

**NORTH MARIN
WATER DISTRICT**

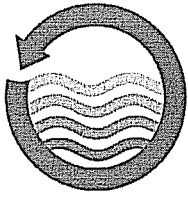
**NORTH MARIN WATER DISTRICT
AGENDA - SPECIAL MEETING
January 10, 2012 – 6:00 p.m.
District Headquarters
999 Rush Creek Place
Novato, California**

Information about and copies of supporting materials on agenda items are available for public review at 999 Rush Creek Place, Novato, at the Reception Desk, or by calling the District Secretary at (415) 897-4133. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

Item	Subject
	CALL TO ORDER
1.	OPEN TIME: (Please observe a three-minute time limit) 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.
2.	WORKSHOP
3.	ADJOURNMENT

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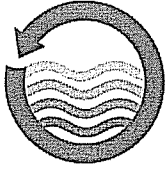
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DISCUSSION TOPICS OUTLINE
NORTH MARIN WATER DISTRICT
Board of Directors Planning Workshop
January 10, 2012
6 p.m. at NMWD Board Room
999 Rush Creek Place, Novato, CA

1. General Manager Report on Previous Plan (2/11/10) (Attachment 1)
2. Key Issues
 - a. Water Supply (Attachment 2.a.)
 - i. Local Supply
 - ii. Water Conservation
 - iii. Recycled Water
 - iv. Russian River
 - b. Cooperating Agencies (No Paper)
 - i. SCWA
 - ii. MMWD
 - iii. NSD
 - iv. LGVSD
 - v. City of Novato
 - vi. County of Marin
 - c. Facilities & Financing (Attachment 2.c.)
 - i. Financing Challenges and Rate Implications
 - 1) Novato Water
 - 2) Recycled Water
 - 3) WM Water
 - 4) Oceana Marin Sewer
 - d. Employees (Attachment 2.d.)
 - i. Employee Succession Planning/Staffing Update
 - ii. Effective Utility Management Benchmarking
 - e. District of Distinction Accreditation (Attachment 2.e.)
3. Conclusion / Workshop Summary Development





North Marin Water District
Board of Directors Planning Workshop Final Summary
February 11, 2010

Key Issues

a. Water Supply

- i. Local Supply
 - Expansion of Stafford Lake
 - Local wells supply
 - Other (Bowman Canyon = environmental hurdles)
- ii. Water Conservation
 - SBX-7 Target - 20% reduction in per capita use – long way to go to achieve.
- iii. Recycled Water
 - Cooperating with Novato Sanitary District, Las Gallinas Valley Sanitary District.
 - Reach out to SMART to possibly utilize their right-of-way for RW pipelines from LGVSD to Hamilton.
- iv. Russian River
 - “Winter Water” in conjunction w/Stafford Lake expansion.
 - Purchase more RR water whenever we can.
 - Petaluma Aqueduct reliability – MMWD and NMWD likely carry financial obligation for planning – Cotati & Rohnert Park don’t want to pay.
 - Petaluma Aqueduct always running full – outreach to all south Sonoma County supervisorial candidates.

ACTION: Develop a local supply study and continue to focus on Recycled Water and Water Conservation.

b. Cooperating Agencies

- i. SCWA
 - Santa Rosa is dropping lawsuit.
 - Reach out to SCWA to participate in the Sonoma County Energy Independence Program.
 - Investigate SCWA’s “Winter Water” concept and opportunities for NMWD.
- ii. MMWD
 - Soulejoule – MMWD needs to decide on desal first.

- Intertie Agreement needs environmental review – big piece is aqueduct relocation due to Hwy 101 MSN Widening Project.

iii. NSD

- NMWD and NSD now have a Mutual Aid Agreement.
- NMWD may provide temporary housing for collection crews and materials for their sewer pipeline project.
- NMWD may also consider providing lab services.
- Does it make sense to consolidate?
- Consider workshop for specifics - Boards should get together to decide to study consolidation.
- Concern that water conservation and other water issues would get lost if consolidated.
- Healthy thing to do if it saves money.
- Need to ignore politics and look at big picture.

iv. LGVSD

- Work together with NBWRA – perfect agreement to bring recycled water to Hamilton.

v. City of Novato

- North Redwood Corridor – David attended recent public forum
 - ◊ Real estate redevelopment will benefit city in this order: hotel, retail, office - housing is negative to city funds..
 - ◊ No great rush to develop – wait for economy to improve

vi. County of Marin

- Watershed Program – dialogue re Novato groundwater basin and additional local supply should be addressed.

