

**NORTH MARIN WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
May 7, 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, James Grossi (arrived at 6:05 p.m.), Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Terrie Kehoe, and Auditor-Controller Julie Blue. Chief Engineer Rocky Vogler was absent.

District employees, Robert Clark (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance Superintendent) and Monica Juarez (Receptionist/Cashier) were also in attendance. In the audience were District legal counsel representative, Carl Nelson and Kim Moore (Bold, Polisner, Maddow, Nelson and Judson); special counsel Tom Willis (Remcho, Johansen & Purcell); Paul Mitchell, Chris Chaffee and Jacob Thompson Fisher; and Nic Zateslo (Political Data, Inc.). Also in the audience were Lucas Bachman and Mark Wing from Enterprise Fleet Management.

**MINUTES**

On motion of Director Fraites, seconded by Director Petterle the Board approved the minutes from the April 23, 2019 meeting as presented by the following vote:

AYES: Director Baker, Fraites, Joly and Petterle

NOES: None

ABSTAIN: None

ABSENT: Director Grossi

**PUBLIC HEARING NO. 1 – CALIFORNIA RIGHTS ACT (CVRA) AND ELECTIONS CODE (ED)**

**10010:**

President Baker declared the public hearing opened at 6:02 p.m.

Mr. McIntyre opened the discussion by reminding the Board that this is the first public hearing, of a total of five, related to a transition process from At-Large to By-District elections. The first two hearings will be to gather information to be used in the development of the maps of the proposed divisions and the subsequent hearings will be working with proposed maps, taking

comments on and developing and refining the maps. Mr. McIntyre stated that he attended Public Hearing No. 3 of the Novato Sanitary District, in which they released their proposed map for discussion. Mr. McIntyre added that Novato Sanitary District is about a month ahead of us and the Novato Fire Protection District will follow shortly. Director Baker asked about Novato Unified School District. Mr. McIntyre stated that they are on a different timeline schedule.

Mr. Nelson of District legal counsel, introduced Kim Moore of his office, special counsel Tom Willis, and the two principals of Redistricting Partners, the demographer retained by special counsel, Paul Mitchell, and Chris Chaffee, who in turn introduced staff members who would be assisting in the effort, Jacob Thompson Fisher, and Nic Zateslo. Mr. McIntyre also introduced District employee, Monica Juarez, who is bilingual and was available for Spanish translation if needed.

Mr. Mitchell went through a PowerPoint presentation, and explained that the maps will be drawn so as not to gerrymander. The lines or areas will be drawn so that no one area would have an advantage. The districts must be equal in population size; the population must include all residents, not just registered voters, per the census. He explained that we must take into consideration communities of interest, protected classes, and ethnicity. Board and public input will be valuable. He stated that the District can look at existing data and other maps and build upon them, but the goal is to keep the districts compact and draw circles and squares if possible.

Director Fraites asked about the source of the data. Mr. Mitchell responded that they are using 2010 census data. Based on 2010 population figures, the District could be divided into five equal district areas, with an average population of 12,300 in each district, the biggest and smallest areas within 10% of each other. Director Grossi asked how the number of voters factor in. Mr. Mitchell replied they look at the voting population and the people who could potentially vote, to come up with the eligible voters' population. Mr. Mitchell remarked that Novato has a high rate of voter participation. Director Grossi agreed, and stated 36,000 voted in the last election. Mr. Mitchell stated that by law we have to get input from each Director and public hearings are required to solicit public input. He noted that he does not know any of the incumbents' addresses, and will not be drawing the lines using this information.

Director Fraites asked about if it is determined whether racially polarized voting occurred. Mr. Mitchell stated that it is based on statistical analysis, comparing overall voting results within areas with differing amounts of minorities, and looking for statistically significant correlations.

Director Baker stated that the City of Novato, Novato Sanitary District and Novato Fire Protection District are all working on this same process, and asked Mr. Mitchell if he was working with any of these agencies. Mr. Mitchell replied he may be working with Novato Fire Protection

District but that it has not been finalized yet. Director Baker inquired if we can have our lines drawn close to theirs. Mr. Mitchell responded that he has not looked at the existing or proposed lines, but he intends to do so. Director Baker asked how this process relates to the County Elections process. Mr. Mitchell replied that the County does not approve the lines; but will implement our decision. Director Grossi asked if tax districts would be considered. Mr. Mitchell stated they could; but it may not be of interest to anyone else. Director Petterle asked if our pressure zones, which are based by elevation, would be considered. Mr. Mitchell stated that it would be worth looking at, because it could be considered a community of interest. Director Baker stated that we work well with Novato Sanitary District and their map would be worth looking at. Mr. Mitchell confirmed and noted that they did have that map. Director Grossi added that there are some common areas between water, sewer and fire, other than the District's West Marin service areas.

