

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 6, 2024

CALL TO ORDER

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 4:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Ken Eichstaedt, Rick Fraites, Michael Joly, and Stephen Petterle. Also present were General Manager Tony Williams, District Secretary Eileen Mulliner, Auditor-Controller Julie Blue and AGM/Chief Engineer Eric Miller.

District employees Robert Clark, Operations and Maintenance Superintendent, and Ryan Grisso, Water Conservation and Communications Manager, were also in attendance.

Mary Stompe was in the audience.

MINUTES

On motion of Director Joly, seconded by Director Petterle, the Board approved the minutes from the July 16, 2024 meeting as presented by the following vote

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

NOES: None

ABSENT: None

ABSTAIN: None

GENERAL MANAGER'S REPORT

Tony Williams gave a brief update on the Potter Valley Project. He mentioned a letter in the Miscellaneous section of the agenda packet that is from SCWA to the state Water Board. He said that in June, FERC approved PG&E's request to reduce flows from the Eel River through the diversion tunnel into Potter Valley. The flows have been reduced from 25 to 5 cubic feet per second (cfs). He also referred to the storage chart for Lake Mendocino in Miscellaneous.

On July 24, Mr. Williams and Eric Miller participated in a radio interview with KWMR of Pt Reyes Station to discuss the District in general including upcoming capital projects. Mr. Williams said it was a well-run interview with good questions and very positive. He said the interviewer was familiar with how water is delivered to an individual customer. Mr. Williams noted that he told the interviewer that staff would like to come back with more information in the future.

On July 25, Mr. Williams attended the Marin Water Managers Quarterly meeting run by Supervisor Rodoni. The other attendees were MMWD, IPUD, Bolinas PUD, Stinson Beach Water District, Muir Beach Water District, CalWater, and Estero Mutual Water Company. He said the focus of the meeting was updates from the County. The County's One Water will strive to include water conservation and landscaping requirements for NMWD and MMWD in all City and County

development requirements. He said the meeting serves the County for continuing to comply with SB 552, and the group is a Drought Task Force and the County will complete a Risk Assessment. Mr. Williams also mentioned the County is involved in a sea level rise study which will determine what type of governance structure there could be in the future to address the issue.

Mr. Williams said that on July 30 he attended a meeting regarding LAFCo and the District boundaries in West Marin, specifically to separate from IPUD and de-annex Marshall. He said this meeting was to prepare for a public meeting later this year at the Inverness Fire Department, with a possible date in early October. He said that Supervisor Rodoni is in support and will assist with public outreach.

On July 31, Mr. Williams attended a quarterly Marin-Sonoma Water Coordination Meeting. The other attendees were Grant Davis, Don Seymour, Jay Jasperse of Sonoma Water; Jed Smith, Paul Sellier, and Ben Horenstein of MMWD, Supervisor Rabbitt, and Supervisor Rodoni. Discussions included the Potter Valley Project and as well as how MMWD is doing with their water supply studies. Mr. Williams asked Ben Horenstein to come and give update to the NMWD Board at a future meeting.

Mr. Williams mentioned some regulatory updates. He said that for the proposed Making Conservation a Way of Life framework, the state Water Board has extended the final comment period and once we receive the final language, it will be official. Mr. Williams said he and Ryan Grisso will bring it back to the Board.

Mr. Williams said that the cross-connection control policy handbook has been approved by the state Water Board in July. This will mean changes for our Regulations 6 and 36 at a minimum. Draft changes to those regulations will be brought to the Board for approval in the near future. The cross-connection policy will affect both customers building ADUs and well as those that already have ADUs among other impacts.

OPEN TIME

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

STAFF/DIRECTORS REPORTS

Robert Clark informed the Board that a Tesla battery will be installed at the San Marin Pump Station soon, he said it should arrive within the next 30 days. This will be an emergency backup system. Director Joly asked if it will be visible from the road and Mr. Clark said that staff will be replanting approved shrubs in order to hide the battery. Director Joly also asked if the recent tree trimming was part of this project and Mr. Clark said it was and also because the tree was not healthy and needed to be addressed.

