



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 March 5, 2019 – 6:00 p.m.  
 District Headquarters  
 999 Rush Creek Place  
 Novato, California

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Est. Time	Item	Subject
6:00 p.m.		<b>CALL TO ORDER</b>
	1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> , February 19, 2019
	2.	<b>GENERAL MANAGER'S REPORT</b>
	3.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	<b>STAFF/DIRECTORS REPORTS</b>
		<b>ACTION CALENDAR</b>
	5.	<b>Approve:</b> Amend Consulting Services Agreement - West Yost Associates
	6.	<b>Approve:</b> Approval of Salary and Terms and Conditions of Employment for Unrepresented Employees
		<b>INFORMATION ITEMS</b>
	7.	Novato Potable Water System Financial Plan Update
	8.	Update: Point Reyes System – Disinfection Byproducts
	9.	Fiscal Year 2018-19 Mid Year Progress Report- Operations/Maintenance
	10.	AMI Deployment Project Update
	11.	<b>MISCELLANEOUS</b>
		Disbursements – Dated February 21, 2019
		Disbursements – Dated February 28, 2019
		Update - Polybutylene Service Lateral Population
		<u>News Articles:</u>
		Notice Inviting Sealed Bids – Bay Area Chemical Consortium (BACC)
		Potter Valley Project: Could the dam go but the diversions remain?
		Rest in peace, Virgil
		Novato considers switch to council district elections – LAW VIOLATION CLAIMED

All times are approximate and for reference only.  
 The Board of Directors may consider an item at a different time than set forth herein.

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
7:00 p.m.	12.	<b><i>ADJOURNMENT</i></b>

1

DRAFT  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
 February 19, 2019

**CALL TO ORDER**

President Baker called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Michael Joly, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, Auditor-Controller Julie Blue and Chief Engineer Rocky Vogler.

District employees, Tony Arendell (Construction/Maintenance Superintendent), and Ryan Grisso (Water Conservation Coordinator) were also in attendance.

Also in the audience was Bob Reed from The Reed Group, Inc.

**MINUTES**

Director Baker requested that edits be made on the PRE Tank 4A discussion regarding the Young's appeal to the State Coastal Commission, as well as other edits pertaining to Drakes View Drive pavement condition monitoring before and after construction of the tank.

On motion of Director Petterle, seconded by Director Fraites the Board approved the minutes from the February 5, 2019 meeting as modified by Director Baker by the following vote:

AYES: Director Baker, Fraites, Grossi, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: None

**GENERAL MANAGER'S REPORT**

West Marin Water Quality

Mr. McIntyre updated the Board on the current status of the Disinfection Byproducts testing for Total Trihalomethanes. He reported that THM samples were collected again today and we will know the results in a couple of weeks, in the meantime staff continues to work on reducing THM concentration levels in the system. Mr. McIntyre also advised the Board that staff is looking into getting a consultant on board to provide additional input on developing feasible options for THM control.



1 **OPEN TIME**

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

4 **STAFF/DIRECTORS REPORTS**

5 President Baker asked if staff or Directors wished to bring up an item not on the agenda and  
6 the following were discussed.

7 Director Joly requested a report on the Stafford Lake Treatment costs versus the purchased  
8 water costs from Sonoma County Water Agency.

9 **MONTHLY PROGRESS REPORT**

10 Mr. McIntyre reviewed the Monthly Progress Report for January. He reported that water  
11 production in Novato is down 12% from January one year ago and down 3% fiscal year to date. In  
12 West Marin, water production is up 9% from January one year ago and up 13% fiscal year to date.  
13 Recycled Water production is down 8% from one year ago and up 26% fiscal year to date. He  
14 stated that Stafford Lake holds 3390 AF and is at 79% of capacity. He informed the Board that on  
15 the Russian River, Lake Mendocino is operating in the flood control pool at 80,000 AF and holds  
16 119% of its water supply pool, and Lake Sonoma is at 100% of the water supply pool and holds  
17 245,000 AF.

18 Under Utility Performance Metrics, Mr. McIntyre noted in January there were 67 polybutylene  
19 services replaced compared to five copper services. Mr. McIntyre added that, under Safety/Liability,  
20 we currently have 123 days without a lost time injury. On the Summary of Complaints and Service  
21 Orders, the Board was apprised that overall the number of complaints/service orders are up 24%  
22 fiscal year to date. Mr. McIntyre stated that this number continues to be high due to water  
23 awareness associated with the AMI implementation project.

24 Ms. Blue reported on the January 2019 Investments, where the District's portfolio holds  
25 \$18.2M earning a 2.13% rate of return. She noted the LAIF rate of 2.36% is trending up.

26 Director Joly asked what the storage capacity in Stafford Lake is currently and Mr. McIntyre  
27 replied that we are at 108% capacity. Director Baker requested a future status update on  
28 polybutylene service replacements. Director Joly also inquired on the AMI project status and its  
29 expected completion date. Ms. Blue replied that there was some delay in installation due to the  
30 recent storms but they are pushing to be done soon. Director Grossi stated he noticed a plume of  
31 steam coming from the Treatment Plant this morning and wondered what the cause was. Mr.  
32 McIntyre replied that he was not aware of any problems at the treatment plant. Director Baker

1 requested that staff ask Mr. Clark if there was anything unusual that happened that day at the  
2 treatment plant.

3 **CONSENT CALENDAR**

4 Director Baker requested that Consent Item 7, CSW/Stuber-Stroeh Engineering Services  
5 Contract be voted on separately.

6 **COLLEGE OF MARIN INDIAN VALLEY CAMPUS NEW MIWOK CENTER PHASE 2- APN 150-**  
7 **480-12**

8 The College of Marin's Indian Valley Campus Miwok Center proposes to construct a new  
9 single story kinesiology, recreation, and aquatics center including an Olympic-sized swimming pool  
10 and a lap pool. This phase will be for water facility improvements for the project and relocating the  
11 water main that was abandoned in Phase 1.

12 On the motion of Director Fraites, and seconded by Director Petterle the Board approved the  
13 College of Marin Indian Valley Campus New Miwok Center – Phase 2 by the following vote:

14 AYES: Director Baker, Fraites, Grossi, Joly and Petterle

15 NOES: None

16 ABSTAIN: None

17 ABSENT: None

18 **CSW/STUBER-STROEH ENGINEERING SERVICES CONTRACT- MISCELLANEOUS**  
19 **ENGINEERING SERVICES**

20 The CSW/Stuber-Stroeh Engineering Services Contract is to provide continuing outsourcing  
21 support for miscellaneous engineering services to assist staff with both District and developer  
22 workload demands with a not to exceed limit of \$30,000.

23 Director Grossi announced that he would recuse himself from voting on this item.

24 On the motion of Director Petterle, and seconded by Director Fraites the Board approved the  
25 CSW/Stuber-Stroeh Engineering Services Contract Miscellaneous Engineering Services by the  
26 following vote:

27 AYES: Director Baker, Fraites, Joly and Petterle

28 NOES: None

29 ABSTAIN: Director Grossi

1 ABSENT: None

2 **ACTION CALENDAR**

3 **PUBLIC COMMUNICATIONS PLAN DEVELOPMENT**

4 Mr. McIntyre opened discussion on this agenda item by reminding the Board that one of the  
5 goals of the 2018 Strategic Plan was to improve customer engagement through increased  
6 communication with our customers. He added that Mr. Grisso has been working on this goal and  
7 will provide an overview of the requested Board action on this item.

8 Mr. Grisso advised the Board that, after contacting other local agencies, staff is  
9 recommending using the services of Kiosk, a local full service marketing company that can assist us  
10 in developing an expanded public outreach communications plan. He added that the plan will also  
11 guide the District on ways to increase and improve social media communications with our  
12 customers. Director Grossi asked if this was a general overview scope or would they will also be  
13 looking at updating our website. Mr. Grisso replied that the website redesign is a separate scope  
14 and the District is currently working with our IT Consultant, CORE Utilities, on updates for ADA  
15 compliance and improved mobile device access. Mr. Grisso replied that Kiosk will focus on the  
16 best ways to help us get our message out to customers however they may make website  
17 suggestions as well. He advised that Board that Kiosk will interview staff, selected Board members  
18 and customer focus groups. Director Joly inquired as to the time it will take to complete the  
19 Communications Plan. Mr. Grisso replied that the Communications Plan should be complete late  
20 spring, or early summer. Director Petterle wanted to know how Board input will be obtained and  
21 suggested at least one member of the Board could be part of the team. Mr. McIntyre added that  
22 staff agrees, and would like to see one or two Board members be part of an Ad Hoc Subcommittee  
23 to be interviewed by Kiosk. After more discussion, there was a consensus by the Board that the Ad  
24 Hoc Subcommittee would consist of Director Petterle and Director Fraites.

25 On the motion of Director Petterle and seconded by Director Joly the Board approved  
26 authorizing the General Manager to enter into an agreement with Kiosk for development of a Public  
27 Communications Plan by the following vote:

28 AYES: Director Baker, Fraites, Grossi, Joly and Petterle

29 NOES: None

30 ABSTAIN: None

31 ABSENT: None

32 **INFORMATION ITEMS**

1 **WATER CONSERVATION MID-YEAR UPDATE (JULY-DECEMBER 2018)**

2 Mr. Grisso provided a Water Conservation Mid-Year Update discussing the status of the  
3 current rebate programs, newsletter and upcoming garden tour. He added that even though we are  
4 not seeing as much participation in some of the rebate programs he would like to keep them  
5 available especially with the new State indoor water use requirements that are on the horizon.  
6 Director Baker wanted to know if we have a way to gauge the market penetration of toilets retrofits.  
7 Mr. Grisso stated that he can do an estimated saturation analysis to be provided to the Board at a  
8 later date. Director Baker wanted to know if the garden tour is focused in Sonoma County and Mr.  
9 Grisso replied that there will be two locations in West Marin and three in Novato. Director Fraites  
10 suggested to include photos of the good gardens in the newsletter to get people involved. Mr.  
11 Grisso replied that it would be too late for the spring newsletter but could add something in the fall  
12 newsletter.

13 **INITIAL REVIEW- SET SALARY AND TERMS AND CONDITIONS OF EMPLOYMENT FOR**  
14 **UNREPRESENTED EMPLOYEES**

15 Also under Information Items, Mr. McIntyre presented the initial review of the Set Salary and  
16 Terms and Conditions of Employment for the Unrepresented Employees. He advised that Board  
17 that he met with the Auditor Controller, Chief Engineer and District Secretary and recommends a  
18 compensation package similar that recently approved for the Employee Association members. Mr.  
19 McIntyre noted that this item will be brought back to the Board for approval at the March 5<sup>th</sup> meeting.  
20 Director Joly asked if this included a health care increase. Ms. Blue replied that it did not.

21 **2019 URBAN AREA WATER COST COMPARISON**

22 Ms. Blue discussed the 2019 Urban Area Water Cost Comparison and noted that North  
23 Marin Water District currently is ranked at the median of the sixteen comparable agencies. She  
24 added that most agencies raised their rates last year and the average increase was 7%. Director  
25 Joly referred to the article on Marin Municipal not raising rates, and wondered how they managed  
26 that. A general discussion ensued. Director Joly commented that four of the higher cost agencies  
27 had commodity rates lower than North Marin. Ms. Blue replied that the lower commodity rates for  
28 these agencies are more than offset by higher flat rate bi-monthly service charges. Director Joly  
29 asked when the Board will hear more about Sonoma County Water Agency's proposed budget. Ms.  
30 Blue replied that Agency staff will be making a presentation to our Board at the March 19 meeting.

31 **FY 18-19 QUARTERLY PROGRESS REPORT – ENGINEERING DEPARTMENT**

32 Mr. Vogler gave the Quarterly Progress Report for the Engineering Department. He reported

1 that a total of thirty-one projects were originally budgeted, six new projects were added, three carried  
2 over from last year and two have been deleted or deferred resulting in thirty-eight projects. Mr.  
3 Vogler noted that some projects are being delayed resulting in lower expenditures this fiscal year but  
4 the overall total project budgets remain the same. Director Baker asked if we were waiting for  
5 developers to submit their applications. Mr. Vogler replied that some have done so already but have  
6 not yet committed to move forward with Water Service Agreements. Director Joly asked how often  
7 Mr. Vogler looks at project costs. Mr. Vogler replied that, at a minimum, he reviews them every  
8 quarter but also looks at the monthly project expenditures as well.

