship with McLellan and their quality of work is  
22 excellent with few complaints. Staff is asking for an extension of \$450,000 to McLellan's contract.

23 **APPROVE: APPROVAL FOR PRESIDENT BAKER TO ATTEND ASSOCIATION OF**  
24 **CALIFORNIA WATER AGENCIES FALL CONFERENCE FROM DECEMBER 3-5, 2024**

25 The District is a member of the Association of California Water Agencies (ACWA) and they  
26 are having their Fall Conference in December, 2024. President Baker has expressed interest in  
27 attending the conference.

28 **ITEM #5**

29 **APPROVE: TEXT FOR FALL 2024 NOVATO "WATERLINE", ISSUE 53**

30 The text for the Fall 2024 Novato Waterline includes narrative around the bill reduction  
31 increase for the Low-Income Rate Assistance (LIRA) program, a brief message from the General  
32 Manager about fire safety and water, critical infrastructure update, new regulations, and the new  
33 water quality laboratory building. The issue also has a regulatory update, information about the  
34 Water Smart Savings Program, and Capital Improvement Project updates.

1 Director Joly said that he thought the current issue of the *Waterline* was brilliant, however he  
2 said that perhaps we should say that the water provided to the Fire District is free of cost as a  
3 community service. In regards to the part of the *Waterline* that talks about fire safety and water,  
4 Tony Williams noted that prior to 1948 the fire district was charged by the private water company for  
5 the water they used fighting fires.

6 On the motion of Director Joly, and seconded by Director Eichstaedt, the Board approved  
7 the text for the Fall 2024 Novato "*Waterline*", Issue 53, by the following vote:

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

9 NOES: None

10 ABSENT: None

11 ABSTAIN: None

12 **ACTION CALENDAR**

13 **APPROVE: OCEANA MARIN ASSOCIATION – ROAD REHABILITATION CONTRIBUTION**

14 Eric Miller addressed the Board and said that the Oceana Marin Treatment and Storage  
15 Pond Rehabilitation project is going well and on budget. He said this is a \$2M project and that FEMA  
16 will be reimbursing a significant portion of that cost. He said that the community is represented by  
17 the Oceana Marin Association (OMA) and that the roads are privately owned and maintained by the  
18 OMA. Mr. Miller said OMA has contacted the District for assistance with the repair of the roads  
19 since the contractor's trucks that are coming and going several times a day with heavy loads and  
20 they feel the trucks are damaging the roads. Mr. Miller confirmed the trucks are very heavy but they  
21 are within the legal requirements, however, these are older and private roads and may not have  
22 been built to the same standards that exist today and used on public roads and the heavy trucks  
23 could be contributing to the damage. He said that the roads have already been in some state of  
24 disrepair prior to the project but most likely is creating additional damage. The OMA has requested  
25 \$20,000 to repairs the roads however the Oceana Marin annual budget is only \$65,000 and we have  
26 other capital improvements that are scheduled and the budget would not be able to support a  
27 \$20,000 payment. Mr. Miller said staff is suggesting that we contribute \$10,000 to the repair.  
28 Director Joly asked if we have spent the annual budget already but Mr. Miller said that we have not  
29 yet. Mr. Miller said that the Novato enterprise is likely to loan funds to the Oceana Marin enterprise,  
30 and it could take 10 years to pay back. Director Eichstaedt asked if there is any contingency that  
31 could used but Mr. Miller said that because of the nature of the federal grant funds, the funds can  
32 only be used for the project. Director Eichstaedt noted that if we were to pay \$20,000 out of the  
33 \$65,000 budget we would be less likely be able to fix other issues that could come up. Director  
34 Petterle asked if we were to pay \$10,000 and the damage turned out to be more, would we be able  
35 to pay more. Mr. Miller said potentially we could join the OMA and contribute \$1,000 per year for  
36 future work similar to the residents. He noted that we are members of some other HOAs and pay

1 into road maintenance. Director Fraites said he feels it is a bit of a stretch to pay the \$10,000 but if  
2 we are contributing to damaging of the roads we should help with the repair. Director Eichstaedt  
3 said this is an issue with other roads because 30 years ago the roads were not rated the same as  
4 they are today. Director Fraites said he understands their position. Director Joly said he is torn with  
5 the decision. Director Petterle said having seen what the damage can do, he feels it is reasonable  
6 to pay the \$10,000.

7 On the motion of Director Petterle, and seconded by Director Eichstaedt, the Board  
8 approved the contribution to the road rehabilitation for the Oceana Marin Association by the  
9 following vote:

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

11 NOES: None

12 ABSENT: None

13 ABSTAIN: None

14 **APPROVE: NOVATO WATER SYSTEM 2024 MASTER PLAN UPDATE – ENGINEERING AND**  
15 **PLANNING SERVICES AGREEMENT**

16 Eric Miller addressed the Board and said that the Novato Water System Master Plan is  
17 typically updated every 5 years. The 2024 update includes more significant differences than past  
18 updates. He said the last update was completed in 2019 and since then the Capital Improvement  
19 Projects budget has increased to \$4M. He said that the Engineering group has had major turnover  
20 in the past 5 years mainly due to retirements and the District experience is new and although in the  
21 past, the master plan was primarily updated by District staff, he feels it is good to bring in outside  
22 consultants that are familiar with both the District infrastructure and with master planning. Mr. Miller  
23 said that Freyer & Laureta will be the lead consultant and is familiar with Zones 1 and 2, Kennedy  
24 Jenks will provide the hydraulic modeling, and West Yost assisted with our Local Water  
25 Enhancement Study and understands our water supply. Mr. Miller said there will be four new  
26 chapters in the Master Plan, resiliency, local hazard mitigation, operational strategies, and recycled  
27 water.