Director Joly asked if there were any comments received since the last public meeting in which the Board passed the resolution. Mr. McIntyre replied that we have not received any so far. He added that the District issued a press release to the Marin IJ and the Point Reyes Light and both newspapers wrote front page articles, which provided good public penetration. Additionally, a notice was included in the Spring Waterline direct mailer to both Novato and West Marin customers. Director Fraites inquired about the outside service area customers, if they were considered, and whether we would be looking at all the anomalies. Mr. McIntyre replied that the outside service areas are not included. Mr. Nelson added that since the rate hearings will also be going on the same time as the election hearing, some of the rate payers may wish to comment on the maps. Director Baker stated that some areas in Point Reyes and Marshall do not have service with us and will not see a bill or a flyer since they are not rate payers.

Director Baker closed the Public Hearing at 6:40 p.m.

Director Baker announced that he will be on vacation from May 22<sup>nd</sup> to June 3<sup>rd</sup>, and Director Grossi added he will be on vacation from July 3<sup>rd</sup> to July 24<sup>th</sup>.

### **GENERAL MANAGER'S REPORT**

Mr. McIntyre announced that Rocky Vogler is attending the ACWA conference this week and that he will be covering Mr. Vogler's agenda items.

#### **Meetings**

Mr. McIntyre reported that last week he participated in two NBWRA scheduled outreach efforts, one at Novato Sanitary District with the new US Bureau of Reclamation Title XVI project manager and the other at the City of Petaluma with Senator Hertzberg's policy consultant working

on SB 332. Mr. McIntyre also added that he will be attending the ACWA conference this Thursday.

**OPEN TIME**

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

**QUARTERLY FINANCIAL STATEMENT – MARCH 31, 2019**

Ms. Blue presented the Quarterly Financial Statement noting that Operating Revenue came in at 5% under budget and Operating Expenses came in 6% under budget.

Director Grossi had a question about the medical benefits, maintenance and depreciation and how we spread those costs to West Marin. Ms. Blue stated the expenses get spread out depending on the work hours reported. Director Grossi asked about the retiree medical cost. Ms. Blue stated that all are classified under Novato because most administrative costs are recorded in Novato. She added that some costs are allocated to other service areas depending on the types of expense. Director Baker commented that he thought our West Marin customers were getting a break. Mr. McIntyre replied that we are being as accurate as we can.

**STAFF/DIRECTORS REPORTS**

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

Mr. Clark advised that Board that precautionary water quality notices were issued in two areas recently. The first was in Bel Marin Keys because water pressure was lost during installation of a new pipeline and the second was in West Marin where a landscaper broke a fire hydrant. Mr. McIntyre added that this protocol is approved by the Division of Drinking Water as an alternative to a mandatory boil water order when pressure in limited areas of the distribution drops below 5psi but no contamination is suspected and disinfectant residual levels remain adequate.

**CONSENT CALENDAR**

On the motion of Director Petterle, and seconded by Director Joly the Board approved the following items on the consent calendar by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**McPHAIL'S PHASE 1 WATER FACILITIES – 5400 HANNA RANCH ROAD- APN 153-220-16 & 19**

The McPhail's project consists of construction of three office buildings in two phases on a 4.91 acre parcel. The agreement pertains to only one lot. This project includes a fire hydrant, five service laterals and one fire service. Phase one includes water demand of eight equivalent dwelling units. The Board approved the McPhail's Phase 1 Water Facilities Project.

### **IPAD PRICING AND SPECIFICATIONS**

The Board was provided a list of iPads to purchase, with a breakdown of cost and specifications. The current iPads are approaching 9 years and the operating system is becoming outdated with the current software. The Board approved purchase of the recommended iPad model.

### **RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN SEWER**

A rate letter was provided proposing a 3.5% West Marin Water increase and a 3.5% rate Oceana Sewer Rate Increase effective July 1, 2019. The Board approved the mailing of the rate increase letters to the customers with one noted correction to the West Marin letter.