9 **DILLON BEACH VILLAGE COMMUNITY MEETING WORKSHOP NO. 2 – JANUARY 29, 2019**

10 Mr. McIntyre gave a report on the Dillon Beach Village Community Workshop No. 2 meeting  
11 he attended on January 29<sup>th</sup>. He reminded the Board that the County of Marin has been awarded  
12 grant money from the state to focus on select areas with water/wastewater related issues. The two  
13 focus areas are Dillon Beach Village and Point Reyes Station. A key discussion during the Dillon  
14 Beach Village Workshops has centered on failing septic systems and the desire to have a  
15 community wastewater treatment system. Mr. McIntyre stated that he continues to attend the  
16 meetings to summarize the District's position regarding expanded wastewater service per Board  
17 Policy 34. Director Baker stated his impression was that many of the homes are vacation rentals for  
18 the weekend and wanted to know how many homeowners in the Village were permanent residents  
19 and the same for Oceana Marin. Director Grossi asked to what extent the District's wastewater  
20 system extends into the Dillon Beach Village area. Mr. McIntyre replied that there are twelve homes  
21 in the Village that front Ocean View Ave that are currently connected and we have identified four  
22 others along the same street that are eligible to connect.

23 **MISCELLANEOUS**

24 The Board received the following miscellaneous items: Disbursements – Dated February 7,  
25 2019, Disbursements – Dated February 14, 2019, National Weather Service Precipitation Probability  
26 Map – February 2019 One Month Outlook, Reimbursement Program 2018 and Taste Complaint -  
27 Thank You Note from Consumer.

28 The Board received the following news articles: Tax Group Claims "Sensible" Center,  
29 Big Sierra Nevada snow pack boost over past month – WATER SUPPLY, Tax watchdogs fill  
30 important role in Marin, Wary Dillon Beach residents interested in wastewater study, California  
31 Officials Draft A \$600M Plan to Help Low-Income Households Absorb Rising Water Bills, No Water,  
32 No Good - Opinion Article from CA-NV Executive Director, Coho Salmon Revival – Lagunitas Creek  
33 Watershed, Latest Inverness lead tests below limit and Obituary – Jim Henderson.

1 Director Joly asked in reference to the Coho salmon article, if Lagunitas Creek was  
2 considered a dry year and Mr. McIntyre replied that we are in a normal rainfall year. Director Grossi  
3 asked if the letter submitted by a customer started out as a complaint and resulted in a thank you  
4 letter. Mr. McIntyre confirmed that this was the case. Director Baker reflected upon Jim Henderson  
5 achievements and stated he was impressed by his years of community service.

6 **CLOSED SESSION**

7 President Baker adjourned the meeting at 7:01 p.m. and the board began the closed session  
8 at 7:10 p.m. in accordance with California Government Code Section 54956.9(d) (2).

9 **OPEN SESSION**

10 Upon returning to regular session at 7:55 p.m., President Baker stated that during the closed  
11 session the Board discussed the issue and no final reportable action had been taken.

12 **ADJOURNMENT**

13 President Baker adjourned the meeting at 7:55 p.m.

14 Submitted by

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17 Theresa Kehoe

18 District Secretary

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## MEMORANDUM

To: Board of Directors  
From: Robert Clark, Maintenance and Operations Supervisor   
Re: Amend Consulting Services Agreement – West Yost Associates  
R:\Folders by Job No\4000 jobs\4060 Stafford Efficiency Improvs\West Yost Contract\WEST YOST Amend Contract BOD memo 3-5-19.doc

**RECOMMENDED ACTION:** Authorize General Manager to Amend the Consulting Engineering Services Agreement with West Yost Associates

**FINANCIAL IMPACT:** \$25,000

On December 18, 2018, the Board approved an Agreement with West Yost Associates (West Yost) and established an initial budget of \$75,000 to perform the Stafford Treatment Plant Efficiency Improvement Study. West Yost is a water/wastewater consulting firm with a local office in Santa Rosa, CA. The purpose of this memo is to request an amendment to the Consulting Engineering Services Agreement with West Yost.

This Amendment No. 1 will increase funds for West Yost to provide consulting services for addressing total trihalomethene (THM) production in our West Marin distribution system. Design phase work will include the evaluation and sizing of a granular activated carbon filter system, water booster pump and disinfection booster system. West Yost will also assist Staff in identifying the proper location of this filtration system to best address our water quality needs.

RECOMMENDATION

That the Board authorizes the General Manager to amend the Consulting Services Engineering Agreement between NMWD and West Yost Associates and increase the budget by \$25,000.

6

## MEMORANDUM

To: Board of Directors March 1, 2019  
 From: Drew McIntyre, General Manager   
 Subj: Approval of Salary and Terms and Conditions of Employment for Unrepresented Employees (Auditor-Controller, Chief Engineer, and District/Administrative Secretary)  
t:\gm\staff\2019\unrepresented employee memo 3.1.19.doc

**RECOMMENDED ACTION: Approve**

**FINANCIAL IMPACT:**

<b>Year 1 - \$17,651</b>
<b>Year 2 - \$16,595</b>
<b>Year 3 - \$17,176</b>
<b>Year 4 - \$17,777</b>
<b>Year 5 - \$20,243</b>

**(Approximately \$89,442 in Increased Labor Cost Between 2018 and 2023.)**

At the Board's direction, the General Manager has met with the three Unrepresented Employees (Auditor-Controller, Chief Engineer, and District/Administrative Secretary) regarding their salary and terms and conditions of employment.<sup>1</sup> Consistent with the agreement reached with the NMWD Employee Association, the following changes are recommended for these three Unrepresented Employees classification:

- A 3.8% across-the-board wage increase, retroactive to Oct. 1, 2018 and a 0.5% equity adjustment effective July 1, 2019;<sup>2</sup>
- Subsequent years' wage increases will be based on the CPI-U (September – August changes), with a floor of 2.0% and a ceiling of 4.0%;
- Half-day off will be observed on the preceding business day if Christmas or New Year's Eve falls on a weekend;
- 22.5 days per year vacation accrual for employees with 15 to 20 years of service (in addition to the current vacation accrual schedule); and,
- Extend the OPEB vesting period to 20 years (instead of 12 years) for all new Unrepresented Employees hired on or after October 1, 2018.

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<sup>1</sup> Although the District also has an Accounting/HR Supervisor position that is unrepresented, the position is currently under an organizational assessment, and no changes to the compensation is being recommended at this time.

<sup>2</sup> The Consumer Price Index for All Urban Consumers (CPI-U) year-to-year change for the San Francisco-Oakland area for August 2018 was 4.3%, 4.4% for October 2018, and 4.5% for December 2018.

Most notably, for all new Unrepresented Employees that will be hired in the future, they must work a minimum of 20 years of District service (instead of 12 years required for employees hired on or before September 30, 2018) in order to be eligible for District-subsidized post-retirement health coverage. Although any actual savings will be determined at subsequent actuarial evaluations, it is expected that this change will reduce the District's OPEB liability in the future, and such a change is consistent with the same requirements for the District's represented employees. This 20-year OPEB vesting period will apply to all new Unrepresented Employees hired on or after October 1, 2018.

In aggregate, the total increases over current salary over a five-year term for these three positions is estimated to be \$77,157. In addition, payroll taxes will increase by \$2,256, retirement contributions will increase by \$8,186, and holiday (Christmas and New Year's Eve) will increase salary by \$1,843. The total increase for all three positions over current salary is \$89,442. A detailed financial analysis is attached as Attachment # 1.

In accordance with applicable CalPERS' regulations, 2 CCR § 570.5, authorization is also requested from the Board to approve the attached salary schedules, effective October 1, 2018 (Attachment # 2) and July 1, 2019 (Attachment # 3). Since this agenda item covers a five-year period, Board approval of this item also includes approval for each subsequent years' cost-of-living adjustments on each October 1 in 2019, 2020, 2021, and 2022, with each increase equal to the percentage change in the CPI as measured by the CPI-U San Francisco Bay Area (September 1 of the previous year through August 31 of the effective year), with a minimum (floor) of 2.0% and a maximum (ceiling) of 4.0%, and authorizes the General Manager to modify said salary schedules per the CPI for said Unrepresented Employees, as described above.

For procedural purposes, this agenda item was initially presented to the Board at its February 19 meeting for discussion.

**Recommendation:**

Board approval is requested for the following actions:

1. Set the salary and terms and conditions of employment for Unrepresented Employees (Auditor-Controller, Chief Engineer, and District/Administrative Secretary) as follows: a 3.8% increase retroactive to October 1, 2018; a 0.5% equity adjustment effective July 1, 2019; subsequent annual increases be based upon the CPI-U (September – August changes), with floor of 2.0% and a cap of 4.0%; a half-day off to be observed on the proceeding business day if Christmas or New Year's Eve falls

on a weekend; and, add the tier of 22.5 days per year vacation accrual for Unrepresented Employees with 15 to 20 years of service

2. Approve the Unrepresented Employees' salary schedules for the Auditor-Controller, Chief Engineer, and District/Administrative Secretary positions, effective October 1, 2018 and July 1, 2019, respectively, and authorize the General Manager to modify each subsequent year's salary schedule, effective October 1 of each subsequent corresponding year, to reflect the percentage change in the CPI as measured by the CPI-U San Francisco Bay Area (September 1 of the previous year through August 31 of the effective year), with a minimum (floor) of 2.0% and a maximum (ceiling) of 4.0%, with the last increase effective October 1, 2022.
3. Extend the OPEB vesting period to 20 years (instead of 12 years) for all new Unrepresented Employees hired on or after October 1, 2018.

Attachments

**Auditor Controller**

	10/2018- 09/2019	10/2019- 09/2020	10/2020- 09/2021	10/2021- 09/2022	10/2022- 09/2023	Total
<b>Proposed Increases</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Base Adjustment	5,875	5,524	5,717	5,917	6,124	29,157
Payroll Taxes	85	80	83	86	89	423
Retirement Contributions	623	586	607	628	650	3,093
Christmas Eve/NYE	-	-	-	-	697	697
Vacation Day Increase Accrual	-	-	-	-	-	-
<b>Total Cost of Proposed Increase</b>	<b>6,583</b>	<b>6,190</b>	<b>6,406</b>	<b>6,631</b>	<b>7,559</b>	<b>33,369</b>

**Chief Engineer**

	10/2018- 09/2019	10/2019- 09/2020	10/2020- 09/2021	10/2021- 09/2022	10/2022- 09/2023	Total
<b>Proposed Increases</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Base Adjustment	5,976	5,619	5,816	6,019	6,230	29,661
Payroll Taxes	87	81	84	87	90	430
Retirement Contributions	634	596	617	639	661	3,147
Christmas Eve/NYE	-	-	-	-	709	709
Vacation Day Increase Accrual	-	-	-	-	-	-
<b>Total Cost of Proposed Increase</b>	<b>6,697</b>	<b>6,297</b>	<b>6,517</b>	<b>6,745</b>	<b>7,690</b>	<b>33,946</b>

**District Secretary**

	10/2018- 09/2019	10/2019- 09/2020	10/2020- 09/2021	10/2021- 09/2022	10/2022- 09/2023	Total
<b>Proposed Increases</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Base Adjustment	3,695	3,474	3,596	3,722	3,852	18,340
Payroll Taxes	283	266	275	285	295	1,403
Retirement Contributions	392	369	382	395	409	1,946
Christmas Eve/NYE	-	-	-	-	438	438
Vacation Day Increase Accrual	-	-	-	-	-	-
<b>Total Cost of Proposed Increase</b>	<b>4,370</b>	<b>4,109</b>	<b>4,253</b>	<b>4,402</b>	<b>4,994</b>	<b>22,127</b>

