

NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 3, 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, Rick Fraites, Michael Joly, and Stephen Petterle. Director Ken Eichstaedt 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, Ryan Grisso, Water Conservation and Communications Manager, Karen Clyde, Vincent Verissimo, Corey Reed, and Haylee DeMartini were also in the audience.

April Miller was also in the audience.

MINUTES

On the motion of Director Baker, seconded by Director Petterle, the Board approved the minutes of the May 20, 2025, meeting by the following vote:

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

NOES: None

ABSENT: Director Eichstaedt

ABSTAIN: None

GENERAL MANAGER'S REPORT

Tony Williams had a brief Potter Valley Update. He said everything is on track for PG&E to submit their decommissioning plan on July 29. He noted that there is a news article in the Miscellaneous section of the agenda which introduces the agencies that make up IWPC (Inland Water and Power Commission, a member of ERPA); the County of Mendocino, the Redwood Valley County Water District, the City of Ukiah, the Potter Valley Irrigation District, and the Russian River Flood Control and Water Conservation Improvement District. The IWPC acknowledges that Sonoma Water is doing the heaving lifting regarding engineering and analysis of the future diversion and hopes they will be contributing more to the process in the future.

Mr. Williams gave an update on the recruitment for the Operations and Maintenance Superintendent position saying that the first round of interviews has been completed. There were seven candidates, and they have been narrowed down to three. Those interviews should be completed by Monday, June 9. Director Baker asked if they were local and Mr. Williams said they all live within 20 miles of the District. He thanked Karen Clyde for helping coordinate the interviews. Director Petterle asked if any of the candidates are County of Marin employees and Mr. Williams said no.

Mr. Williams mentioned the obituary for Jerry Gilbert, former NMWD GM, in the Miscellaneous section.

Mr. Williams noted that the next Board meeting on June 17 will include the rate hearings for the West Marin and Oceana Marin services areas. He said that since the Board approved a 3-year pass-through for the Novato service area, that, although the rates will be increasing, there will not be a rate hearing. President Joly asked if Novato customers will be informed their rates will go up again this year and Mr. Williams said we have included a reminder in the recent newsletter. Julie Blue added that the revision to Regulation 54 Rates will be on the next agenda. President Joly also asked if there will be any information on our website and Ms. Blue said there is a rate's webpage. Ryan Grisso said that there was a QR code in the last Waterline newsletter that when scanned directs people to the rate increase information webpage. President Joly asked if we have received any emails or letters from West Marin or Oceana Marin customers regarding the rate increase and the District Secretary said we have only received one West Marin protest letter to date.

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.

Director Petterle said he recently went on a tour of the District's construction and warehouse building. He strongly recommended the other directors do so as well and look at the setup in the warehouse. He said it was amazing, very well organized, and professional and he commended everyone. President Joly said he would like a tour also.

Eric Miller gave a brief update on the locker room remodel. He said the project started in late February with a \$240,000 budget. He said it is nearing completion and on budget. He said the crew is very pleased. He said the former apartment space had been repurposed for the construction manager's use during the Admin & Lab Upgrade project and there are funds in next year's budget to expand the construction lunchroom into the apartment area. Director Fraites asked if any feral cats were still being fed onsite and Ms. Blue said no.

Director Fraites mentioned that the North Bay Water Association (NBWA) will be meeting here on Friday, June 6 and there will be tours of the building, lab, and demo gardens as part of their meeting. Mr. Williams said he will be leading the building tour, Pablo Ramudo will be showing the lab, and Ryan Grisso will be showing the demo gardens.

President Joly asked if there were any updates with D.L. Falk, the contractor for the Admin & Lab Upgrade project, and Mr. Miller said that will be covered in a closed session in July.

CONSENT CALENDAR

On the motion of Director Petterle, seconded by Director Joly, the Board approved the Consent Calendar by the following vote:

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

NOES: None

ABSENT: Director Eichstaedt

ABSTAIN: None

APPROVE: BASE SALARY SCHEDULE REVISION

The Board approved the Base Salary Schedule Revision.

ACTION CALENDAR

APPROVE: AGREEMENT WITH KIOSK FOR COMMUNICATIONS AND PUBLIC OUTREACH

Ryan Grisso, Water Conservation and Communications Manager, told the Board that this is the sixth agreement with Kiosk. He said that they develop our communications plan, website design and maintenance, and are assisting the District with developing our strategic plan. Mr. Grisso said this agreement has two parts, one covering standard monthly costs for the website and social media development. The second part covers “ad hoc” projects like designing the newsletters and the annual report. Director Petterle asked to have the agreement exhibit in the next agenda’s miscellaneous section. President Joly asked to confirm that \$85,000 is the maximum amount for this agreement and asked when it will expire. Mr. Grisso said that \$85,000 is the maximum and that, although the agreement states the expiration is December 2026, that the agreement is typically renewed in July for the following calendar year. Director Petterle said that he likes Kiosk and their work and commended Mr. Grisso.