Eric Miller gave a short update on active or recently completed capital construction projects. He said the water main replacement on Arthur Street has been completed. He said the Oceana Marin Pond Rehabilitation project is about 40% complete and that it is on schedule and on budget. Director Joly asked about the bridge on Grant Avenue. Mr. Williams said we did the work there about 2 years ago and that it is a Caltrans-funded bridge.

ACTION CALENDAR

APPROVE: CONSULTING SERVICES AGREEMENT FOR WEST MARIN WATER RATE STUDY WITH HILDEBRAND CONSULTING

Tony Williams said that the West Marin Rate Study, completed in 2021, was originally scheduled to be updated in FY 25/26. However, it is being done a year early due to significant change in assumptions used in the 2021 study. The rate study has a budget of \$45,000 which includes the cost of the rate consultant as well as legal counsel review or other contingencies. Director Eichstaedt asked Eric Miller if the capital improvement projects are an important aspect of the rate study and Mr. Miller said that long term planning for the Capital Improvement Program (CIP) is critical and that many major projects have been identified in West Marin. Mr. Williams mentioned that construction costs are very high and that the West Marin area is unique in that material and supplies can be difficult to transport in, and these types of constraints increase costs. Director Joly noted that Mark Hildebrand worked on the previous West Marin Rate Study and Julie Blue confirmed this. Before a formal approval, Director Petterle commented that in the past, when there was a rate increase, the rates were raised according to CPI, but it has now become more complicated. He said he likes Mr. Hildebrand's work and requests that the upcoming rate study presentations be clear and concise. He added that it is a complex topic, and any efforts to make it easier for our customers to understand would be appreciated. Ms. Blue said she will pass the comments on to Mr. Hildebrand. Director Eichstaedt added, in regard to the CIP, that customers need to understand that the water rates contribute directly to those projects, budgeted each year, and it is critical in maintaining an operational system.

Mary Stompe, an audience participant, asked to comment to the Board. She asked how the District properly captures staff time between Novato and West Marin, and said she hopes Novato rate payers are not paying for part of the West Marin system. She noted that Novato rate increases are higher than West Marin's. Ms. Blue addressed her comments noting that staff time is allocated to the various service areas by posting job codes through the timesheet program. She added that that revenue for each service area is tracked separately, and therefore, rates are evaluated separately. She also noted that indirect costs are allocated monthly, and this will be reviewed as part of the rate study.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

APPROVE: AGREEMENT WITH SONOMA WATER FOR WATER AND ENERGY EFFICIENCY GRANT REIMBURSEMENT

Ryan Grisso addressed the Board and gave a brief description of the Water and Energy Efficiency Grant (WEEG) Reimbursement for the agreement with Sonoma Water. The WEEG provides funding for projects that result in quantifiable water savings. Sonoma Water recently applied for grant funds on behalf of the Sonoma-Marine Drought Resiliency Program that will offer funding for consumer rebates including high efficiency toilets and washers as well as other water saving devices. The programs approved for the grant include a 45% match from Sonoma Water for our rebate programs. NMWD will provide the remaining 55%.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

INFORMATION ITEMS

INTERIM DISTRICT STRATEGIC PLANNING UPDATE

Mr. Williams said that interim District Strategic Planning is happening in this period before the elections in November for four of the Board members and feed into the development of the next Strategic Plan. He said the current work involves review and cataloging of organization charts from other similar agencies. Mr. Williams also said that the employee survey that was conducted and a total of 43 responses were received. He said one of the questions asked in the survey was if the employees were proud to work for NMWD and 87% answered “strongly agree” or “agree”. He said he will bring more information back to the Board on other survey results. He also said that 7 staff volunteers will be interviewed on a one-on-one basis with Kiosk. After that, Senior Management will be interviewed and then finally the Board will be interviewed as well. Mr. Williams said he will come back to the Board with a comprehensive report. Director Baker noted that he will be unavailable in first part of September.