	10/2018- 09/2019	10/2019- 09/2020	10/2020- 09/2021	10/2021- 09/2022	10/2022- 09/2023	Total
<b>TOTAL COST OF PROPOSAL</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	
Base Adjustment	15,547	14,617	15,129	15,658	16,206	77,157
Payroll Taxes	455	427	442	458	474	2,256
Retirement Contributions	1,649	1,551	1,605	1,661	1,719	8,186
Christmas Eve/NYE	-	-	-	-	1,843	1,843
Vacation Day Increase Accrual	-	-	-	-	-	-
<b>Total Cost of Proposed Increase</b>	<b>17,651</b>	<b>16,595</b>	<b>17,176</b>	<b>17,777</b>	<b>20,243</b>	<b>89,442</b>



**NORTH MARIN WATER DISTRICT**  
**Employee Salary Ranges and Job Classifications**  
**Unrepresented Employees**

2/15/2019

Effective October 1, 2018

JOB CLASSIFICATION	Beg Monthly	6 Mo Monthly	18 Mo Monthly	24 Mo Monthly	Merit Monthly
<b><u>ADMINISTRATION DEPARTMENT</u></b>					
District Secretary	7,839	8,230	8,641	9,073	9,527
Auditor-Controller	12,463	13,086	13,740	14,427	15,148
<b><u>ENGINEERING DEPARTMENT</u></b>					
Chief Engineer	11,499	12,074	12,678	13,312	13,978

**NORTH MARIN WATER DISTRICT**  
**Employee Salary Ranges and Job Classifications**  
**Unrepresented Employees**

2/15/2019

Effective July 1, 2019

JOB CLASSIFICATION	Beg Monthly	6 Mo Monthly	18 Mo Monthly	24 Mo Monthly	Merit Monthly
<b><u>ADMINISTRATION DEPARTMENT</u></b>					
District Secretary	7,878	8,270	8,683	9,117	9,573
Auditor-Controller	12,526	13,152	13,810	14,501	15,226
<b><u>ENGINEERING DEPARTMENT</u></b>					
Chief Engineer	11,556	12,134	12,741	13,378	14,047

7

## MEMORANDUM

To: Board of Directors

March 1, 2019

From: Julie Blue, Auditor-Controller *JB*

Subj: Novato Potable Water System Financial Plan Update

t:\act\budgetfy-2019.20\novato water financial plan update fy 19.20.docx

**RECOMMENDED ACTION: Information****FINANCIAL IMPACT: None at this time**

Attached is the "dashboard" which summarizes the District's financial plan for the next five years, through fiscal year 2024. Given the assumptions incorporated, the rate increase plan recommended will provide a cash reserve balance of 77%<sup>1</sup> of annual operating expense at the close of fiscal year 2024. This is consistent with the District's goal of building a Cash Reserve Balance equal to 90% of Annual Operating Expense.

A review and discussion of the District's financial plan assumptions for fiscal years 2020 through 2024 follows:

**1. Water Rate Increase**

Assumption: A 3.5% water revenue increase, structured as a 3.5% commodity rate increase and 3.5% bimonthly service charge, is proposed effective June 1, 2019, followed by annual 4.5% water rate increases each year thereafter through fiscal year 2024.

Sensitivity: A 1% change in the rate increase assumption results in a \$190,000 change in the FY20 ending cash reserve balance.

Comment: The FY18 financial plan forecasted 4.5% annual increases each year into the future. Management is recommending a 3.5% increase for FY20 and 4.5% each year going forward. The increase for future years will be evaluated and revised following a water rate study to be completed during FY20. The increase to the median single-family residential customer would be approximately \$2.10 per month (\$25/year).

**2. Water Sales Volume**

Assumption: FY20 sales volume is projected at 2.6 billion gallons annually.

Sensitivity: A 100 MG (0.1 BG) change in the FY20 projected sales volume assumption results in a \$328,000 change in the fiscal year-end cash reserve balance.

Comment: The FY20 2.6 BG sales volume assumes a 4% decrease from the current fiscal year budget. Staff believes that sales volume will remain below historical levels into the future

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<sup>1</sup> The 77% cash reserve factor includes \$2.1 million paid to CalPERS in June 2014 to pay-off the Side-Fund liability.

as customer installation of water efficient technology, combined with higher water prices, will stabilize consumption. For perspective, note that average sales volume for the first decade of this century averaged 3.5 BG.

### 3. **Russian River Water Cost**

Assumption: Cost is projected to increase 4.8% in FY20, and 6% annually thereafter.

Sensitivity: A 1% change in the FY20 projected cost increase assumption results in a \$45,000 change in the fiscal year-end cash reserve balance.

Comment: For FY20, NMWD's rate increase budgeted by the Sonoma County Water Agency is 4.8%. Going forward, a projected increase of 6% annually is forecasted. The purchased water cost increase was 0.9% in FY19 and 6.8% the prior year. In FY19 the rate increase was lowered based on North Marin's election to opt out of the Sonoma Water 2019 bond issuance in exchange for payment to the agency of \$1.28 million. As of February 2019, this payment has not been made but is expected to be made by the end of the FY. The 6% projection going forward is consistent with the forecast last year, as the Agency continues to adjust financially to declining water sales volume.

### 4. **Labor Cost**

Assumption: Labor cost is projected to increase 3.5% annually.

Sensitivity: A 1% change in the FY20 projected cost increase assumption results in a \$60,000 change in the fiscal year-end cash reserve balance.

Comment: The 3.5% forecast is an increase of 0.5% from prior years. This is due to the current market conditions of the consumer price index (CPI) and is consistent with the forecast presented to the Board during the Employee Association (EA) negotiations. The Memo of Understanding (MOU) with employees links an annual cost-of-living adjustment (COLA) to the change in the CPI. The District entered into a 5-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The overhead cost of labor charged to Novato operations has increased by an average of 4% annually over the past 5 years. Part of the increase is due to bringing on new employees (3.5 full-time equivalents) over the period to keep up with the operational demands of the District. The 3.5% cost-of-living increase is staff's best projection at this time.

## 5. **Capital Improvement Projects**

Assumption: CIP to average \$2.5 million per year funded on a "pay-go" basis, i.e., expenditures excluding grant and debt funded projects.

Sensitivity: A dollar for dollar change in the year-end cash reserve.

Comment: The Capital Improvement Project Plan prepared in conjunction with this financial plan stays within the \$2.5 million average approved by the Board in FY14 subsequent to the last Master Plan update. In addition, \$12 million for Renovation of the Administration Building is projected to commence in FY20 and will be debt financed.

## 6. **Equivalent Dwelling Units (FRC)**

Assumption: Connection fee revenue is projected at 12 EDUs for FY20 and going forward.

Sensitivity: The Connection fee for each equivalent dwelling unit is \$28,600, which is applied directly to the year-end cash reserve balance.

Comment: Connection fee revenue of \$1.4 million for 48 EDUs was collected in FY18. The FY18 budgeted EDUs was zero. Over the past 5 years the annual average has been 24 EDUs. Included in the projections is annual revenue equivalent to 12 EDUs or half of the five-year average. Staff recommends the FY18 connection fee revenue to be used to reduce the proposed June 1, 2019 water rate increase, reducing the increase from 4.5% to 3.5% from prior year's projections.

## 7. **Stafford Water Treatment Plant Production**

Assumption: Production is projected at 650 MG (1,995 AF) in FY20 and 650 MG each year thereafter.

Sensitivity: A 100 MG change in FY20 production results in a \$208,000 change in the fiscal year-end cash reserve balance.

Comment: Average annual production over the past 10 years was 670 MG.

## 8. **Debt Service**

Assumption: The \$12 million Administration Building Renovation is expected to be financed with a 3.5% 20-year loan with payments commencing in FY20.

Sensitivity: The Admin Building Renovation Project will add \$844,000 to the District's annual debt service obligation.

Comment: The District financed the FY19 AMI Project with a \$4.6 million 2.7% 15-year bank loan with payments commencing in FY19. In addition to the debt service on the Stafford

Treatment Plant Rehabilitation and the Aqueduct Energy Efficiency Projects, the Novato Potable Water System also pays the Recycled Water System debt service from its Connection Fee Reserve. The Recycled Water debt service (net of StoneTree & Marin Country Club payments) is \$847,000 annually. Payment of the Recycled Water debt service will continue to require revenue from new development connection fees annually for the next 20-30 years.

<u>Annual Payment (in \$1,000)</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
a. STP SRF Loan (e)	\$1,044	\$1,044	\$1,044	\$1,044	\$1,044
b. AEEP Bank Loan (e)	\$482	\$482	\$482	\$482	\$482
c. MMWD AEEP Contribution (e)	(\$245)	(\$245)	(\$245)	(\$245)	(\$245)
d. Admin Building Renovation Loan (f)	\$844	\$844	\$844	\$844	\$844
e. AMI Bank Loan (e)	\$357	\$357	\$357	\$357	\$357
f. RW TP SRF Loan (e)	\$273	\$273	\$273	\$273	\$273
g. StoneTree RW TP Contribution (e)	(\$251)	(\$251)	(\$251)	(\$251)	(\$251)
h. RW North Expansion SRF Loan (e)	\$282	\$282	\$282	\$282	\$282
i. RW South Expansion SRF Loan (e)	\$332	\$332	\$332	\$332	\$332
j. RW Central Expansion SRF Loan (e)	\$260	\$260	\$260	\$260	\$260
k. Marin Country Club Contribution (e)	(\$49)	(\$49)	(\$49)	(\$49)	(\$49)
	<u>\$3,329</u>	<u>\$3,329</u>	<u>\$3,329</u>	<u>\$3,329</u>	<u>\$3,329</u>

(e) = Existing  
 (f) = Future

Staff will present the dashboard model at the meeting for further discussion and analysis.