President Joly asked if we will be participating in the July 4th parade, Mr. Williams said he had not planned on it this year as staff availability is low in addition to staff’s time being dedicated to working on the strategic plan and the future open house as well as regulatory issues we are trying to comply with. Director Petterle said he would like the District to be involved with the Art and Wine Festival as well, but Mr. Williams said that the event really is not our audience as many people attending are from outside of the area. Mr. Grisso mentioned that we usually participate in the parade approximately every 5 years or on milestone anniversaries. President Joly said he would like to know how best to promote ourselves to the public and Mr. Williams said that will be part of the upcoming strategic plan and not for a given year but for a long-term plan. Director Petterle said it would be nice to have press coverage on the open house. Mr. Williams said it will be on our website, and we will send out invitations to key people. Director Baker asked how the lab certification is coming along and Mr. Williams said it is on track, and the goal is to have it in place by the end of July. The Board thanked Mr. Grisso.

On the motion of Director Fraites, and seconded by Director Petterle, the Board approved the agreement with Kiosk for communications and public outreach by the following vote:

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

NOES: None

ABSENT: Director Eichstaedt

ABSTAIN: None

INFORMATION ITEMS

PROPOSED FY 25/26 BUDGETS NOVATO AND WEST MARIN SERVICE AREAS

Julie Blue reviewed the FY 25/26 Budgets for the Novato and West Marin Service Areas. Her presentation covered the Key Assumptions, Historical Billed Water Consumption, Budget Summary, Financial Forecast, Outstanding Debt, and Budget Review. Under the key assumptions, Ms. Blue said that the consumption volume expected for the Novato Service area is 2.2 billion gallons (BG) with a rate increase of 6%. Recycled Water is 215 million gallons (MG) with a 6% increase, West Marin Water is 55 MG with a 19% rate increase, and an 8% rate increase for Oceana Marin Sewer customers. She said for all service areas inflation is assumed at 3-5%, as well as personnel costs of 2.25% COLA, a 7% decrease to Workers Compensation insurance, and pension costs of 33% of employee earnings. For the Novato Water Service Area, wholesale rates from Sonoma Water have increased 6.3%, memberships, software, and permit fees will increase by approximately 11%, insurance premiums will increase approximately 21%, electric power by approximately 23%, and the master plan, emergency operations plan, and urban water management plan will be finalized.

Ms. Blue went over the 10-year averages for Historical Billed Water Consumption. She said for Novato 2.3BG is the 10-year average use, and 2.2BG has been budgeted for FY25/26. For Recycled Water, Ms. Blue said consumption increased to 251BG in FY24/25 after 2 low years but 215BG has been budgeted for FY25/26. In West Marin, the 10-year average is 61MG, 55MG is budgeted for FY25/26.

For the Budget Summary, Ms. Blue went over the slide for Operating Revenue for each service area. For the Novato Area, total operating revenue is \$27.8 Million, Recycled Water is \$1.9 Million, West Marin Water is \$1.3 Million, and Oceana Marin is \$377K, for a total operating revenue of \$31.4 Million. Operating Expenses are budgeted at \$25.3 Million for FY25/26. These expenses are made up of source of supply, pumping, operations, water treatment, transmission & distribution, sewer operations, consumer accounting, water conservation, and general administration.

Ms. Blue showed a slide that outlined the proposed costs of the Capital Improvement Projects by service area with a pay-go total of \$4.6 Million. Ms. Blue said the Studies and Special Projects portion of the proposed budget totals \$632K.

She then reviewed the overall financial forecast, cash reserves, and debt service. She explained that the budget, and proposed rate increases provide cash reserves above the minimum required and an estimated debt service coverage ratio of 1.73 for FY 25/26. The Debt Service slide summarized the outstanding balance of \$34,419,918.

In conclusion, Ms. Blue went over the Budget Review and Rate Hearing Schedule which started on March 18, 2025, to conclude on June 17, 2025. Ms. Blue said at the next meeting on June 17 there will be another review of the budget for approval.

Director Petterle said it was a good presentation, and the graphics were very good. The Board thanked Ms. Blue.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated May 29, 2025, Auditor-Controller's Monthly Report of Investments for April 2025, FY 25/26 Insurance Renewal, NOAA US Seasonal Three-Month Drought Outlook – May 15, 2025, NOAA US Seasonal Three-Month Precipitation Outlook – May 15, 2025, Obituary – Jerry Gilbert, former NMWD GM.

The Board received the following news article: Mendofever - Mendocino Officials Brace for PG&E's Abandonment of the Potter Valley Project.

ADJOURNMENT

President Joly adjourned the meeting at 4:59 p.m.

Submitted by



Eileen Mulliner
District Secretary