

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 18, 2025**

CALL TO ORDER

President Joly 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. President Joly noted that it was nice to be in the new building. Present were Directors Jack Baker, Ken Eichstaedt, Rick Fraites, and Michael Joly. Director Stephen Petterle was absent. Also present were General Manager Tony Williams, District Secretary Eileen Mulliner, Auditor-Controller Julie Blue and AGM/Chief Engineer Eric Miller.

District employees Chris Kehoe, Construction Superintendent, Robert Clark, Operations and Maintenance Superintendent, Ryan Grisso, Water Conservation and Communications Manager, Lia Solar, Engineering Services Rep, Susan Dove, Senior Engineering Tech, Tim Fuelle, Senior Engineer, and Corey Reed, Senior Engineering Tech, were also in attendance.

Ben Horenstein, General Manager of Marin Water was also in attendance.

PRESENTATION BY MARIN MUNICIPAL WATER DISTRICT ON WATER SUPPLY ROADMAP UPDATE

Ben Horenstein, gave a presentation on Marin Water's water supply status. He said Marin Water (MW) has 7 reservoirs and showed a diagram that illustrated water supply network (Nicasio Reservoir, etc.). He gave a recap of water supply projects that have been evaluated, such as recycled water, desalination, and dams, and the costs involved in each. He said that each project was evaluation with a list of criteria and scored. He said that on February 25, their staff will bring a recommendation to their Board to move forward with specific projects and move on to the next phase of project development. He provided other updates including Marin Water's wildfire preparedness, ongoing efficiency efforts and continued collaboration with NMWD. He noted that MW is moving forward with contract laboratory services in lieu of in-house. Director Fraites asked, in relation to their lab, if every water district needs their own laboratory. Mr. Horenstein said that many water districts use regional labs and they are interested in partnering with other agencies such as NMWD as well as using commercial labs. Director Joly said he has concerns regarding liability issues in contracting the NMWD lab services out. Mr. Horenstein also said that MW appreciates the relationship and collaboration with NMWD in other areas. President Joly asked if MW is looking into raising the dam at Nicasio Reservoir. Mr. Horenstein said the proposed spillway gate would have to be approved by the Division of Safety of Dams but that Nicasio was built to anticipate a raised spillway without changing the dam itself. There was some more discussion with the Directors and Mr. Horenstein. The Board then thanked Mr. Horenstein for his presentation and Mr. Horenstein left the meeting.

MINUTES

Due to concerns with remote participation and the newer Brown Act requirements, the Minutes from the January 21, 2025 meeting were brought back to be voted on. On motion of Director Baker, seconded by Director Joly, the Board approved the minutes from the January 21, 2025, meeting by the following vote:

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

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

MINUTES

On motion of Director Baker, seconded by Director Fraites, the Board approved the minutes from the February 4, 2025, meeting by the following vote:

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

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

GENERAL MANAGER'S REPORT

Tony Williams gave a brief Potter Valley Update. He said that the Eel-Russian Project Authority (ERPA) group signed a memorandum of understanding (MOU) the previous week with other parties which addresses critical items for a future diversion. He said the MOU states that PG&E's water rights will be transferred as part of the decommissioning and surrender to the Round Valley Indian Tribes (RVIT) since Native American tribes have ancestral water rights. He said that per the MOU, ERPA will pay the RVIT a \$1M annual fee for water diversions and a \$750,000 river restoration fee for the Eel River.

Mr. Williams said that he and Director Fraites attended the Marin Sonoma Water Managers meeting and the PG&E surrender application was discussed. He noted that Supervisor David Rabbitt and Supervisor Rodoni were in attendance

Mr. Williams said that he listened in on a Fire Safe Marin sponsored "LA Fires Lessons Learned" presentation earlier this month. He also mentioned that there is a Miscellaneous item regarding Chief Tyler's (Novato Fire) upcoming retirement.

Lastly, he said that we are hoping to get new photos of the Board Directors in March for the website and social media and that more information will be coming.

OPEN TIME

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

STAFF/DIRECTORS REPORTS

President Joly asked if there were any staff or director's reports and there was no response.

ACTION CALENDAR

Due to concerns with remote participation and the newer Brown Act requirements, the action items from the January 21, 2025 meeting were brought back to be voted on again.

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

On the motion of Director Fraites, and seconded by Director Baker, the Board approved the Salary, Terms and Conditions of Employment for the General Manager by the following vote:

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

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

APPROVE: ON-CALL CONSTRUCTION AND REPAIR SERVICES – TEAM GHILOTTI AND ARGONAUT CONSTRUCTORS

On the motion of Director Baker, and seconded by Director Eichstaedt, the Board approved the On-Call Construction and Repair Services – Team Ghilotti and Argonaut Constructors by the following vote:

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

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

APPROVE: TEXT FOR SPRING 2025 WEST MARIN "WATERLINE", ISSUE 24

Ryan Grisso addressed the Board and Tony Williams noted that the West Marin Ad-hoc Committee had some feedback regarding the WM Waterline and the changes were incorporated. Mr. Grisso said the distribution of the issue is being accelerated to give ample notice to customers regarding the rate study board workshops and rate hearing schedule content. There was some discussion regarding some of the CIP projects.