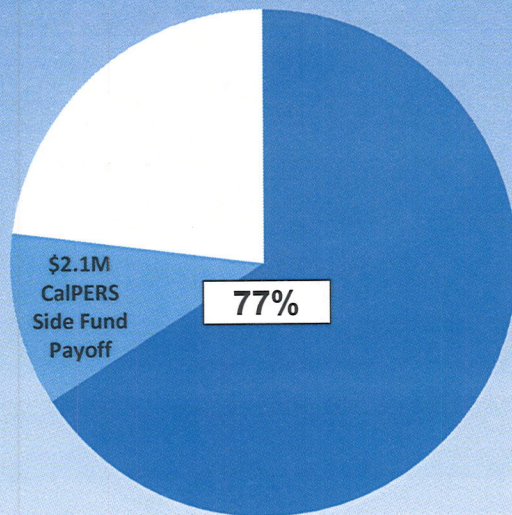


# Financial Plan Summary - Novato Potable Water System

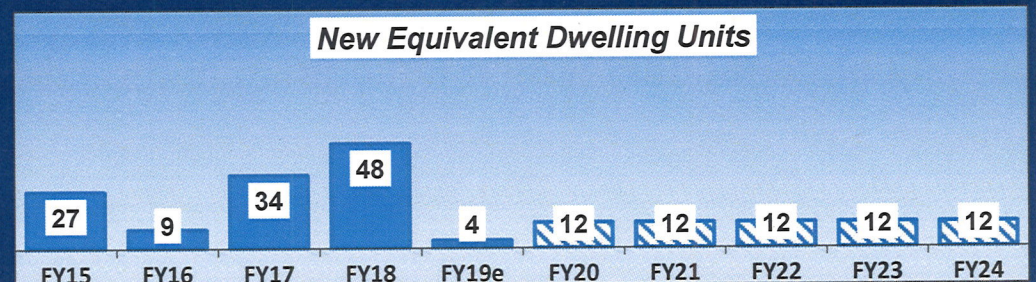
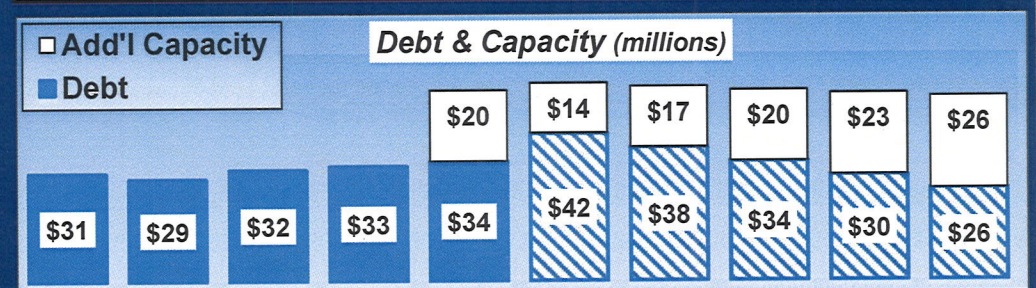
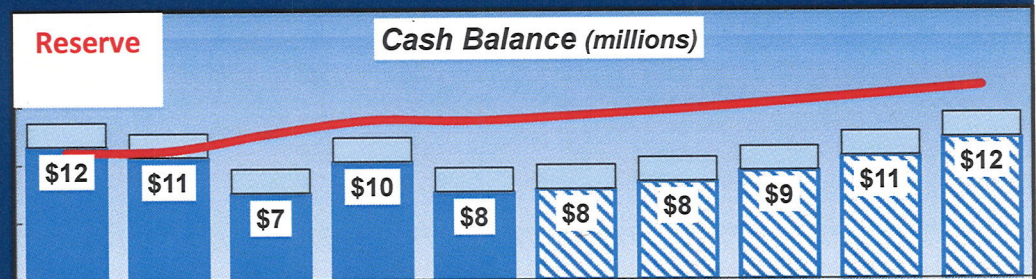
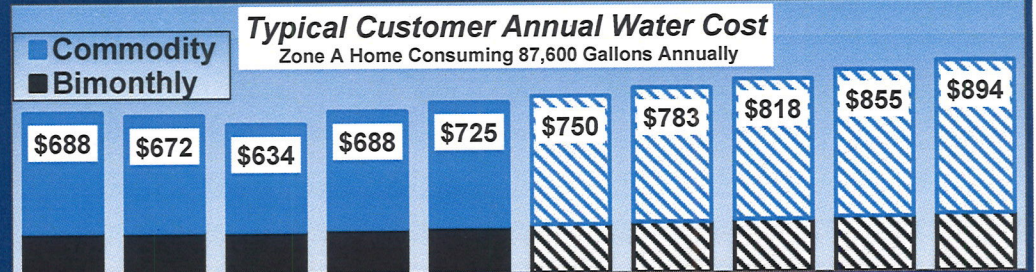
## Inputs - Major Assumptions

	FY 20	FY21-24
Water Rate Increase	3.5%	4.5%
Water Sales (BG)	2.6	2.6
RR Water Cost Increase	4.8%	6.0%
Labor Cost Increase	3.5%	3.5%
CIP (M)	\$2.5	\$2.5
Equiv Dwelling Units (FRC)	12	12
STP Production (MG)	650	650

## FY24 Cash as a % of Operating Expense



Reserve Balance Goal = 90% of Operating Expense





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## MEMORANDUM

To: Board of Directors  
From: Pablo Ramudo, Water Quality Supervisor *PR*  
Subject: Update: Point Reyes System -Disinfection Byproducts  
P:\LAB\WQ Supv\2019\Update on PR DBPs.doc

February 1, 2019

**RECOMMENDED ACTION:** Information  
**FINANCIAL IMPACT:** None at this time

In response to increased disinfection byproducts in the Point Reyes distribution system, NMWD staff have undertaken a number of steps to identify the factors influencing trihalomethane formation and to modify operations to keep the concentrations of trihalomethanes within regulatory limits. The recent Operational Evaluation of the source water, treatment operations and distribution operations confirmed that the increase is due to the presence of elevated bromide levels in the Coast Guard wells. We are currently waiting for test results of the samples collected on February 19<sup>th</sup> that will determine whether the maximum contaminant limit (MCL) for Total Trihalomethanes (THMs) was exceeded in the locational running annual average for our maximum water age test site.

**NOTIFICATION REQUIREMENTS**

If the MCL for THMs was exceeded, the district will be required to provide a Tier 2 notification to all of the West Marin residents being served potable water by NMWD. A copy of the Tier 2 notification template is attached. In addition to mailing the notice to all district customers, the district would be required to use other methods to inform residents. These would include printing a notice in newspapers, posting a notice in public places (libraries, public offices, etc.) and running announcements on local radio stations.

**SHORT TERM OPERATION PLAN**

A description of the short term operations plan was provided to the board on February 5<sup>th</sup>. One of the elements of the short term operations plan was to cease chlorination at the booster station entering PRE #1 tank. Since that time, samples with no detectable chlorine in the PRE #4 zone tested positive for coliform bacteria, which prompted staff to initiate chlorination at the booster again although at a lower dose than that previously targeted. The target is currently approximately 0.4 mg/L and will be reevaluated periodically based on results of bacterial and disinfection byproduct monitoring.

**MEDIUM TERM OPERATIONAL CHANGES**

The district has contacted consulting engineers, West Yost Associates, to assist in determining an appropriate treatment technique for removal of disinfection byproducts. This new

**MEDIUM TERM OPERATIONAL CHANGES (continued from page 2)**

treatment element is envisioned to be temporarily installed in the distribution system and will remove THMS from water as it is pumped into the PRE zones. The focus on removal is centered in the PRE area because THM formation increases with water age and chlorine dose. West Yost Associates will be tasked with helping the district find the most efficient mode of treatment that would be appropriately sized for demand and can be deployed in a relatively short period of time.

## IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este aviso contiene información muy importante sobre su agua potable, por favor lea el aviso en español si va aquí incluido. Si el aviso en español no va incluido aquí, contacte al sistema de agua para pedir una copia.

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### **[Insert Water System Name] has levels of Total Trihalomethanes Above Drinking Water Standards**

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Our water system recently failed a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what you should do, what happened, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Testing results we received on [Insert the date the water system received the results] show that our system exceeds the standard, or maximum contaminant level (MCL), for Total Trihalomethanes. The MCL standards for Total Trihalomethanes are 80 ug/L. The average level of Total Trihalomethanes over the last year was [Insert the running annual average for TTHM result in ug/L].

#### **What should I do?**

- **You do not need to use an alternative (e.g. , bottled) water supply.**
  - This is not an immediate risk. If it had been, you would have been notified immediately. However, *some people who drink water containing trihalomethanes in excess of the MCL over many years may experience liver, kidney, or central nervous system problems, and may have an increased risk of getting cancer.*
  - If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

#### **What happened? What was done?**

[Describe corrective action] \_\_\_\_\_

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We anticipate resolving the problem within \_\_\_\_\_.

For more information, please contact [Insert contact name] at [Insert contact phone number] or at the following mailing address: [Insert mailing address].

*Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.*

#### **Secondary Notification Requirements**

Upon receipt of notification from a person operating a public water system, the following notification must be given within 10 days [Health and Safety Code Section 116450(g)]:

- **SCHOOLS:** Must notify school employees, students, and parents (if the students are minors).
- **RESIDENTIAL RENTAL PROPERTY OWNERS OR MANAGERS** (including nursing homes and care facilities): Must notify tenants.
- **BUSINESS PROPERTY OWNERS, MANAGERS, OR OPERATORS:** Must notify employees of businesses located on the property.

**This notice is being sent to you by the [Insert Water System Name] water system.**

State Water System ID#: [Insert public water system number] Date distributed: [Insert date].

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## MEMORANDUM

To: Board of Directors March 1, 2019  
From: Robert Clark, Operations / Maintenance Superintendent *RC*  
Subject: Fiscal Year 2018-19 Mid-Year Progress Report - Operations / Maintenance  
X:\MAINT SUP\2018\BOD\Q2 18-19 O&M update.docx

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

### Safety Committee

The Safety Committee reviewed five safety incidents, four of which were recordable incidents resulting in a total of seven lost work days. Calendar year 2018 ended with 92 consecutive days without a lost day incident. Staff participated in five safety training events as well as other activities that included Construction tailgate meetings, pre-employment skills testing, hearing tests, confined space training with the Novato Fire Protection District and North Bay Safety Managers' meetings.

### Operations and Maintenance Summary

Stafford Treatment Plant treated 293 MG between July and December 2018 and shut down production activities on October 31<sup>st</sup> (versus November 22<sup>nd</sup> last year). This production volume was 180 MG less than the prior year due to the lack of lake storage. Staff will need to produce maximum treatment volumes in spring to reach 100% of the annual target of 650 MG by the end of June. The 2018 calendar year annual rainfall was 34.3 inches vs. 34.6 inches in 2017. With the early shutdown of the Stafford Treatment Plant, work on the clear well recoating was started along with bird netting installation and regular maintenance work.

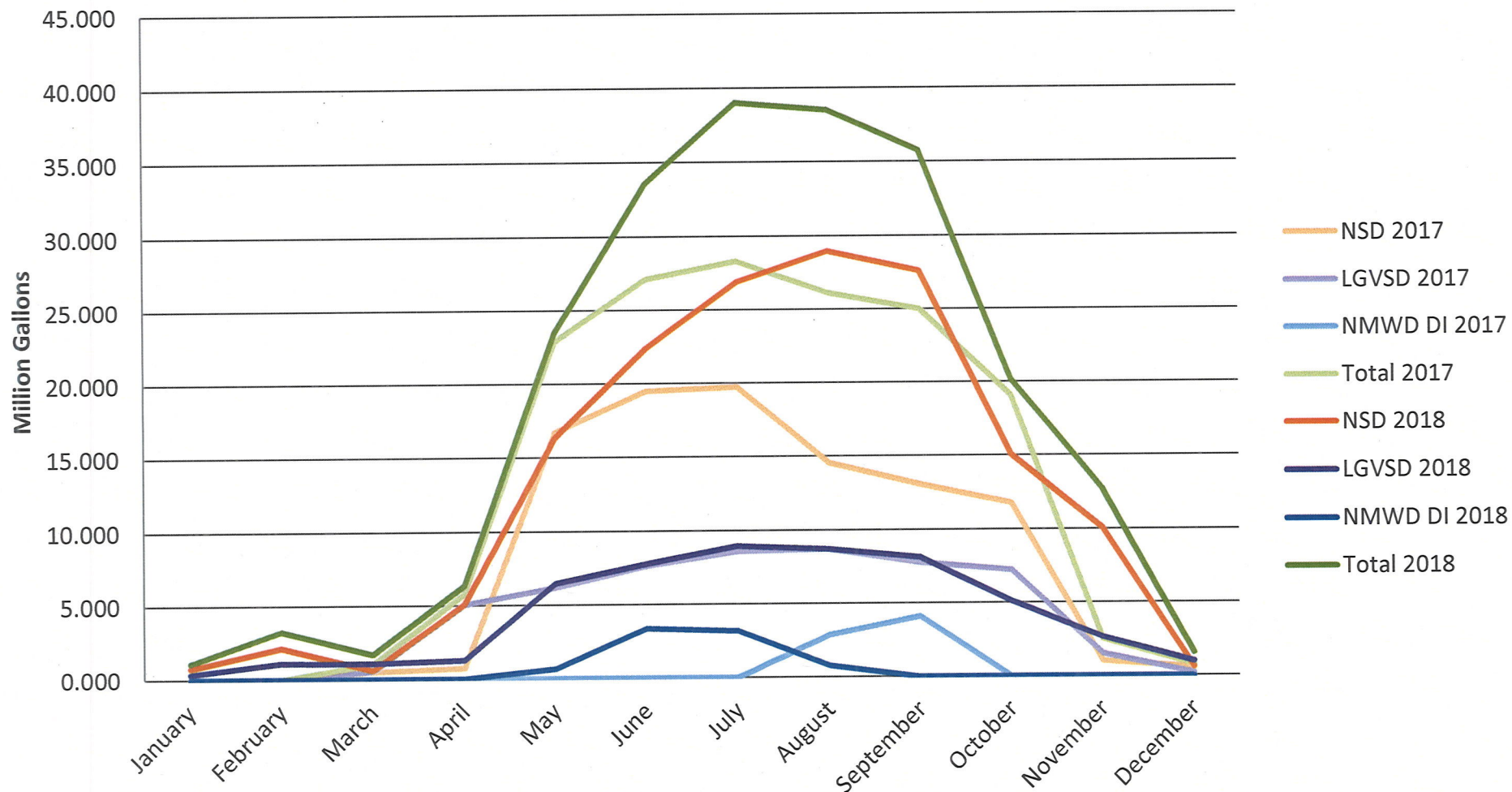
Point Reyes Treatment Plant treated 51.2 MG for the period July 1<sup>st</sup> – December 31<sup>st</sup> 2018, tracking 13% higher from last year's 45.0 MG. While consumption is up there is a discrepancy between production and consumption. Staff has identified a few small leaks and found that the production meter at the treatment plant had become fouled and had been reading a higher flow. The meter has been replaced and sent to the manufacture for recalibration. More investigative work continues.