ACTION: Wait until after June election and come back to Board for further discussion on potential consolidation with NSD.

ACTION: Don't wait for redevelopment to trigger HQ improvements.

ACTION: Investigate participation in Sonoma County Energy Independence Program

c. Facilities & Finances

i. Office Relocation/Renovation - Review of 4 renovation plan options:

1. Everything including new board room, lab and all employees under one roof
Relocating facilities in yard to open up more space, parking and additional storage. \$6.7M
2. Same as #1 except no Board room space (board meetings held off-site). \$5.7M

- 3. Field crews remain in back, no board room, new lab, no improvement to yard. \$4.3M
- 4. ADA improvement only – no expansion to lab, upgrade HVAC, repair drainage. \$1.8M
- Consider another apartment for security; develop housing in back triangle shaped plot – rent to employees?
- Start soon.
- Financing – borrow funds – mortgage.
- ii. Major Facilities Additions & Replacements
 - Solar - \$2.4M cost of panels is decreasing, footprint of project is smaller, go back out for proposals in March.
 - Water Project Cotati to Kastania \$10.5M – Agency doesn't believe it's needed. Will free up the funds if project doesn't go forward. NMWD think it's needed. All demand and supply options must go right for 20% reduction in water use and then we may not need project.
 - Recycled Water Project
 - ◆ \$7M to extend to North and Central Novato
 - ◆ \$10M to extend to South
 - ◆ Cost share with NSD and LGVSD
- iii. Financing Challenges and Rate Implications
 - West Marin
 - ◆ OM: Interest in putting sewer bill on property tax bill.
 - Financial Plan Summary – 11% water rate increase each year until FY15.
 - ◆ DLB provided options to reduce rate increase.
 - ◆ Comments:
 - No increase minimum charge unless substantiated.
 - Lower tier threshold.
 - Seasonal rate too complicated.
 - Should have tier rate for commercial.
 - Tier rates don't work well for commercial – seasonal rates in WM work well.
 - Consider 2 options to City of Novato & NUSD – 11% rate increase or seasonal rate.
 - Tier rate or seasonal rate increases awareness of need to conserve.

ACTION: Develop budgets for Office Renovation Option #1 and include housing. Include in financial plan.

- ACTION: Identify rate impact due to debt service including discretionary projects.**
- ACTION: Inform OM Association of intent to collect sewer service charge with property tax bill.**
- ACTION: Draft letter to comply with SB 218 notice to customers of proposed rate increase.**

d. Employees

- i. Succession Planning Update
 - Updated plan distributed
- ii. Employee Meetings/Staffing
 - Staffing up 15% in past 10 years - cost impact on water rates – could reduce rate 1% by reducing staffing 2%.
 - Per MOU salary survey complete by September 2011.
 - Reviewed favorable metric comparison w/Santa Rosa and Petaluma.

ACTION: Consider smart/planned attrition as opportunities arise.

