

**NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
March 4, 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. 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 Chris Kehoe, Construction Superintendent, Robert Clark, Operations and Maintenance Superintendent, Tim Fuelle, Senior Engineer, Sebastian Rubio-Gomez, Junior Engineer, Blake Hall, Junior Engineer, Susan Dove, Senior Engineering Tech, Lia Solar, Engineering Services Representative, and Vincent Verissimo, Junior Accountant, were also in attendance.

Lynne Rosselli and Jake Spaulding of Sonoma Water were also in attendance. Customer Len Shaw was in attendance.

President Joly moved Item #5 to the beginning of the agenda.

APPROVE: AUTHORIZE AFFIRMATIVE VOTE FOR SONOMA WATER FY 2025/2026 WATER TRANSMISSION SYSTEM BUDGET

Jake Spaulding, Sonoma Water, presented the Sonoma Water FY 2025/2026 Water Transmission System Budget. He explained that SW has three aqueducts in the main transmission system that were built between 1959 and 1963, and that the infrastructure is aging and in need of repair. He said there are several charges involved in the rates and SW has been transparent in the collaborative process with the water contractors before going to their Board. He noted that the Technical Advisory Committee (TAC) voted in the affirmative for the increase and they are very appreciative of that. Mr. Spaulding went on to describe the reasons and need for the increase. He mentioned their asset condition assessment and that maintenance needs increase with age. The presentation highlighted the projects that are budgeted for hazard mitigation, increased resiliency, O&M to protect, improve, and maintain system reliability, as well as the funds budgeted for the Biological Opinion, Water Supply Planning, and Water Conservation. The budget totaled \$82M, an increase of \$7.6M from last year's budget. He went through and showed how the rates are calculated, which came to \$1,400 per acre foot for the aqueduct using a 3-year annual average. He noted that deliveries can affect the rates. He also said that deferring projects can help reduce the budget and rate. Mr. Spaulding said that NMWD's rate increase was dropped from 19.96% to 6.30%, a total cost per gallon of \$0.004.

Lynne Rosselli spoke to the Board about the long-range financial plan. She said NMWD's

deliveries are between 5,400-5,800 acre-feet (AF) and noted that the more water delivered, the more the rates decrease. One presentation slide showed the wholesale water rates per AF for SW compared to other agencies, and SW's was the lowest. She said that the TAC has voted on the new rates, and NMWD's Board will vote tonight, the next step is for the proposed budget to go to the Water Advisory Committee (WAC) and then to SW's Board for vote on April 22.

President Joly said a 6.3% increase was good news and asked if they can keep the annual increases under double digits over the next 3 years. Ms. Rosselli said it will depend on several factors. Tony Williams thanked Mr. Spaulding and Ms. Rosselli for their discussions with the TAC members. Director Baker asked if there was any indication that one of the WAC members may vote no as has been done in the past, Ms. Rosselli said that, although the TAC voted yes, it doesn't mean the WAC will follow unanimously. President Joly thanked them for their presentation.

On the motion of Director Fraites, and seconded by Director Petterle, the Board approved to Authorize an Affirmative Vote for Sonoma Water FY 2025/2026 Water Transmission System Budget by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

MINUTES

On motion of Director Baker, seconded by Director Joly, the Board approved the minutes from the February 18, 2025, meeting with a minor edit noted by President Joly, by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: Director Petterle

GENERAL MANAGER'S REPORT

Tony Williams gave a Potter Valley Project update. He said the Memorandum of Understanding (MOU) signed by the California Department of Fish and Wildlife, California Trout, Eel-Russian Project Authority, Humboldt County, Mendocino County Inland Water and Power Commission, Round Valley Indian Tribes, Sonoma County Water Agency (Sonoma Water), and Trout Unlimited, is included in the Miscellaneous section of the agenda packet. He said there is some concern from the water contractors regarding the Eel River Restoration payment included in the MOU and where the funds for it will come from.