In Oceana Marin, normal maintenance work was completed on time. Storm damage projects were substantially completed along with pond dredging that has improved the overall effective storage capacity in the ponds.

The recycled water system Central Service Area expansion project came on line in 2018 expanding our customer base from 54 to 92 accounts. Las Gallinas Valley Sanitary District

Treatment facility was under repair most of the 2018 irrigation season and potable water was used to satisfy 65% of demand during this period. Novato Sanitary District consistently produced recycled water and increased production by 62%. The combined recycled water production volumes for the period July 1<sup>st</sup> – December 31<sup>st</sup> were 148 MG for this year compared to 102 MG last year a 45% increase from 2017. In all, the Novato recycled water use has risen to 10% of the total water use in Novato. (See attached graph for monthly Recycled Water production over time)

## Novato Recycled Water Use 2018 vs. 2017



NSD - Novato Sanitary District

LGVSD - Las Galinas Valley Sanitary District

NMWD DI - North Marin Water District Deer Island



10

## MEMORANDUM

To: Board of Directors

March 1, 2019

From: Robert Clark, Operations Maintenance Superintendent *RC*

Julie Blue, Auditor Controller

Subj: AMI Deployment Project Update

x:\maint sup\2019\bod\ami project update march 1.docx

**RECOMMENDED ACTION: Information Only****FINANCIAL IMPACT: \$5.6M Bank Loan plus an increase of \$350,000, - No FY19 Budget augmentation required.**

Since our last update in January the project has been winding down with all final materials ordered and NMWD support requests being identified for Ferguson installers to complete their work. Productivity has dropped from an average weekly installation rate of 375 units per week to around 100 units per week. Ferguson is down to five installers and has 147 services remaining to be completed. NMWD staff has 187 installation services to complete. These last few hundred services are spread out around town and require additional work such as raising the box, realigning the service line, broken or nonfunctioning meter stops and fragile customer lines that are at risk of breaking during the change out.

Over the next four weeks the Ferguson work will be completed and final invoicing requested. Our relationship with Ferguson will continue for any warranty issues, N-Sight and Water Smart software support and new materials. Our field staff will continue to work towards completing of the various non-standard service installations that Ferguson was not able to complete and we expect to be finished by the end of the FY. All remaining inventory will be brought back into our warehouse and subtracted from the full implementation project costs. We are also working with Ferguson to return some of the extra lids and registers that were pre ordered from the original meter counts and are not needed.

With the final inventory review and material orders completed staff has determined that the overall project cost will exceed the original budget by five percent or \$350,000. There are several items that contributed to the increase, including a few thousand additional service meter changes vs. register swap outs (\$200,000), a change order for paying required prevailing wages (\$63,000) and cellular meter interface units required for north service area customers (\$37,000).

Total FY19 expenditures are now estimated at \$2,100,000 versus a fiscal year budget of \$2,500,000. No budget augmentation is required

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**DISBURSEMENTS - DATED FEBRUARY 21, 2019**

Date Prepared 2/19/19

The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:


Seq	Payable To	For	Amount
55835*	PG&E	Deposit to Connect New Power Service for Wildhorse Valley Tank	\$5,000.00
EFT*	US Bank	January Bank Analysis Charge (Lockbox \$912 & Other \$395, Less Interest of \$133)	1,174.36
1	Able Tire & Brake	Tires (2) ('15 Int'l Dump Truck) (\$869) & Used Wheel, Mount & Balance ('99 Ford F550 Dump Truck)	1,127.18
2	All Star Rents	Compressor Rental (1 Day) (To Air Up Hydro Tanks)	175.17
3	Automation Direct	Spare PLC Parts for PRTP	2,695.00
4	Backflow Distributors	Calibration & Parts for Backflow Tester	132.39
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Payment 88 of 240)	46,066.67
6	Bridgeway Civil Construction	Refund Security Deposit on Hydrant Meter Less Final Bill	535.52
7		Vision Reimbursement	368.00
8	Chase	JP Morgan/Chase Loan Principal & Interest (Pymt #2 of 30)	301,870.00
9	Cilia, Joseph	Retiree Exp Reimb (February Health Ins)	333.79
10	Clipper Direct	March Commuter Benefit Program (3)	414.00
11	Cole-Parmer Instrument	Peristaltic Pump Tubing for IC Auto Sampler	104.70
12	Comcast	February Internet Connection	143.29
13		Vision Reimbursement	198.00
14	DeGabriele, Chris	Progress Pymt #3: Consulting Services - Lagunitas Creek Settlement Agreement & Misc (Balance Remaining on Contract \$13,094)	336.00

Seq	Payable To	For	Amount
15	Diesel Direct West	Diesel (\$2.23/gal) & Gasoline (\$2.18/gal) (\$2,636)	3,052.23
16	Diggs, James	Retiree Exp Reimb (February Health Ins)	311.19
17	Environmental Resource Assoc	Annual PT Study to Maintain Lab Certification	434.09
18	Fedak & Brown	FY 18 State Controller's Report	520.00
19	Fisher Scientific	Ammonium Standard (Lab)	71.17
20	Forsberg, Greg	Novato "Toilet Rebate" Program	100.00
21	Frontier Communications	Leased Lines	1,431.36
22	Grainger	Lock Boxes for Tank Security Project (\$111), Pressure Switch for GAC Blower @ STP (\$113), Deadbolts for Tank Security (4) (\$322), Replacement Gasoline Pump for Tank #2 (\$1,228), Battery Backup for Warehouse Equipment (3) (\$320), Sump Pump for San Marin East Hydro P17 (\$235), Switch for Yard Fuel Pump (\$146) & Miscellaneous Maintenance Tools & Supplies (\$518)	2,995.15
23	Idexx Laboratories	Proprietary Media for Recycled Water Testing (Lab)	1,449.65
24	InfoSend	January Processing Fee for Water Bills (\$1,299) & Postage (\$3,618)	4,918.23
25	Jackson, David	Retiree Exp Reimb (February Health Ins)	986.81
26	JW Mobile	Air Hose Clamps (4) & Fittings (8) ('10 Ingersoll Rand Compressor)	319.59
27	Karkabi, Naaim	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
28	Kurfirst, Eric	Exp Reimb: Coffee & Donuts for Backflow Meeting	87.43
29	Latanyzyn, Roman	Retiree Exp Reimb (February Health Ins)	333.79
30	Lemos, Kerry	Retiree Exp Reimb (February Health Ins)	986.81
31	MacArthur	AquataPoxy (2 gal) (STP)	245.20
32	Maltby Electric	Parts for PGE Power Relocation for Wildhorse Tank	1,243.46


Seq	Payable To	For	Amount
33	Moore, Doug	Retiree Exp Reimb (February Health Ins)	986.81
34	National Fire Protection Asso	Membership Dues (Vogler) (1/19 - 12/19)	175.00
35	North Bay Gas	Compressed Gas & January Cylinder Rental (\$113)	149.89
36	Novato Sanitary District	Sept 2018 RW (\$44,359), October 2018 RW (\$31,462), November 2018 RW Operating Expenses (\$19,594) & Renewal-Class I Permit-007 (Expires 12/31/2021) (\$1,240), Monitoring Fees-Personnel (\$74) & Lab & Analysis Fees (\$583)	97,312.54
37	Obergfoll, Michael	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
38	Pace Supply	Corp Stop Adapters (39)	704.97
39	PG&E	Power: Bldgs/Yard (\$3,203), Rect/Controls (\$470), Pumping (\$18,584), Treatment (\$302) & Other (\$111)	22,671.65
40	Pini Hardware	Extension Cord, Light Bulb, Parts for Trumbull P/S, Sealant, Electrical Supplies, Hose Bibb, Wheel Cut-Off, Garbage Bags, Storage Box, Hinge, Chain Sash, Painting Supplies, GFCI Outlets for Facilities (\$113), Spray Paint, Adaptor, Tools for B/G Shop, Concrete, Drill Bit, Misc Parts for Office Maintenance & Material to Paint Tank Doors	567.31
41	R & B	Full Circle Clamps (2) (\$482), Box Lids (3) (\$305), Meter Couplings (10) & Meter Gaskets	1,171.42
42	Reischmann, Marc	Exp Reimb: ELAP Training	65.00
43	Soiland	Asphalt Recycling (4 tons)	21.65
44	Sonoma County Tree Experts	Remove 2 Monterey Pines @ Trumbull Tank	6,900.00
45	Stafford, Vernon	Retiree Exp Reimb (February Health Ins)	333.79
46	Syar Industries	Asphalt (5 tons)	808.75
47	Township Building Services	January Janitorial Services	1,877.53
48	United Parcel Service	Delivery Service: Sent Backflow Testers for Calibration & Meter Reading Devices for Repair	67.57

Seq	Payable To	For	Amount
49	Univar	Sodium Hypochlorite (200 gal) (W.M.)	447.71
50	Valentine	Refund Security Deposit on Hydrant Meter Less Final Bill	448.40
51	Volvo Construction Equipment	Replacement Hose Reel & Service Parts for Compressor	1,977.98
52	VWR International	Sterility Indicators (1,000) (\$151), Macro Tips (500) & Fluoride Standard (Lab)	301.39
<b>TOTAL DISBURSEMENTS</b>			<b><u>519,149.59</u></b>

The foregoing payroll and accounts payable vouchers totaling \$519,149.59 are hereby approved and authorized for payment.

  
 Auditor-Controller

2/19/19  
 Date

  
 General Manager

2/19/19  
 Date

## DISBURSEMENTS - DATED FEBRUARY 28, 2019

Date Prepared 2/26/19

The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 2/15/19	\$139,137.09
EFT*	US Bank	Federal & FICA Taxes PPE 2/15/19	58,377.75
EFT*	State of California	State Taxes & SDI PPE 2/15/19	12,058.41
EFT*	CalPERS	Pension Contribution PPE 2/15/19	35,159.14
*90153	US Bank Card	California Irrigation Institute Conference Registration Fee (\$175) (Grisso), Costco-Replacement Board Room Chairs (28) (\$868), Ad for PRE Tank 4A Replacement (\$429), 1099, W2 & ACA Filing Fees (\$388), USB Modem for SCADA (\$150), Office Phones for STP (2) (\$154), Electronic Pump (\$411) & 30 Gal Tanks for Crew Truck (\$415), Internet License Fee (\$150) & Travel Expenses for Auditor/Controller Conference (\$334)	\$3,473.96
1	Alpha Analytical Labs	Lab Testing	207.50
2	American Family Life Insurance	February AFLAC Employee Paid Benefit	3073.23
3	Asbury Environmental Services	Used Oil & Gas Filter Disposal	150.00
4	AT&T	Leased Lines	66.06
5	Autoworld	Air Filters ('18 Dodge Ram) & Side Mirror ('03 Dodge Dakota PU) (\$296)	338.85
6	Backflow Distributors	Parts for Backflows	113.55
7	Bay Area Barricade Service	Purple Marking Paint (24) & Red Striping Paint (24)	211.96
8	Bird Busters	Prog Pymt#2: Cleaning of Siding & Installation of Bird Netting @ STP Main Building (Total Project Cost \$16,445)	2,466.75
9	Bold & Polisner	January Legal Fees	2,457.00
10	Buck's Saw Service	Parts for Mower	56.33