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MEMORANDUM

To: Board of Directors

January 6, 2012

From: Chris DeGabriele, General Manager *CD*

Subject: Board of Directors Planning Workshop – Key Issues – Water Supply

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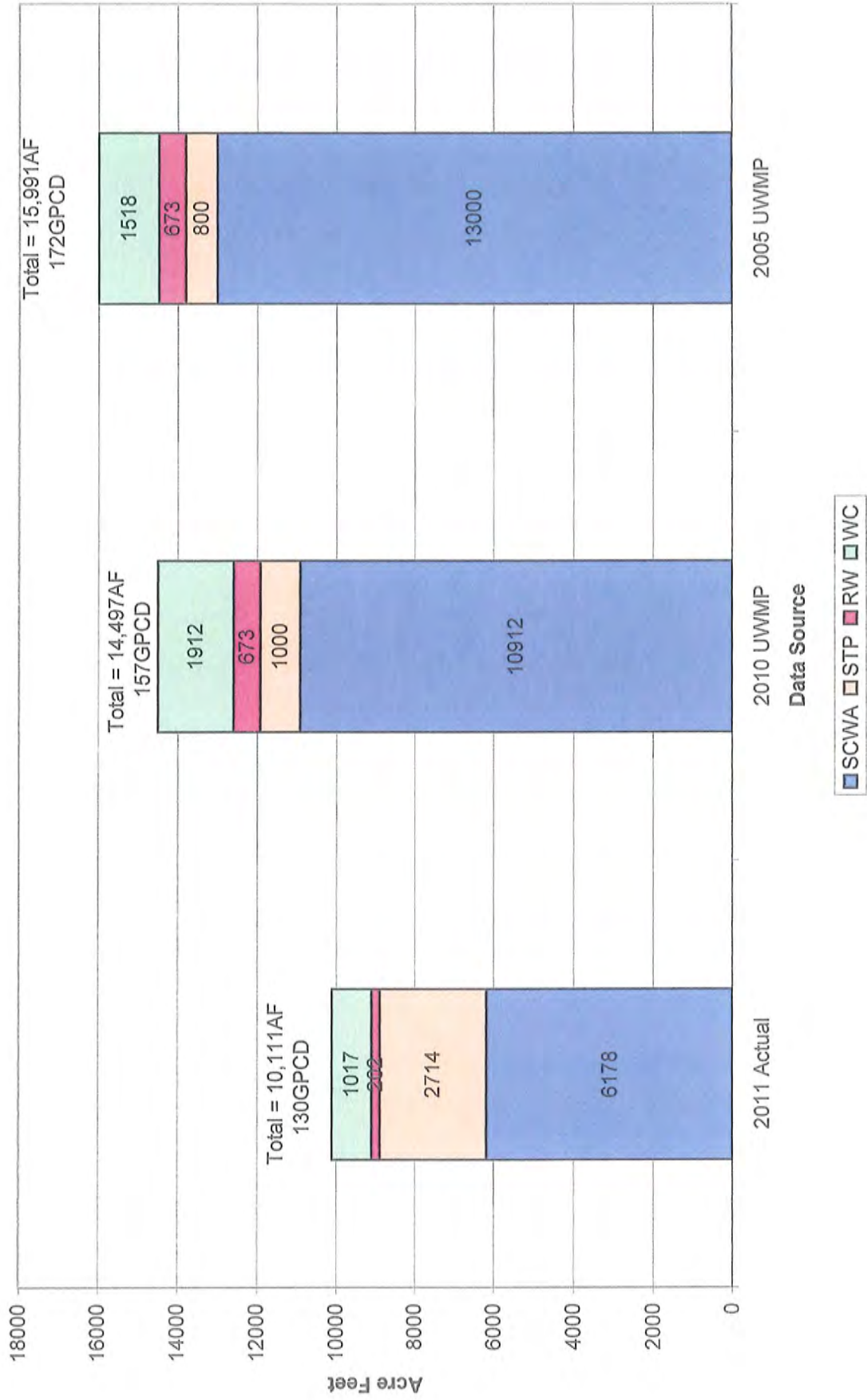
Attached is a chart showing District water demand for fiscal year 2011 actual and 2010 Urban Water Management Plan at year 2035 compared to 2005 Urban Water Management Plan at Year 2030. This chart shows that the overall projected demand has been reduced by approximately 1500 acre feet from the analysis conducted in the 2005 Urban Water Management Plan compared to 2010 Urban Water Management Plan. Additionally, our current water demand at 10,111 acre feet in FY 2011 is some 4,300 acre feet below the projections at Year 2035 in the current Urban Water Management Plan. Areas of focus and growth in the future will include water conservation (approximately 900 acre feet), recycled water (approximately 470 acre feet), and Russian River Supply (approximately 4,700 acre feet). District staff will continue to focus on development of recycled water and water conservation.

The 2011 GPCD (gallons per capita per day) value of 130 is below the 2020 compliance target for North Marin pursuant to SBX7-7 requirements (the NMWD individual target is 143 GPCD). Note that the regional alliance GPCD value is 129 GPCD. The District will be required to prepare an updated Urban Water Management Plan by December 31, 2015 wherein these numbers will be reviewed again. The District is also looking at the analysis as part of our master plan update scheduled to be completed this fiscal year.

Additionally, meetings have been held with staff from Rohnert Park, Cotati, Petaluma, Marin Municipal and Sonoma County Water Agency regarding the South Transmission System Project and NMWD staff will continue to follow up on that project over time to insure that Russian River water can continue to be delivered to NMWD.

ATTACHMENT 2.a.

Water Demand Comparison




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NO PAPER

2.c.

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Novato Potable Water System Financial Plan Update
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January 6, 2012

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. This annual update now forecasts through FY17. The same assumptions developed last year were continued:

- 1) An 11% rate increase June 1 of 2012 and 2013 (already approved) followed by 5% annual increases thereafter;
- 2) Water sales volume remaining flat at 2.7 billion gallons annually;
- 3) Russian River water cost to increase 7% annually;
- 4) Labor cost to increase 3% annually;
- 5) Capital Improvement Projects funded on a "pay-go" basis at \$2 million per year;
- 6) 30 new equivalent dwelling units of demand in FY13 & FY14, increasing to 50 edu annually thereafter.