### **ACTION CALENDAR**

#### **ENTERPRISE FLEET MANAGEMENT PROGRAM FOR FLEET VEHICLES**

Mr. Clark presented a fleet lease agreement with Enterprise Fleet Management that would transition the NMWD fleet of 1-ton and smaller vehicles (a total of 27 vehicles) over a five year period. The financial impact would result in an estimated annual cost saving of \$12,000 and provide newer and more fuel efficient vehicles.

Mr. Bachman from Enterprise went over the handout with the Directors. Director Joly asked where their office was located and Mr. Wing replied they were local, out of San Ramon. Mr. Wing noted that they have worked with many municipalities and special districts and that Enterprise focuses on how resale has a huge impact on cost and knows when it is the time to sell the vehicles. He added that their goal is to work with the District two to four times annually to review overall fleet management. Director Baker stated that in his opinion local was Marin County. Mr. Clark replied that we have not purchased a vehicle locally for years because we buy the vehicles through the state bid program with dealerships in Sacramento, Vacaville and Vallejo. Mr. Wing added that when they order the vehicles they may be able to go through a local dealership. Director Joly stated that if we can say to the customer that cash flow is going to Novato that is important. Mr. Wing said they can make the program the most cost effective, and provide a sense of dependability and reliability, with limited downtime and a sense of pride for the employees. Director Joly stated there is an 8% reduction of cost, and wanted to know if this affects depreciation. Ms. Blue replied that the leased

vehicles are not depreciated. Mr. Wing added that their clients have demonstrated savings; however we do not know what the saving would be in the future because that would depend on actual vehicle resale values. He added that five years down the road the District could choose to purchase the vehicles; therefore it allows flexibility. Director Joly stated that he finds the 8% savings marginal, and wanted to know if any of their clients have found an inflation of cost rather than a savings. Mr. Wing replied that the only time they see this is when a client replaces a vehicle with a more expensive choice.

Director Grossi inquired about the in-house maintenance cost. Mr. Clark replied that the tires are serviced at Able, the oil changes are done here, and anything under warranty goes to a local dealership shop. He stated that in the beginning we will do the maintenance to see if the program is beneficial to the District. Mr. Wing reminded the Board that we will not be replacing the whole fleet this year, and that it will be done in phases. Director Joly asked if we are only authorizing the General Manager to approve the agreement for one year. Mr. Clark stated that \$43,000 was earmarked for six vehicles, and now it may only be five. We will evaluate the program every six months and will not renew if the Board does not wish to continue with the program. Director Baker was concerned that the agreement does not say one year. Mr. Wing explained that it is a blanket agreement that sets up a partnership; each vehicle would be a different lease. If NMWD is unhappy with the lease we can purchase the vehicle. Mr. Clark added that our legal counsel looked at the agreement and had no problem with it.

On the motion of Director Joly, and seconded by Director Fraites the Board approved the agreement with Enterprise Fleet Management by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

**SUPPORT LETTER FOR USDA EMERGENCY WATERSHED PROGRAM GRANT ASSISTANCE  
– GALLAGHER BRIDGE ABUTMENT ARMORING**

Mr. McIntyre reviewed a draft letter to be submitted in support for USDA Emergency Watershed Program Grant Assistance. He asked the Board to approve submission of the letter to determine eligibility for 75% federal grant funding to construct an erosion control project along Lagunitas Creek at the Gallagher Ranch to protect the District's Gallagher Well and pipeline supported along the Gallagher Bridge.

Director Baker asked if we could just move upstream to another location that can provide a different crossing. Mr. McIntyre replied that it is most cost effective to protect our existing well and pipeline at this location. Director Joly asked if there was any damage to the pipeline. Mr. McIntyre replied that there was not. Director Grossi stated that the County of Marin will be fixing various culverts along the roadway between Platform Bridge and Sir Francis Drake, and eleven million dollars will be spent, so maybe there will be some money there.

Director Joly wanted to know how much the match was. Mr. McIntyre stated that it is unknown at this time, but he estimates the match to be less than \$100,000. Director Baker commented that he thought the timing was quick. Mr. McIntyre responded that there is a short 60-day window in which this request is to be made after the event. Director Baker said he was reluctant. Mr. McIntyre stated that the letter is not contractually binding.