Seq	Payable To	For	Amount
11	Cal Test	Lab Testing	70.30
12	Core Utilities	Consulting Services: January IT Support (\$6,000), SCADA Software Maintenance & Wonderware/SCADA Cleanup (\$1,450), Upgrading STP SCADA Computers (\$4,319), Troubleshoot Problem w/ Lockbox Payments (\$50), Website (\$500) & AMI Software Maintenance (\$1,275)	13,594.28
13		Reissue-Cafeteria Plan: Uninsured Medical Reimbursement (To Correct Bank Account Number)	100.08
14	Emrich, Frieda	Novato "Toilet Rebate" Program	200.00
15	Ferguson Waterworks	AMI Meter Registers (2)	1,057.88
16	Fishman Supply	Ibuprofen Packets (1,000) (\$223), Safety Glasses (12) & Leather Gloves (24) (\$149)	402.47
17	GHD	Prog Pymt#11: Lynnwood P/S (Balance Remaining on Contract \$35,019)	432.00
18	Grainger	Pipe (20') (STP), PVC Ball Valves (2) (STP), Post Base (\$122), Dead Bolts for Tank Security (6) (\$483), Splicer Kits (2), Brackets (24), Sanitary Lubricant, Building Wire (\$313) & Lights for Locker Room (\$212)	1,398.54
19	Harrington Industrial Plastics	Polymer Tubing (400') (\$459), Unions (6) & Clamps (12) (STP)	513.89
20	Kurfirst, Eric	Exp Reimb: Donuts & Coffee for Backflow Meeting	46.41
21	Lincoln Life	Deferred Compensation PPE 2/15/19	9,997.83
22	Lithgow, Brad	Reimburse Customer Who Paid NMWD PG&E Account by Mistake	75.68
23	Maltby Electric	Resin Splicer Kits (5) (\$405) & Cover Plate for Wildhorse Meter Pedestal	410.96
24	McMahon, Kay	West Marin "Water Smart Landscape Efficiency" Program Residential	66.06
25	McPhail Fuel	Propane (OM)	1,276.80

Seq	Payable To	For	Amount
26	MRC Global	Parts & Labor to Install Relay Card for PLC Control	2,124.25
27	Mutual of Omaha	March Group Life Insurance Premium	1,021.45
28	Nationwide Retirement Solution	Deferred Compensation PPE 2/15/19	1,750.00
29	Neopost USA	March Postal Meter Rental	124.43
30	Office Depot	Office Supplies, Cash/Deposit Bags (100) & Toner (\$93)	105.72
31	Pace Supply	Ribbed Couplings (2), Meter Gaskets (198) (\$543) & Flanges for Center & Western Relief Valves	645.42
32	Parkinson Accounting Systems	January-March Accounting Software Support	1,500.00
33	PG&E	Electrical Charges for 55 Harbor Drive Regulator	39.23
34	Pollard Water	2" Copper Rounder	507.07
35	Primex	PLC Program & EEPROM Installation & Troubleshooting for STP PLC's	4,530.00
36	The Reed Group	Peer Review Water Rate Study (Balance Remaining on Contract \$5,352)	7,147.98
37	Sonoma County Water Agency	January Contract Water (\$314,578) & Conservation Program Support (10/1/18-12/31/18)	321,773.14
38	SPG Solar	January Energy Delivered Under Solar Services Agreement	5,852.08
39	Township Building Services	Janitorial Supplies	103.86
40	US Bank	January Safekeeping - Treasury Securities	218.25
41	VBS CAL	CAD Inkjet Bond Paper (Engineering)	63.56
42	VWR International	Standard, Phosphate, Gross Media for Bacteria (\$150) & Tape (2) (Lab)	273.79

Seq	Payable To	For	Amount
43	White & Prescott	Prog Pymt#10: Reviewed As-Built Aqueduct Plans, Existing Easements (Balance Remaining on Contract \$19,760)	2,640.00
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$637,410.99</u></b>

The foregoing payroll and accounts payable vouchers totaling \$637,410.99 are hereby approved and authorized for payment.

	2/26/19
Auditor-Controller	Date
	2/26/19
General Manager	Date

## MEMORANDUM

To: Board of Directors  
From: Julie Blue, Auditor-Controller  
Nancy Williamson, Senior Accountant *NW*  
Subj: Update – Polybutylene Pipe Population  
t:\aclboard reports\board memos\2019\pb population update fy19.docx

March 1, 2019

**RECOMMENDED ACTION:** None

**FINANCIAL IMPACT:** None

In December 2010 the final product liability settlement agreement was reached with the manufacturers, extruders, and distributors of Polybutylene (PB) pipe in regards to premature failure of PB pipe. A 2011 Memorandum recounting the liability claim settlement is attached (Attachment A). This memo provides the status of the replacement plan of PB pipe.

To date the District has replaced 87% of the installed PB pipe population. Attachment B shows that the PB pipe annual failure rate jumped to over 3% of the population beginning in FY08, and has steadily climbed running at an average of 9% in the last 5 fiscal years. Assuming the failure rate remains constant at 9% and 60 services are pre-emptively replaced annually, the entire PB population will be replaced by 2027 (Attachment C).

Note on Attachment D that the number of failures occurring annually over the past 25 years is trending upward, and averaged 116 per year over the past ten years. This is a 70% increase over the prior 10-year period, demonstrating that the pipe has reached the end of its useful life and that maintaining the planned replacement program is worthwhile.

MEMORANDUM

To: Board of Directors

April 1, 2011

From: David L. Bentley, Auditor-Controller

Subj: Information – Polybutylene Pipe Product Liability Claim Close

t:\aclword\pb\pb claim close.docx

The District's polybutylene (PB) pipe product liability claim settlement agreement with Shell Oil concluded in December 2010. Following is a wrap-up report.

Background

The District began using PB pipe in place of copper for its service line installations in fiscal year 1970/71. PB pipe sold for pennies on the dollar compared to copper, and was warranted to have the same life as copper. The District installed 6,510 PB services through FY1984/85. Commencing in the early 1980s the District began to recognize an increasing rate of premature failure in the PB service lines, primarily cracking and pinholes near the main and meter fittings, but also longitudinally along the center of the span. Response from the manufacturer was that the District was not installing the product correctly.

Crews experimented with a variety of installation techniques, yet the failures escalated. Circa 1985/86, the District learned about a product liability claim by the City of San Antonio, Texas, regarding PB pipe. The District contacted San Antonio's legal counsel, accumulated data, and filed claim against the manufacturers, extruders, and distributors of PB pipe, as well as the manufacturers of compression fittings used for installation of the pipe. The District's claim asserted that the pipe is "subject to failure in the nature of cracking, splitting, shearing and pinholing, the pipe is not durable, prematurely deteriorates and decays, and is wholly unsatisfactory for use in the District's water distribution system." Six years later, settlement was reached with all seven defendants. Cash settlement money received totaled \$1,088,500.

Resin Manufacturers

Mobil Oil (1,718 services installed 1971-73).....	\$100,000
Witco (2,100 services installed 1974-78) .....	495,000
Shell Oil (2,326 services installed 1978-85) .....	42,000

Extruder

Wesflex .....	100,000
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Distributor

P.E. O'Hair .....	175,000
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Fittings Manufacturers

Ford Meter Box .....	150,000
Mueller .....	26,500

Total settlement money received ..... \$1,088,500

Prospective Agreements

In addition to the cash settlements, the District entered into prospective agreements with Shell Oil and P.E. O'Hair for further reimbursement. Shell Oil agreed to share in the cost of replacement of certain PB failures occurring in pipe installed after July 1, 1978 (the date Shell assumed ownership of the resin manufacturing company) through 2010. In addition, P.E. O'Hair agreed to sell the District \$175,000 of Type K copper service line at its wholesale cost. The amount received from these defendants under the prospective agreements (now concluded) totaled \$214,504.

Shell Oil reimbursement.....	\$195,691
P.E. O'Hair wholesale discount .....	<u>18,813</u>
Received under prospective agreements.....	<u>\$214,504</u>

The District installed 2,326 services with Shell PB resin from July 1978 through December 1985. Since the settlement with Shell, the District experienced 423 Shell service line failures subject to reimbursement. Total settlement and prospective agreement money received was \$1,303,004.

Total settlement money received.....	\$1,088,500
Received under prospective agreements .....	<u>214,504</u>
Total settlement .....	<u>\$1,303,004</u>

Cost of Litigation

The District spent \$393,061 in legal and expert witness fees to obtain the settlements achieved. Staff time incurred in researching and documenting the claim, the majority of which was expended by Chief Engineer Jim Fritz, and miscellaneous other expenses, totaled \$65,521. Staff time does not include District administrative staff, which was not accounted for separately.

Legal Expense:

Edward L. Kurth, Attorney at Law.....	\$38,679
Jones Kurth & Treat .....	90,673
Sawtelle Goode et al.....	204,731
Bold & Polisner .....	26,111
Bianchi Engel et al.....	11,112
Ragghianti Lusse et al.....	6,350
Expert Witness Fees.....	<u>15,406</u>
Total Legal Expense .....	\$393,061

Staff & Other Miscellaneous Expense:

Staff time.....	\$62,468
Other miscellaneous expense .....	<u>3,053</u>
Total Staff & Other .....	\$65,521

Total Legal & Staff Expense .....	<u>\$458,583</u>
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Damages Incurred

From 1971 through 1985, the District installed 6,143 PB services. In addition, 367 PB services that failed prior to 1986, before the problem was identified as a defective product, were replaced with new PB. Through June 30, 2010, the District suffered 2,012 service line failures and replaced 1,825 services on a pre-emptive basis (i.e., replacement prior to failure). Thus, there are 2,306 PB services remaining in the system. The repair and replacement cost of the PB thus far has been:

		Avg cost per service
PB Replacement Expense through 6/30/10		
1,645 Emergency Repairs (Post 1985).....	\$3,174,089	\$1,930
367 Emergency Repairs (Pre 1985) <sup>1</sup> .....	500,000	1,362
1,825 Pre-emptive Replacements .....	<u>1,721,674</u>	<u>943</u>
Total PB Replacement Expense to date .....	\$5,395,763	\$1,406

Estimated Future Damages

The District has replaced 59% of the installed PB pipe population. Attachment A shows that the PB pipe annual failure rate jumped to over 3% of the population beginning in FY08 and has remained there, running in excess of 3% again in FY11. The Novato Water System Master Plan forecasts replacement of 100 PB services annually, up from the historical average of 70 per year as shown on Attachment B. Assuming the failure rate remains constant at 3% and 100 services are pre-emptively replaced annually, 740 additional failures will occur over the next 19 years, at which time the entire PB population will have been replaced. This forecast exceeds the 22 year period based on the historical trend (Attachment C).

The average cost to repair a service on a pre-emptive basis was \$1,453 over the past five years, compared to \$2,622 when done on an emergency basis. The District therefore faces another \$4,700,000<sup>2</sup> in estimated future cost to replace the remaining PB services. To recap:

Cost:

PB Repair Cost Incurred to Date .....	\$5,395,763
Expected Future PB Repair Cost .....	<u>4,700,000</u>
Subtotal.....	\$10,095,763
Cost to Wage Lawsuit .....	<u>458,583</u>
Total Cost .....	\$10,554,346

Cost Recovery:

Money Received from Lawsuit .....	\$1,303,004
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Net Out-Of-Pocket

Due to Defective PB Product.....	<u>\$9,251,342</u>
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Path Forward

<sup>1</sup> Amount is estimated - actual cost of emergency PB repairs prior to 1985 was not accounted for separately.  
<sup>2</sup> Pre-emptive replacement of 1,900 services at \$1,453 plus emergency replacement of 740 services at \$2,622 = \$4,700,980.

The cost of repairing a service on a planned pre-emptive basis averaged \$1,453 over the past five years, compared to \$2,622 when done on an emergency basis. Obviously it is advantageous to replace services in mass on a pre-emptive basis in those areas where frequent failure is experienced.

Note on Attachment D that the number of failures occurring annually over the past 25 years is trending upward, and averaged over 100 during the past three years. This is a 67% increase over the prior 10-year period, suggesting that the pipe is reaching the end of its useful life and that maintaining the planned replacement program is worthwhile. Note the contrast with copper service line failures, which, as a percentage of the population of pipe in the ground, are remaining relatively constant at less than 0.5%, while PB failures over the past five years have spiked to 3% (Attachment E).