He said that there is an update on the presentation that Ben Horenstein of Marin Water gave to the Board at the February 18 meeting and said that Marin Water's Board directed staff to move forward with their Winter Water Resiliency project which is a pipeline project from the San Marin

area to Nicasio Reservoir. Mr. Williams also noted that Marin Water is renewing the two new water supply contracts with SW and said that Mr. Horenstein may come back to speak to our Board about combining those contracts into one which will need WAC approval. He said more information will come in the near future. The directors expressed concern about the construction and traffic disruptions that will occur on San Marin Drive for the Marin Water's project. Director Fraites said this will be a big impact to that area. Mr. Williams said that the chosen route is a lower cost than going a backroads route from Cotati. President Joly asked if the Novato City Council would need to approve this project and Mr. Williams said he wasn't sure but most likely not. President Joly also mentioned that there is an article in the Marin IJ about this project.

Mr. Williams said that he participated in a radio interview with KWMR about the West Marin Rate Study. He said it was a good interview and hopes to get a recording on our website.

Mr. Williams reminded the Board that some of them have a photo shoot coming up for new headshots for the website.

The Board requested that the Potter Valley MOU be included in the next agenda package.

OPEN TIME

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

Len Shaw, resident of Novato, addressed the Board and congratulated staff on the new Administration building. He also congratulated Directors Eichstaedt and Joly on winning the recent election. He commented on the new building and said the wood used in the lobby and Board room is beautiful and that the logo in the lobby is extraordinary. He said he hoped there would be better audio in the future and asked if there will be audio assistance available for those who have hearing issues and Mr. Miller said that it will be added at some time in the future. He also mentioned that when the lights were dimmed for a presentation, that some of the directors were difficult to see as they were silhouetted against the windows. President Joly thanked him for his comments.

STAFF/DIRECTORS REPORTS

President Joly asked if there were any staff or director's reports.

Eric Miller gave a brief update on the move back to Rush Creek and said the original target date to open the building to the public was March 17, however that will likely be delayed as we are still working out some issues, including security. He said the lab is working through the certification process and should be up and running in July. He mentioned that the public open house timing is still unknown, the earliest could be in May but possibly later in the year. He also mentioned that the dedication plaque content will be brought to a future Board agenda. President Joly asked how the move went and Mr. Miller said that the general feeling was excitement and that the move went pretty well. He said that Robert Clark's team is working on various items daily. Mr. Clark noted to the Board that the Stafford Treatment Plant came on line recently, and we are producing 3 million

gallons per day. He said that by April 1st the quantity should be higher but waste discharge is part of the limiting factor.

ACTION CALENDAR

APPROVE: SAN MATEO TANK 24-INCH TRANSMISSION MAIN PROJECT – ENVIRONMENTAL PERMIT COMPLIANCE DURING CONSTRUCTION

Eric Miller gave the Board a description of the San Mateo Tank 24-Inch Transmission Main project. He noted that the San Mateo Tank is one of the larger tanks in our system and is filled by the San Marin Pump Station. He said that when the tank was built it was anticipated more development on Mt. Burdell area would occur but it never happened. He said that the transmission line feeding the tank needs to be upsized to provide more efficient flow to and from the tank. He said there are four permits for the project, each with significant requirements. The contract that is for Board approval is for ESA to monitor environment permit compliance during construction and complete associated reporting. He said he will bring an item to a future meeting for bid advertisement of the project. President Joly asked about the cost of the construction project, and Mr. Miller said the current estimate is \$1.5M. President Joly also inquired about the pipeline route. Mr. Miller said that to follow the current pipeline route would have to go through private property that has difficult access. The proposed route has easier access, running through open space area. Avram Pearlman, the project engineer, added that the new alignment is also a shorter distance to connect to the main distribution system. Director Eichstaedt asked if the consultant's rate schedule that was provided with their proposal will remain the same as it was labelled 2024 and staff confirmed that 2025 rates were used in the proposal. Director Eichstaedt also asked if the project schedule is being coordinated with the various environmental constraints and Mr. Miller answered that staff has created a master schedule for the project that considers all of the environmental constraints. Director Petterle noted that it was a good package.