On the motion of Director Joly, and seconded by Director Petterle the Board approved submission of the Support Letter for USDA Emergency Watershed Program Grant Assistance for the Gallagher Bridge Abutment Armoring by the following vote:

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

NOES: None

ABSTAIN: None

ABSENT: None

### **INFORMATION ITEMS**

#### **BUDGET REVIEW**

Mr. Blue reviewed the proposed FY 19/20 Budgets for Novato and West Marin Service Areas. Only one change was noted since the last meeting, replacing a 5 yard dump truck with the purchase of an additional vacuum excavator, which would result in no change to the budget. Director Baker asked if we already had a vacuum excavator. Mr. Arendell confirmed and stated the crews use it every single day and we are starting to have some issues with it. He added that having a second vacuum excavator would allow two crews to use it and shorten the time during the repair of an emergency break. Director Baker wanted to know where we dispose of the discharge. Mr. Arendell replied in the back lot in the District yard. Director Baker complimented Director Joly for having budget meetings with Ms. Blue.

#### **FY 18-19 THIRD QUARTER PROGRESS REPORT – WATER CONSERVATION**

Mr. McIntyre reported that current water conservation participation levels are lower than historical levels. However, the Cash for Grass rebate program has picked up with the removal of

17,000 square feet of turf versus 11,000 square feet the previous year. Director Baker noted that he still sees a lot of lawn removals, but it is not as dramatic as in the past. Mr. McIntyre added that Ryan Grisso and staff participated in the Tour of Novato and the Garden Tour which had good participation. Mr. McIntyre also noted that the stakeholder interviews are now underway by our marketing firm consultant, Kiosk. He added that they will be interviewing Director Petterle and Director Fraites within the next week or so.

### **FY 18-19 THIRD QUARTER PROGRESS REPORT – ENGINEERING DEPARTMENT**

Mr. McIntyre gave an update on the FY 18-19 Third Quarter Progress Report. The forecast shows that all CIPs expenditures will be at or below budget and no augmentation is needed. The only project that exceeded budget expenditures was Asset Management, which was brought to the Board at a previous meeting. All the West Marin projects are expected to be completed below budget except for one carry over project from last year, the Oceana Marin Treatment Pond Rehab – 404 Grant. . Mr. McIntyre noted that we are starting to get some developer activity in town. Director Baker commented that some of the projects are pretty big.

### **NBWA MEETING – MAY 3, 2019**

Director Fraites gave an update of the NBWA meeting for May 3, 2019. He stated that two new members joined both Napa County and Solano County Water Agency. The NBWA dues are due and are the same this year as last. Director Fraites stated that Solano County Water Agency gave a presentation as a new member that was very interesting since they deal with a lot of agriculture. He announced the next NBWA conference will be held in Petaluma on April 3<sup>rd</sup>, 2020 at the Sheraton. Director Fraites also noted that the board leadership has changed; Damien Conaway is now Vice Chair and Jack Gibson remains Chair.

### **MISCELLANEOUS**

The Board received the following miscellaneous items: Disbursements – Dated April 25, 2019, Disbursements – Dated May 2, 2019, Spring 2019 Novato “Water Line”, Volume 20, Issue 42, Spring 2019 West Marin’s “Water Line”, Volume 16, Self-Insured Workers’ Comp – 3<sup>rd</sup> Quarter Status Report, Information – FY 19 3<sup>rd</sup> Quarter Labor Cost Report, SCWA Press Release – Public Opportunity to Learn How Habitat Classification Enhancement Projects are Benefitting Russian River Coho, Steelhead, Thank You Letter – Marin Country Day School and SWRCB Letter – 2019 Lagunitas Creek Water Year Classification.

The Board received the following news articles: Cancer-causing chemical taint water after fire – PARADISE, Opinion – District maps protect incumbents, MMWD – Councils skeptical of pitch for funds, NMWD seeks water rate increase, CITY OF NOVATO - Maps for district elections debated, Marin closes in on deal for Coast guard property, Editorial – MMWD – should heed rate



hike opposition, MMWD - Revisions possible for water rate plan, More Novato agencies move to district elections, CITY OF NOVATO – Citizens unload on district maps and Regional strategy urged to prepare for sea-level rise

Mr. McIntyre announced that there will be no need to go into closed session.

**CLOSED SESSION**

President Baker announced that since there is no need to go into Closed Session he will adjourn the meeting.

**ADJOURNMENT**

President Baker adjourned the meeting at 8:18 p.m.

Submitted by

A handwritten signature in cursive script, appearing to read "Theresa Kehoe".

Theresa Kehoe  
District Secretary