Last year's financial plan forecast a cash balance of \$8.1 million at the close of FY16. The updated forecast also shows \$8.1 million at the close of FY16, and \$10.2 million in cash at the close of FY17. The forecast FY17 cash balance is equal to 71% of Operating Expense, up from 48% today. The District goal is a cash balance equal to 90% of operating expense. We are clearly moving in the right direction.

It should be noted that the median customer annual water cost is forecast to increase to \$775, from \$544 today, a 42% increase. Staff will display the interactive dashboard at the meeting and discuss some options for consideration.

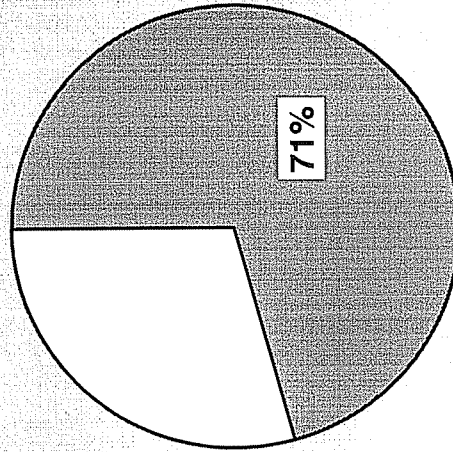
In addition to the Recycled Water financial plan which is next on the agenda, a short verbal presentation on West Marin Water and Oceana Marin Sewer will be presented.



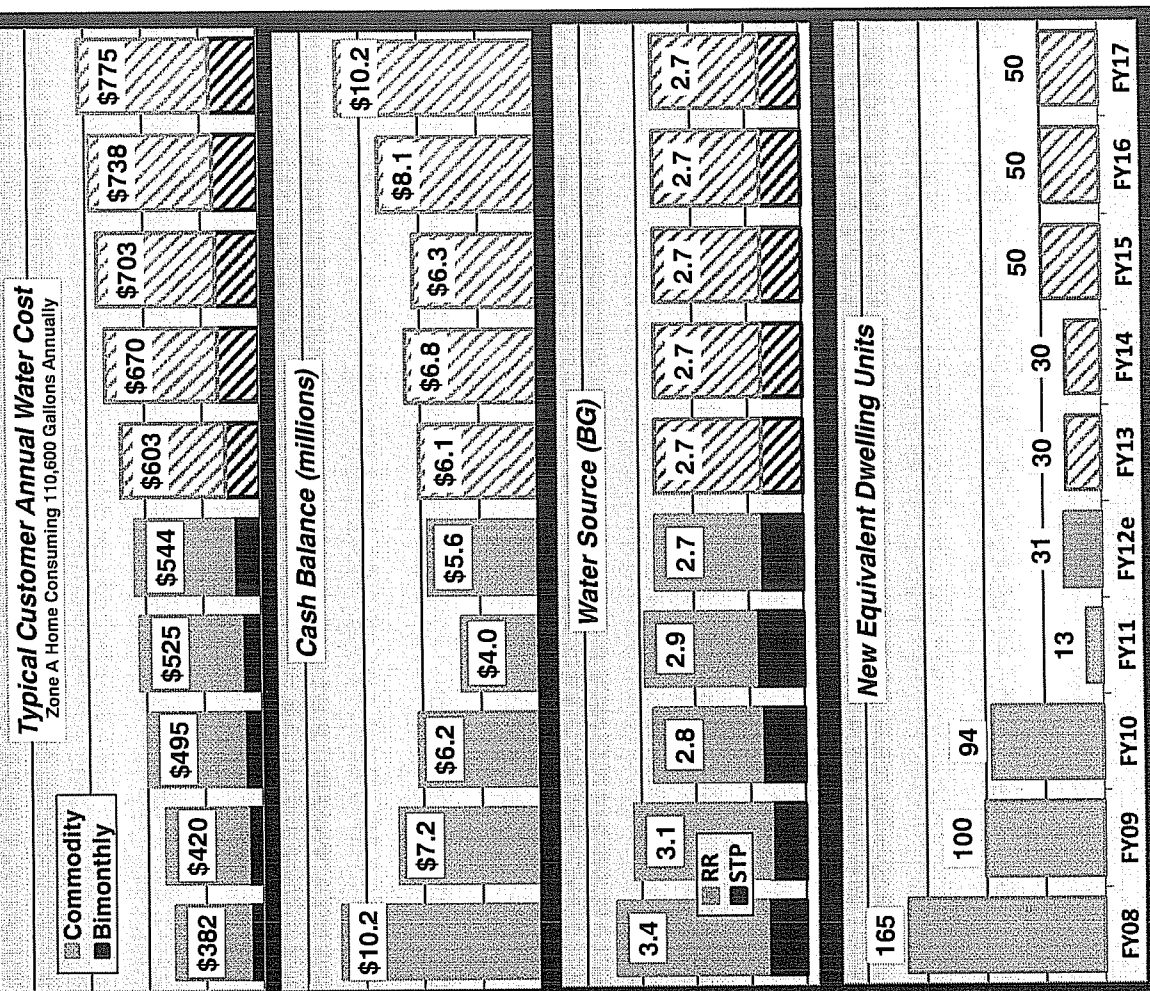
Financial Plan Summary - Novato Potable Water System