On the motion of Director Petterle, and seconded by Director Eichstaedt, the Board approved the San Mateo Tank 24-Inch Transmission Main Project – Environmental Permit Compliance During Construction by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

INFORMATION ITEMS

PROJECT COMPLETION PRESENTATION – OCEANA MARIN TREATMENT & STORAGE POND REHABILITATION PROJECT

Tim Fuelle, Senior Engineer, addressed the Board and gave a brief description of the project including the project summary, location, and the 2017 emergency repair. Mr. Fuelle showed an

overview photo of the project location and also a slide showing repairs made and described the damages from the storm. The repairs included bank restoration. Mr. Fvette then turned it over to Sebastian Rubio-Gomez, project engineer for the Oceana Marin Treatment & Storage Pond Rehabilitation project, who continued the presentation on the project. The slides showed job site preparation, and temporary construction entrance. Mr. Rubio-Gomez said that he visited the rock quarry where the rock for the rip-rap was purchased. He described Phase 1 of the project that was the storage pond construction. The slides showed the slope excavation and offloading of the spoils, as well as the fabric and rip-rap installation. He went through the ABS and gate valve installation and showed an aerial photo of the finished storage pond. He said that Phase 2 of the project is the treatment pond construction. He said that during installation of the pump that would move the water, the contractor encountered a powerline belonging to Estero Mutual and that it had to be re-routed. This work impacted out 6-inch force main and an emergency repair was necessary. Director Fraitis asked, after seeing the pond photo, why there was dirt at the bottom of the pond instead of rock. Mr. Rubio-Gomez said that it was leftover sludge from when the water was transferred. Robert Clark added that the pond is clay lined, not a leach pond, and the water is discharged into our disposal fields and also explained the treatment pond's purpose. Director Eichstaedt asked how the force main broke and Mr. Rubio-Gomez said it occurred during excavation. The last slide showed the final stabilization photos. Director Petterle thanked Mr. Rubio-Gomez, noting that he had never heard such a detailed explanation of our treatment ponds. President Joly said it was a very good presentation and also asked if the contractor used the full contingency funds, Mr. Miller said they did. He also noted that 75% of the project was reimbursable through FEMA. Mr. Williams noted that Dan Garrett and Roy Foster, Stafford Treatment Plant operators assisted on the project and that our Construction crew did some temporary repairs in the beginning.

OCEANA MARIN AND SEWER SERVICES TO DILLON BEACH PROPERTIES UPDATE

Tony Williams told the Board that although this is an Information item, he is looking for general direction from the Board. He said that Dillon Beach is all on septic systems and many are failing. He mentioned a 2022 study done by Questa Engineering that the preferred option is to connect to the NMWD system, however staff doesn't necessarily agree with the study conclusions and that some information was missing such as true cost of service and connection fees. He said that we would want to revisit our master plan to see what the District would need to do if we were to take over the area. Mr. Williams said we would want to look at capital costs and to put the analysis into our work plan for next fiscal year but only if we receive the necessary funding from the County and all reimbursements are paid for the FEMA grant funding for the Ponds project.

President Joly said that previously the District had made it clear to the County that the legacy issue we took in the early 1970's for Oceana Marin (OM) was a one-time event and that we don't want to experience it again. He asked what the problem is exactly. Mr. Williams said that the

situation of failing septic systems that are potentially contaminating the water supply for the residents. President Joly asked how it impacts the District and Mr. Williams said it impacts us because we have a functional sewer system adjacent to the area. He said that if the residents petitioned LAFCo to be annexed into our system it would be difficult for us to say no since we have an existing system nearby.