ADMINISTRATION & LABORATORY UPGRADE PROJECT – CONSTRUCTION UPDATE

Eric Miller gave a presentation on the construction update for the Administration & Laboratory Upgrade project. In the progress photos, he noted that the new Board room will have the District logo on the redwood wall that will be behind the Directors tables. He said the redwood used throughout the interior is reclaimed wood from one of the District tanks that had been replaced. He noted that the ceiling in some interior spaces has been done in reclaimed cedar. He said that 95% of the exterior paneling on the lab is complete. Mr. Miller noted that the office will be very quiet as the walls have been well insulated to help negate the freeway and train noises. Mr. Miller said the office furniture is scheduled to be delivered in approximately 2 weeks. He also said the main electrical panel is in route and should arrive within the next 2 weeks as well. The decorative glass that is to be installed in the lobby as well as the protective glass for reception is still being worked on and there is a possibility it may not be installed before we move back in, but should be soon after.

Mr. Miller went over the project schedule. Director Joly asked if we will ask for reimbursement from the contractor for added costs, such as the rents at Wood Hollow and the Buck Center. Mr. Miller said this can be brought into the negotiations at the end and there is a provision in the contract. The 3-month look ahead schedule showed what is expected to be completed for both buildings which includes exterior metal paneling, punchlist, doors, final cleanup, furniture installation, lighting, and landscaping. The budget status slide showed that the contractor's billings to date are at 94% on the contract, and 77% of the contingency is forecasted to be used from change orders. President Baker asked if there is a time frame for an open house. Mr. Williams said that there are other scheduling items once the construction is complete and we need to get the lab certification done since the lab would be a key feature for the open house, not to mention the paving of the cul-de-sac (Rush Creek Place) and the establishment of new landscaping. Mr. Williams also said that he would like to get through the warranty period and make sure everything is working properly, especially new building systems. He estimated an open house could be possible in early 2025. Director Joly asked about the heating and cooling of the buildings and the possibility of using solar. Mr. Williams said the building is "solar-ready" but no solar is included in the current construction. He mentioned that there will be EV charging stations in the parking lot and a rainwater capture feature as part of the landscaping as well as other sustainability elements. Director Petterle asked about the meeting spaces and if we will be allowing other agencies to use. Mr. Williams said that we will be updating one of our Board policies in that regard. Director Eichstaedt asked about the PG&E electrical transformer and Mr. Miller said PG&E will mobilize but they will want the electrical system approved by the City of Novato Building Inspector before they can energize. Director Eichstaedt also asked about the punch list items and Mr. Miller said there are about 28 pages of items currently, about 90 items in total. Director Joly then asked when we might be able to meet in the new building. Mr. Miller said the earliest we can actually move would be September 30, and the first

Board meeting in October could be a possibility, however it will depend on how the final items are completed, so the second meeting in October may be a reality. Director Petterle said it would be good to have the next major project meeting for the Lynwood Pump Station in the new building as it would be better able to accommodate attendees. There was more discussion regarding the first Board meeting in the new building, as well as potentially scheduling a special meeting for the Lynwood project.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements dated July 18, July 25, and August 1, 2024; NOAA Drought Outlook; Cross Connection Control Policy Handbook effective July 1, 2024 – SWRCB; Letter from SCWA to SWRCB, July 17, 2024, re Notice of Change in Russian River Hydrologic Conditions; Lake Mendocino Storage. The Board also received the following news articles: Marin IJ – Reservoir levels still top norm amid heat – MARIN WATER DISTRICTS, Marin ballots for Nov. election filled with open seats – FILING PERIOD STARTS, Dam spillway plan could increase storage capacity – MARIN MUNICIPAL, Special districts can lean on institutional advertising – DICK SPOTSWOOD, Pt. Reyes Light – Green Bridge plans updated by Caltrans, County plans bigger restroom expansion.

Director Joly asked Julie Blue about a disbursement to CalPERS and she said that it was expected and budgeted for.

ADJOURNMENT

President Baker adjourned the meeting at 5:23 p.m.

Submitted by



Eileen Mulliner
District Secretary