On the motion of Director Eichstaedt, and seconded by Director Fraites, the Board approved the Text for the Spring 2025 West Marin "Waterline", Issue 24, by the following vote:

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

NOES: None

ABSENT: Director Petterle

ABSTAIN: None

INFORMATION ITEMS

FY 2024-25 MID-YEAR PROGRESS REPORT – WATER CONSERVATION

Ryan Grisso summarized the FY 2024-25 Mid-Year Progress Report for Water Conservation and gave a presentation that focused on Water Conservation and the State Urban Water Use Objective Report, as well as District Communications, i.e., our website, social media, and outreach. He gave water conservation program participation updates for the first half of FY24/25 and also gave some long-term historical water conservation participation updates. He noted that the State Urban Water Use Objective has a very complex reporting form and went through the submittal form details specifically to the District. He mentioned the District's demand was significantly lower than water budget for the FY 23/24 period. The report is related to 2018 legislation "Making Water Conservation a California Way of Life". He said that regarding public communications, the trend views for the website remain consistent and social media followers is increasing each month. Mr. Grisso said that the Waterline newsletter in Fall 2024 was sent to approximately 24,000 customers. He also mentioned that we did attend the Marin County Fair in July 2024 and had co-branded signage and messaging with Marin Water at the six watering stations and at an interactive booth focused on water conservation. President Joly asked how the numbers are regarding our AMI system and Mr. Grisso said that the use continues to go up. He said he will bring back some statistics at a future meeting.

FY 25-26 BUDGET REVIEW AND RATE HEARING SCHEDULE

Julie Blue outlined the Budget Review and Rate Hearing Schedule. She added that Mark Hildebrand, of Hildebrand Consulting, will be attending the March 18, 2025 Board meeting to review the West Marin Water Rate Study and will again present the study to Board in April for approval. Ms. Blue also summarized the schedule for the budget reviews, proposed rate hearings and rate setting. The budget and rate setting events will occur between March and June, with new water rates effective July 1. Ms. Blue noted we could potentially have an approximate 8.1% increase in our cost of water from Sonoma Water. President Joly asked if this will be the first year of the pass through and if it is we should communicate that to our customers. Ms. Blue confirmed that it is the first year of the pass through and that the customers would be notified 30 days prior to the increase. Director Eichstaedt asked if we will be having a meeting in West Marin but Tony Williams said there was not one scheduled at this time.

FY 24-25 2ND QUARTER FINANCIAL STATEMENT

Julie Blue gave an overview of the FY 24-25 2nd Quarter Financial Statement. She said that fiscal year to date operating revenue was 61% of budget and operating expenses are 56% of budget. She said the \$5.9M of the capital plan has been expended. She said that the main projects have been the Admin and Lab Building, the Crest Pump Station, and the Oceana Marin Treatment

Plant Pond Rehabilitation. Through December, the Novato year-to-date operating revenue was 15% higher than the prior year and the operating expenses were 31% higher. She said that net income was \$1.2M and noted that approximately \$100,000 in FRCs have been collected. Ms. Blue said that 147MG of recycled water had been consumed with a net income of \$667,000. She said that West Marin had a rebound in sales volume, 18% higher than last fiscal year. West Marin operating expenses were 40% higher than the prior year, net income was \$133,000 and approximately \$32,000 was collected in FRCs. Ms. Blue said that Oceana Marin now has 240 active accounts. She said that Oceana Marin is expected to receive \$1.2M in grant funds for the Oceana Marin Treatment Plant Pond Rehabilitation. President Joly said that the statements prepared are always nicely detailed and asked if Ms. Blue sees any trends. She said that we are trending in the right direction with revenue. She added that there are a couple of items not reflected in the financial statements. We are waiting to receive the Oceana Marin grant funds before determining how much of a loan will be required from Novato. Also, we will be utilizing the recycled water capital replacement and expansion fund for recent projects. Both entries will be posted by the end of the fiscal year. President Joly thanked Ms. Blue for her report.

WAC AND TAC MEETING AGENDA – FEBRUARY 3, 2025

Tony Williams mentioned that we are now putting the WAC and TAC meeting agenda rather than meeting minutes in the agenda packet, like we have been doing for NBWA meetings. Mr. Williams gave a recap of the February 3 WAC and TAC meeting. He noted that Petaluma has changed their WAC representative due to recent election results. Mr. Williams mentioned the water conservation item on the agenda and said that the TAC still report water use versus the SBX7-targets. He mentioned that Sonoma Water reps provided an update on cybersecurity in direct response to a comment made by Director Joly at a previous NMWD meeting. Director Eichstaedt asked if the District's IT consultant attends these meetings regarding cybersecurity, Mr. Williams said they do not. President Joly thanked Mr. Williams for his update.

NBWA MEETING AGENDA – FEBRUARY 7, 2025

Director Fraites said that we could host a future NBWA meeting here at District headquarters now that we have a new Board room. He said that meeting focused on the State legislation that all vehicles be electric by 2035 was discussed and asked about that in relation to our large crew vehicles. Robert Clark said that he is in discussions with our leasing company since the legislation applies to NMWD as well.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated February 6 and 13, 2025, Monthly Progress Report, Auditor-Controller's Monthly Report of Investments for December 2024, Excerpts from Potter Valley Hydroelectric Project – Final Draft License Surrender

Application Presentation (PG&E), Wildfires and Water: The Role California Public Water Agencies – ACWA, Honoring Bill Tyler: A Legacy of Wildfire Prevention in Marin – Fire Safe Marin, NOAA Three-Month Outlook Precipitation Probability, and NOAA Seasonal Drought Outlook.

ADJOURNMENT

President Joly adjourned the meeting at 5:32 p.m.

Submitted by



Eileen Mulliner
District Secretary