Director Baker said, because the County generally seems to focus on Marin proper and less on West Marin, the issues are not as widely known, but since Supervisor Rodoni lives out there, and had been a NMWD Director in the past, he knows the area well and the issues. He said it would be surprising if the County put some funds towards the problem there. Mr. Williams said he is concerned if the situation becomes more dire and we don't have time to figure out a good direction, it could really impact the OM residents and our system. He said he would like to get ahead of the situation instead waiting for the situation to get worse and the District has to take on the issue. Mr. Williams noted that he believes that may have happened in the 1970's, that we took on the OM area by default.

Director Petterle said we are out there and had been in Tomales as well so it made sense at the time and instead of a new agency being created, the County possibly thought we could take it on instead. He said he agrees with Mr. Williams that we want to be in the driver's seat on the situation so that if someone comes to us to take it on, we could say if you have the money, sure we can do that. President Joly said that, obviously, there is a humanitarian aspect to the problem, but we have other customers that we have a financial obligation to and agreed with Director Petterle and Mr. Williams. He said they really need to fully understand how this would impact our cost structure entirely, not just for implementation, but for ongoing treatment. Mr. Williams said that one of the potential fatal flaws of the analysis that was done by Questa is assuming that we can expand the existing leach field irrigation system, which may be difficult to permit. He said we tried to comment on the Questa report but all the issues did not get covered to the level that we wanted. Director Baker said we need to be careful that we are not brought in to rescue them to take this over without sufficient funds. Mr. Williams agreed and added that he's had discussions with Marin LAFCo as well as the other sewer agencies in Marin to see if they would be willing to take on this system but because these other agencies do not have anything in the area, the likelihood was low. Director Eichstaedt said we do good for the public and said we are all in this together, however he is very concerned about the costs involved and also wonders if people understand this is an enterprise system and you have to have money to do this. We're not a general fund where we have an unlimited amount of funds, it's very defined with what we can do. Mr. Williams said it's interesting that Director Eichstaedt brought that up because we were given an opportunity to see a presentation the County gave to the community and one of the slides said 'the County and North Marin will partner to come up with an equitable solution' and he said this would not be an equitable situation,

but rather a proportional cost sharing. Staff's concern is that if we're not engaged the County will continue to consider the District as the best solution so it is best if we drive the analysis so we can say what it's really going to cost the residents. Director Petterle said this made sense. President Joly said he thinks the sense of the Board is that Mr. Williams is taking the right approach on our behalf and being very vocal is clearly a good tact and thanked him. He said they encourage him to do so. Mr. Williams said he would continue and said thank you. Robert Clark added that we have certain liabilities with our systems and our biggest risk is Oceana Marin with potential discharges as well as the costs for improvements noting the previous agenda item about the treatment ponds. He said from an Operations perspective, Oceana Marin has been one of our biggest problems in the twenty years he's been here. He said it's a sewer system, and we have been lucky so far with no major issues. Director Petterle said that from he understood from Mr. Williams that if we don't do more analysis then the conclusion will be the best and only option is that North Marin take it over. He said that if we are involved at least we can look at the whole system and determine what's it's going to cost. President Joly added that the expansion does not fit into our mandate as we see it so it has to be ongoing financial support. President Joly told Mr. Williams that there is consensus that his plan is on the right track.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated February 27, 2025, MOU to Advance A Water Diversion Agreement for a New Eel-Russian Facility, NOAA Three-Month Outlook Precipitation Probability, and NOAA Seasonal Drought Outlook.

The Board received the following news articles: Marin IJ – Lawn Replacements – UC MARIN MASTER GARDENERS, Reservoirs topped off – BOUNTIFUL MARIN, and Water agency offers bigger regards for removing grass – MARIN DROUGHT DEFENSE.

ADJOURNMENT

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

Submitted by



Eileen Mulliner
District Secretary