28 Director Joly said it is a good idea to bring in consultants that will work together. Mr. Miller  
29 said that there will be workshops with the senior staff and also with stakeholders like the Novato Fire  
30 District. Director Joly said perhaps a director could attend the planning meetings. Mr. Williams said  
31 there will be two progress workshops and perhaps a director could attend one or both of those.  
32 Director Eichstaedt asked if Jeff Tarantino from Freyer and Laureta will be on the team and Mr.  
33 Miller confirmed that. Director Fraites said that because of the team of consultants he understands  
34 the cost of the project.

1 On the motion of Director Fraites, and seconded by Director Joly, the Board approved the  
2 Engineering and Planning Services agreement for the Novato Water System 2024 Master Plan  
3 Update by the following vote:

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

5 NOES: None

6 ABSENT: None

7 ABSTAIN: None

8 Tim Fuelle left the meeting.

9 **INFORMATION ITEMS**

10 **PRELIMINARY FY 2023/24 FINANCIAL STATEMENT**

11 Julie Blue gave an overview of the preliminary FY 2023/24 Financial Statement to the Board.  
12 She noted that it is preliminary because they have just closed the fiscal year, the audit fieldwork was  
13 recently completed, and we are awaiting their final report. She said the final audited financial  
14 statement will be brought back to the Board in December but she doesn't expect the numbers to  
15 change much after the audit is closed. Ms. Blue referenced the summary and said the actual  
16 revenue and expenses are closely aligned with the budget. Novato was slightly higher than budget  
17 with a net income of \$2.3M and she noted that FRCs came in higher than budgeted. For the Novato  
18 Recycled Water System, revenue was 33% less than the prior year. Ms. Blue noted that the  
19 summary shows that for the West Marin Water System, expenditures were higher than budgeted  
20 due to extra maintenance needed in the system. In regards to the Oceana Marin Sewer System, we  
21 have 237 active accounts and operating revenue was 7% higher than last year due to rate increases  
22 and additional connections. Expenditures were 10% higher than the previous year due to  
23 maintenance and capital needs.

24 Director Joly noted that even with the rate increase, revenue increases were low. Ms. Blue  
25 said that the rate increases were included in the budgeted totals so the slight increase in revenue is  
26 due to an increase in the volume of water sold. Director Joly said the financials are very complex  
27 and complimented the Accounting team. Director Petterle also said the team did a very good job.

28 **CALPERS PENSION UPDATE 2024**

29 Julie Blue gave an update on the CalPERS' Pension plan. She said the District is in a pool  
30 with other employers that have less than 100 employees and that we have two plans, CLASSIC,  
31 with a retirement formula of 2.5% @ 55 and PEPR, with a retirement formula of 2% @ 62. Ms.  
32 Blue said that the District was notified by CalPERS of a funding increase of 1.2% for FY 24/25 due  
33 to an increase in salaries and an increase in unfunded liability allocated to the District. Ms. Blue  
34 said that as market conditions fluctuate, it changes our percent of funded status. The funding status  
35 can be volatile and fluctuates year to year. She said that CalPERS pension liability plan uses a

1 long-term investment strategy. Director Joly commended Ms. Blue and concurred that pension  
2 funding has a lot of volatility. Ms. Blue said we are complying with CalPERS funding requirements  
3 and that the variations in funding status is entirely due to changes in interest rates. Director  
4 Eichstaedt asked if she is in contact with CalPERS often and Ms. Blue said that we have an  
5 actuarial contact that is available to the District when the need arises. The Board thanked Ms. Blue.

6 **OCEANA MARIN COMMUNITY MICROGRID INCENTIVE PROGRAM AND COUNTY OF MARIN**  
7 **DILLON BEACH WASTEWATER STUDY UPDATES**

8 Tony Williams said that in 2022, a letter of support was approved by the Board for  
9 participation in a local microgrid project by the Dillon Beach Resources Committee (Committee),  
10 which is part of the Oceana Marin Association (OMA). In 2023, the West Marin Service Ad-hoc  
11 committee received an update from the Committee and that they planned to apply for PG&E's  
12 Microgrid Incentive Program, proposing a series of solar panels and a battery. To qualify, there  
13 must be critical facilities and our Tahiti Pump Station qualifies as does the facilities owned by the  
14 local water providers. Mr. Williams said that PG&E is reviewing the application and it will likely move  
15 on to the next step, but said it is a 1- to 2-year process. Mr. Williams said that further in the process  
16 more commitment from the District will likely be necessary. He said the physical location for the  
17 solar panels is to be determined but is currently shown on District property, however the Federated  
18 Indians of Graton Rancheria (FIGR) now own all the land surrounding our ponds. Mr. Williams said  
19 the Dillon Beach group may approach the District for an agreement for use of the property as part of  
20 this project. He said we currently do not have any issues but there are most likely environmental  
21 issues they will have to address. He said we do not want to build or operate the microgrid but we  
22 could benefit if it is installed. Director Fraites asked if we have been in communication with FIGR  
23 but Mr. Williams said we have not at this time.