However, the rate of Shell pipe failures, tracked separately under the settlement agreement, is declining (Attachment F). This gives some credence to Shell's argument that the resin formula and extrusion process was corrected under their ownership so that the premature failure problem was resolved. In fact, over 80% of the installed Shell pipe remains in service<sup>3</sup>. T

Therefore, the preplanned replacements will be targeted to replace the Mobil and Witco services installed between 1971 and 1978. We will continue to monitor the Shell pipe failures before moving to pre-emptively replace them.

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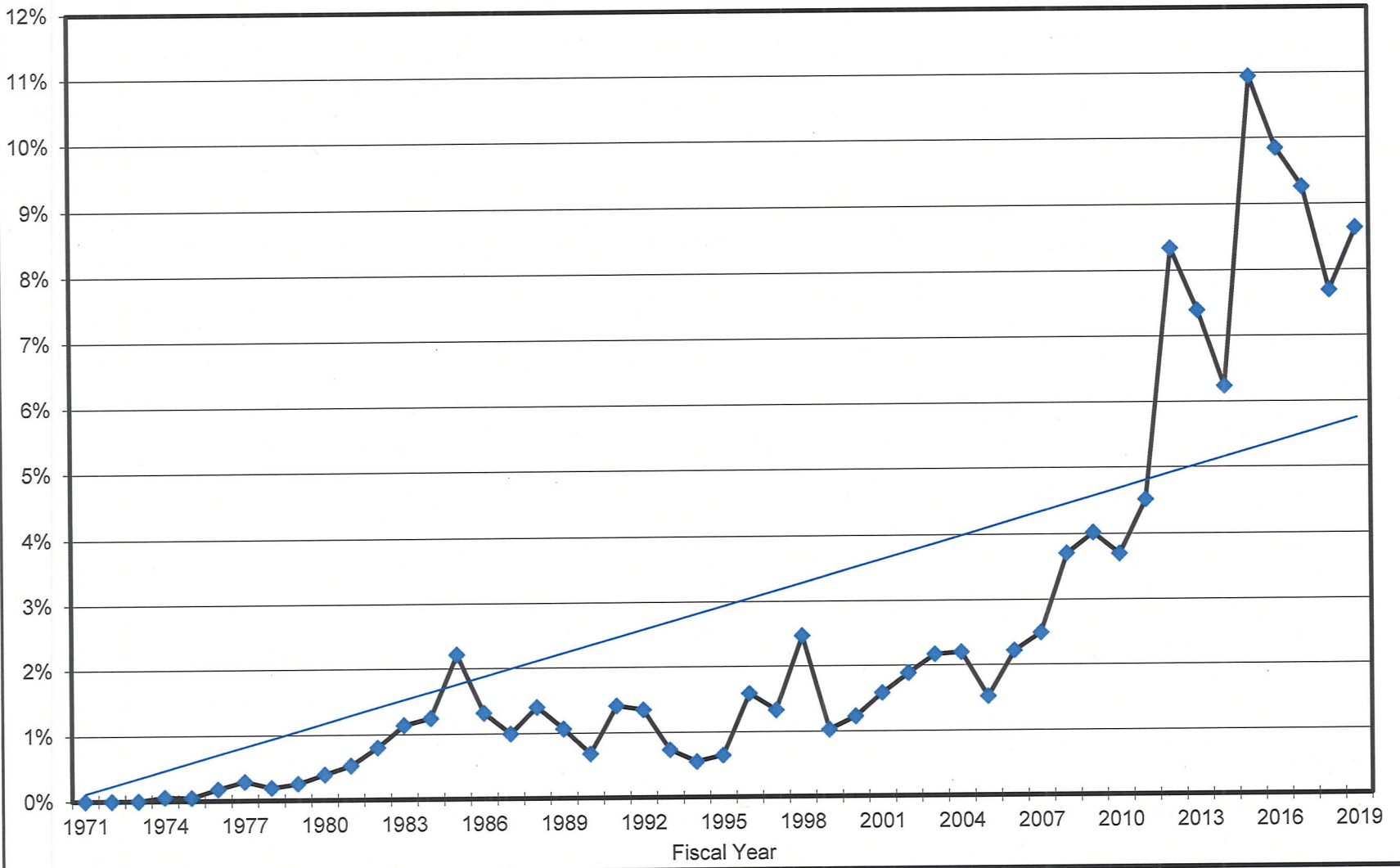
<sup>3</sup> Services installed with Shell resin comprised 2,326 (36%) of the 6,510 total PB services installed. At 6/30/10 Shell's 1,891 remaining services comprised 71% of the 2,673 PB services remaining.



2/27/19

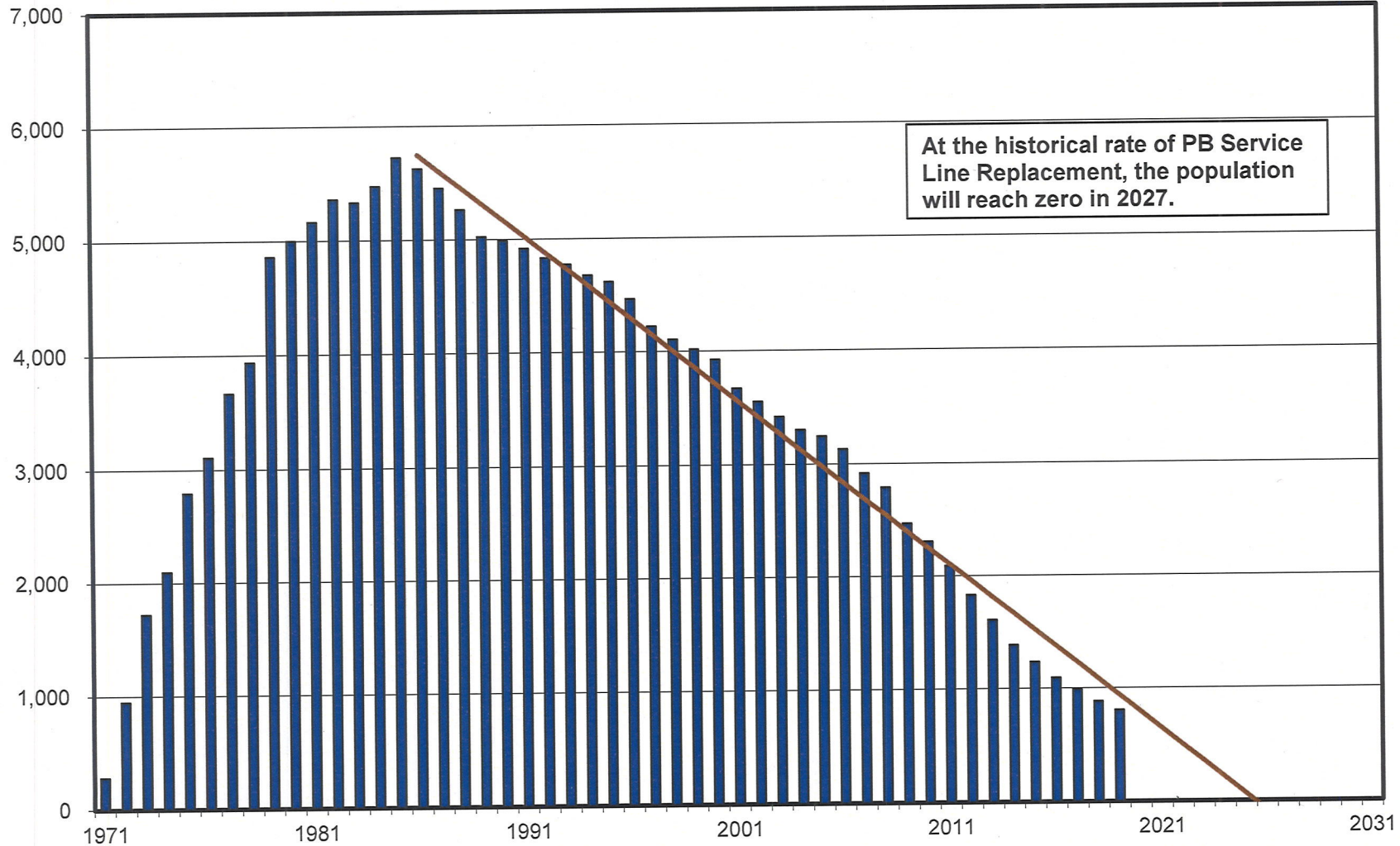
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### % of Polybutylene Pipe Population Failing by Fiscal Year



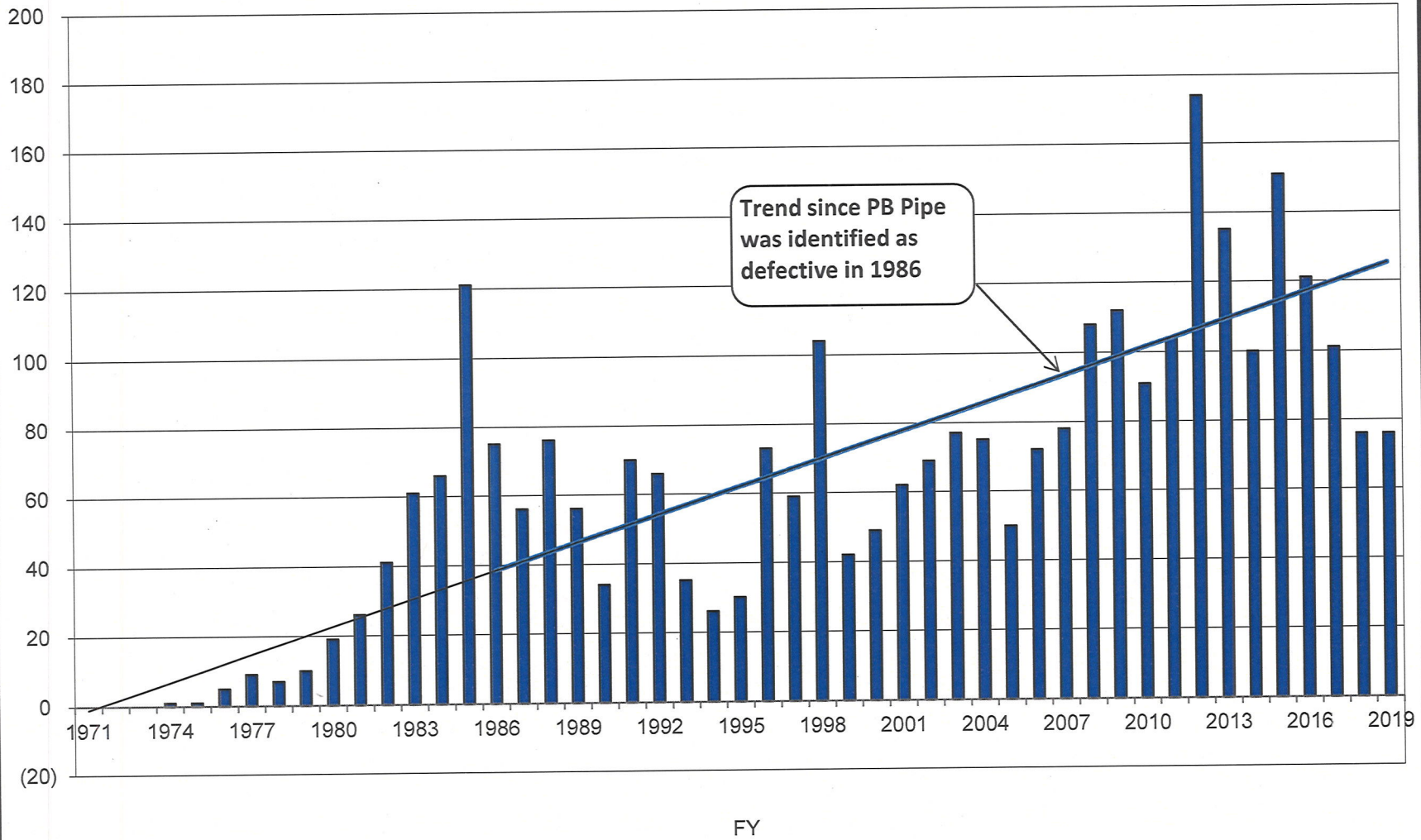
Attachment B

### NMWD Polybutylene Pipe Service Line Population



2/27/19

### Polybutylene Pipe Failures by Fiscal Year



Attachment D

**NOTICE INVITING SEALED BIDS  
FOR SUPPLY AND DELIVERY OF  
SODIUM HYPOCHLORITE 12.5%  
BAY AREA CHEMICAL CONSORTIUM (BACC)  
BID NO. 13-2019**

The Bay Area Chemical Consortium (BACC), a cooperative group of public agencies, is seeking competitive sealed bids for the supply and delivery of SODIUM HYPOCHLORITE 12.5%. Bids are to be prepared pursuant to the specifications provided by Dublin San Ramon Services District (DSRSD), the coordinating agency for this bid. All sealed bids to be considered for this solicitation must be received by **9:00 A.M. PDT, Tuesday, April 2, 2019** at the Dublin San Ramon Services District Regional Wastewater Treatment Facility at 7399 Johnson Drive, Pleasanton, CA 94588. Bids received after said date and time will be returned to the sender unopened, and will not be considered under any circumstances. Bids postmarked but received after the bid opening will not be accepted. Bids submitted electronically or by facsimile will not be accepted. The bids will be publicly opened and read aloud to all in attendance at 9:00 A.M. PDT on Tuesday, April 2, 2019. Bidders are invited, but not required, to attend the bid opening.