24 Mr. Williams said that in 2021, the Marin County Community Development Agency received  
25 a grant for a wastewater feasibility study of the Dillon Beach Village area and the District reviewed  
26 and commented on that study which was completed in 2022. The properties in the village are on  
27 private septic systems and the study looked at alternatives for improving wastewater treatment and  
28 disposal in the area including two alternatives for connecting to the District's system. Mr. Williams  
29 noted that more information is needed, including conducting a connection fee study to determine  
30 what a connection cost would really be, which could be very expensive for those property owners.  
31 Oceana Marin (OM) doesn't have the funding and therefore the funds should come from the County  
32 for the study. The properties involved are not currently our customers or within the OM boundary.  
33 Director Eichstaedt said the County needs to take the lead. He said we do not have the resources  
34 for these types of projects. Director Fraites asked if the County Supervisor for that area has shown  
35 any interest. Mr. Williams said he has and may think the District would be helpful in solving some of  
36 the issues but we are concerned about the situation and it is a huge undertaking.

1 **FY 2023/24 END OF YEAR PROGRESS REPORT – ENGINEERING DEPARTMENT**

2 Eric Miller went through the Engineering End of Year Progress Report. He noted several  
3 projects and studies including conversion all of the GIS data into an ARC/GIS program and the  
4 upcoming Master Plan Update. He said the report lists some projects with a \$0 budget, these are  
5 projects that became necessary to take on even though they were not budgeted. These included  
6 the Arthur St Main Replacement, Stafford Lake Park Service Line Replacement, the San Marin  
7 Pump Station Motor Replacement, STP Tower Hose Replacement, and the Stafford Lake Dam  
8 Piezometer Automation. Mr. Miller said other notable projects from FY 2023/24 is the Crest Pump  
9 Station that will break ground in October, the Novato Blvd. Widening from Grant Ave to Diablo, and  
10 the Stafford Dam Spillway Gate project. For the Spillway project, we are waiting for the State to  
11 approve the engineering analysis. If the project were built, installing a gate on the spillway could  
12 increase our storage by 726 acre-feet of water. Other projects from last fiscal year were the Stafford  
13 Treatment Plant Supernatant Line Replacement on Center Road, and a recycled water line  
14 extension to the new Administration building. In West Marin, Mr. Miller noted the Oceana Marin  
15 Treatment and Storage Pond Rehab project and said the Gallagher Well No. 2 is in the closeout  
16 stage.

17 Director Joly asked for clarification of the Arthur Street project. Mr. Miller said that Novato  
18 Sanitary did potholing for a project of theirs but during construction discovered a District water line  
19 that was too close to the sewer line. The line needed to be lowered but we chose to move the  
20 pipeline to a better location, out of the busy intersection. Because they missed the pipeline, Novato  
21 Sanitary paid the costs of moving the pipe. Additional improvements that we made were paid for by  
22 the District.

23 **MISCELLANEOUS**

24 The Board received the following miscellaneous items: Disbursements dated August 22, 29,  
25 September 5, and 12, 2024, Monthly Progress Report, Talking Points Topic: 2024 Temporary  
26 Urgency Change Petitions, U.S. Seasonal Drought Outlook – August 31, 2024, Proposed Alexander  
27 Valley Water District Presentation at Sept 9, 2024 TAC Meeting, Ungated Spillway Stream Gage  
28 Assessment: Stafford Lake – Ca. Dept of Water Resources, Marin Conservation League After  
29 Hours: Eel River Dams, County of Marin Planning Division – Zoning Administration Hearing Agenda:  
30 County of Marin Coastal Development and Conditional Use Permit – 100 Commodore Webster Dr,  
31 PRS.

32 The Board also received the following news articles: Marin IJ - Stunning price tag for water  
33 pipelines – MARIN MUNICIPAL, Marin IJ - Key hearing ahead of proposal for housing – IN YOUR  
34 TOWN, Marin IJ – Promoting a new generation of water workers is essential to our state –  
35 CALIFORNIA VOICE, Marin IJ – Plan launched to streamline permit process – NOVATO, Pt. Reyes  
36 Light – County okays Coast Guard development, Pt. Reyes Light – Dillon Beach land given to Miwok



1 tribe, Press Democrat – Graton Rancheria acquires prized Marin coastal property in 'land back'  
2 conservation deal.

3 The Board also received the NMWD Web and Social Media Report – August 2024.

4 **ADJOURNMENT**

5 President Baker adjourned the meeting at 5:39 p.m.

6 Submitted by

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8 

9  
10 Eileen Mulliner  
11 District Secretary  
12