BACC and its member agencies reserve the right to reject any and all bids and to waive informalities and immaterial irregularities or technical defects in the bids received.

For additional information or any questions concerning this bid, please contact Gemma Lathi, Administrative Analyst, at Dublin San Ramon Services District, 7399 Johnson Drive, Pleasanton, CA 94588, direct line (925) 875-2398, fax number (925) 462-0658, and email address [lathi@dsrsd.com](mailto:lathi@dsrsd.com).  
No.277 March 1, 5, 2019

**NOTICE INVITING SEALED BIDS  
FOR SUPPLY AND DELIVERY OF  
FERRIC CHLORIDE  
BAY AREA CHEMICAL CONSORTIUM (BACC)  
BID NO. 06-2019**

The Bay Area Chemical Consortium (BACC), a cooperative group of public agencies, is seeking competitive sealed bids for the supply and delivery of FERRIC CHLORIDE. Bids are to be prepared pursuant to the specifications provided by Dublin San Ramon Services District (DSRSD), the coordinating agency for this bid. All sealed bids to be considered for this solicitation must be received by **9:00 A.M. PDT, Tuesday, April 2, 2019** at the Dublin San Ramon Services District Regional Wastewater Treatment Facility at 7399 Johnson Drive, Pleasanton, CA 94588. Bids received after said date and time will be returned to the sender unopened, and will not be considered under any circumstances. Bids postmarked but received after the bid opening will not be accepted. Bids submitted electronically or by facsimile will not be accepted. The bids will be publicly opened and read aloud to all in attendance at 9:00 A.M. PDT on Tuesday, April 2, 2019. Bidders are invited, but not required, to attend the bid opening.

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No.275 March 1, 5, 2019



NEWS > LOCAL NEWS

## Potter Valley Project: Could the dam go but the diversions remain?

Rep. Jared Huffman says 'Two-Basin Solution' being investigated



Since Monday was Rep. Jared Huffman's (left) birthday, the crowd at Tuesday's Town Hall in Ukiah sang him "Happy Birthday" at Assemblyman Jim Wood's (right) request. (Photo by Peter Armstrong)

By JUSTINE FREDERIKSEN | [udjff@ukiahdj.com](mailto:udjff@ukiahdj.com) |

PUBLISHED: February 20, 2019 at 4:36 pm | UPDATED: February 22, 2019 at 2:52 pm

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#### ADVERTISING

At a Town Hall Tuesday night, Rep. Jared Huffman (D-San Rafael) told the large crowd filling nearly every available seat in the Ukiah Valley Conference Center about a possible future for the Potter Valley Project that would remove the controversial dam, but preserve the water supply the Ukiah Valley has depended on for more than a century.

“As your congressman, I don’t have any authority to tell anyone what to do on this project,” said Huffman when one member of the audience said that the only way to preserve Ukiah as “the last remaining hub of jobs” in Mendocino County was to strengthen Scott Dam, which was created by the Potter Valley Project. Originally built to create electricity for Ukiah by diverting water from the Eel River more than 100 years ago, the hydroelectric facility soon became a crucial source of water for not only nearby Potter Valley, but for the entire Ukiah Valley and many more communities built up along the Russian River.

“Technically, this is a hydro-electric facility (owned by Pacific Gas and Electric), but the real value in this part of the world is water supply. A hundred years of using that water counts for something, and you can’t just pull the plug. So I firmly believe that any proposal to do that is not viable,” said Huffman, explaining that he predicted this situation a couple of years ago and began pulling “together a group of stakeholders in an ad-hoc process, because I thought that we really need to have everybody in a room together, talking through the technical issues and exploring whether maybe we can control the outcome of this, because there’s so much risk no matter what side you’re on.

“Anyone who thinks that it’s a slam dunk that you can get everything you want in this very uncertain situation is very mistaken,” Huffman continued, adding that “it might be possible” to both remove the dam, which is what many supporters of the Eel River watershed want, but also maintain some of the water diversions that feed the Russian River watershed.

“There’s some preliminary analysis that suggests ... that you might be able to operate a ‘run of the river hydro-project’ to continue diversions and be able to meet the needs of water users,” Huffman said. “And if you can achieve that, what I’m calling a Two-Basin Solution, that could be something that attracts support from both basins (the Eel River and the Russian River watersheds), and maybe even both the state and federal governments. And then you might have something to take to the (Federal Energy Regulatory Commission) and say, ‘Give us a license to operate this project in a new and different way,’ given that PG&E recently announced that rather than trying to sell the facility, it intended to walk away from it.

“But the only way (this potential solution happens) is if first it checks out technically, and it’s going to be looked at very carefully because there’s going to be a lot of skepticism,” he said. “And then if it checks out, we will literally have to have everybody together, because that’s the only way something like that works. If it falls apart, if exploring that Two-Basin Solution comes off the rails, I really don’t know how this gets resolved. And I think there’s tremendous risks on all sides.”

Also at the Town Hall, Huffman was asked his opinion of Rep. Alexandria Ocasio-Cortez, a newly elected congresswoman from New York, by one man in the audience who said he is a millennial very concerned about climate change, and that Ocasio-Cortez “gives me hope and a reason to watch the news again.”

Huffman began by admitting that he is much older than “AOC, as we call her,” as she is 29 and he turned 55 on Monday, and that there was definitely an energy shift when “she and some of her restless cohorts came to town. There’s an edginess to their approach, and they kind of get in your face,” he said, admitting that while it might be understandable for older and more experienced lawmakers to bristle at such behavior, he was fighting the urge. “I think she and her colleagues are a welcome wind of change, and I think we need to find a way to be on the same team.”

During his opening remarks, state Assemblymember Jim Wood announced that Huffman “had a birthday yesterday” and encouraged the crowd to sing him “Happy Birthday,” which the audience did. “I have a feeling I’m going to pay for that later,” Wood then joked. “Maybe for a while.”

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Tags: **newsletter**



**Justine Frederiksen**



## *Rest in peace, Virgil*

I live in Inverness Park near the foot of Balboa Road, and I often jog up Balboa to the North Marin Water District water tanks for exercise. One day last month, after catching my breath in a clearing behind the water tanks, I turned around and discovered that a mural had been painted on one of the tanks. It was a portrait of a mustachioed young man with deep, soulful eyes; next to it were big, bold letters that read "RIP VIRGIL." I was captivated by this evocative piece of art—apparently a tribute to a fallen friend by some skilled and talented local guerilla artist—but I did not know who Virgil was.

Over the next several weeks I stopped and gazed at the mural each time I went up the hill. Then, last Saturday, I found to my dismay that the mural had been removed, covered over by green paint. The N.M.W.D. had not approved. I realize it was graffiti, but it seems a shame that such a lovely and heartfelt tribute be so summarily obliterated from this quiet and secluded spot.

Later in the day, I went to town for some provisions and picked up a copy of the Point Reyes Light. On the front page was an article about the passing at a young age of Virgil Levinger of Inverness in December. The mystery was solved. I appreciated learning about this gentle and creative person and reading the fond memories and anecdotes of his friends. RIP Virgil.

**Mark Wieggers**  
Inverness Park

## Novato considers switch to council district elections

### Elections

#### LAW VIOLATION CLAIMED

City among latest target of attorney's legal threat Shenkman's letters have been effective in con-

By Will Houston

ELECTIONS >> PAGE 2

*whouston@marinij.com @Will\_S\_Houston on Twitter*

Novato is among the latest cities being called out to switch to district elections or face a lawsuit.

Malibu attorney Kevin Shenkman sent a letter to city leaders Feb. 13 saying Novato is violating the California Voting Rights Act of 2001 by holding at-large elections rather than electing council members by districts. The at-large election system, he states, dilutes votes by protected classes of minority voters, such as Latinos.

The City Council took up the issue for the first time Tuesday. Novato Mayor Eric Lucan said he could not comment on the topic other than to say the council received the letter and will be discussing the matter at its March 12 meeting.

### Novato considers switch to council district elections

#### Elections

#### FROM PAGE 1

vincing cities including San Rafael to make the switch. Some, such as Palmdale and Santa Monica, have resisted, finding themselves on the losing end and ordered to reimburse Shenkman millions of dollars in legal costs.

elected a Latino council member, which he describes as "outwardly disturbing" and "fundamentally hostile towards participation by members of this protected class."

Shenkman said he was approached by several people in the last year calling on him to take action against Novato. He said he wouldn't identify them "until it's necessary to do so" due to fears of retaliation against them.

in San Rafael," Epstein said.

Shenkman argues that switching to district election systems makes campaigns less expensive and makes canvassing more important. While you can't tell in advance whether converting to district elections will bring more minority representation, there are examples of its effectiveness, he said.

He pointed to the election of Sergio Farias to the San Juan

“Most of them resolved pretty quickly, but there are certainly others that required a trial,” Shenkman said Wednesday.

State election law states that a city, after receiving such a demand letter, has 45 days to declare its intent to change its election system and another 90 days after that declaration to adopt the change. Otherwise it could face litigation.

Shenkman said his law firm does not send a demand letter to a city if there is not “racially polarized voting” in that jurisdiction.

“We want to make sure our efforts have some real impact, not just sort of a facial change in the election system,” Shenkman said.

More than 10,000 people or nearly 20 percent of Novato’s population is Hispanic, according to U.S. census data. Shenkman said the city appears to have never

But he said that the national Latino voter participation organization, Southwest Voter Registration Education Project, is one entity he represents.

Shenkman credits his legal pursuits for prompting more than 50 cities to switch from at-large elections to district elections either by choice, through a settlement or by court order.

San Rafael voted in January 2018 to switch to district elections starting in 2020.

San Rafael City Attorney Robert Epstein said San Rafael has always sought to promote diversity even before it received the letter and before the California Voting Rights Act was passed. This and other factors such as risk and the potential cost of litigation, which could range into millions of dollars, led to the city’s decision to comply, he said.

“It made the best sense to simply establish district elections as a way of electing council members

Capistrano City Council in its first district election in 2016 as an example. Farias had previously run for the council in 2008 while the at-large system was still in effect and received only 5 percent of the vote.

There is still a question about whether San Rafael’s first district election in 2020 will result in bringing more diversity to the council. The new four-district election map approved by the San Rafael City Council in December was the result of a nearly yearlong process, but the end result was not favored by all. Leaders and supporters of the primarily Latino neighborhood in the Canal have expressed concern that the map combines the Canal with adjacent non-Latino neighborhoods in the same district.

“Now that San Rafael has made its decision to go to district elections I think there is firm hope that that change will help San Rafael achieve its goals of promoting diversity,” Epstein said, “but that remains to be seen.”

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