Inputs - Major Assumptions				
	FY12/13	FY13/14	FY15-17	
Water Rate Incr	11.0%	11.0%	5.0%	
Water Sales (BG)	2.7	2.7	2.7	
Water Cost Incr	7.0%	7.0%	7.0%	
Labor Cost Incr	3.0%	3.0%	3.0%	
CIP (M)	\$2.0	\$2.0	\$2.0	
EDU FRC	30	30	50	

FY17
Cash as a % of
Operating Expense



Reserve Balance Goal is 90% of Operating Expense



MEMORANDUM

To: Board of Directors

January 6, 2012

From: David L. Bentley, Auditor-Controller 

Subj: Novato Recycled Water System Financial Plan Update

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None at this time

Attached is a detailed schedule of the District's Recycled Water System financial plan for the next five years. The North and South Service Area Expansion Plan now underway will be complete in 2014. Fifty-six new accounts will be phased-in as construction is completed, with 124 MG of additional recycled water scheduled for delivery by 2015. Significant assumptions include:

- 1) A 7% commodity rate increase on June 1 of 2012 followed by an 8% increase on June 1 of 2013 along with the approved 25% and 20% bimonthly service charge increases (already approved). This will increase the commodity rate to \$4.44 per 1,000 gallons. No further rate increases are incorporated into the 5-year financial plan as there are too many unknowns at this time;
- 2) Water purchases from Novato Sanitary District and Las Gallinas Valley Sanitary District are forecast at \$1.50 per 1,000 gallons. The agreements with NSD and LGVSD obligate NMWD to pay actual O&M costs for providing recycled water. We have informed both NSD & LGVSD of our cost history operating the Deer Island Recycled Water Treatment Facility and expectation that their operating cost will be in line with these charges;
- 3) The cost of the North and South Expansion is projected at \$13.8 million, to be funded by \$3.6 million in grants, \$9.6 million in SRF loans, and \$600,000 as the local share;
- 4) By June 30, 2012 Novato Water will have advanced \$5.5 million to the recycled water fund to finance construction costs pending receipt of grant and SRF loan funds. \$3 million is scheduled to be repaid in FY13 with the balance repaid in FY14 as the grant and loan monies are received;
- 5) Debt service on the SRF loans, projected at \$650,000 annually, will be paid from Novato water connection fees (FRC charges). This cost was built into the current FRC charge;
- 6) Once construction is complete, operation of the recycled water system appears to be financially viable, based on purchasing water at \$1.50/1,000 and selling it at \$4.44/1,000. However, many unknowns remain at this time.

ATTACHMENT 2.c.i.2.

NOVATO RECYCLED WATER SYSTEM
5-Year Financial Plan

1/3/12

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	Actual 2008/09	Actual 2009/10	Actual 2010/11	Estimated 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	
1 Active Services	3	3	3	2	16	30	44	58	58	
2 Commodity Rate/1,000 Gal	\$2.90	\$3.48	\$3.62	\$3.84	\$4.11	\$4.44	\$4.44	\$4.44	\$4.44	
3 Consumption (MG)	75	55	54	55	110	135	157	179	179	
OPERATING INCOME										
4 Recycled Water Sales	\$217,554	\$192,291	\$196,183	\$211,000	\$452,000	\$599,000	\$697,000	\$795,000	\$795,000	
5 Bimonthly Service Charge	\$1,868	\$3,004	\$2,980	\$3,000	\$7,000	\$13,000	\$18,000	\$23,000	\$23,000	
6 Total Operating Income	\$219,422	\$195,295	\$199,163	\$214,000	\$459,000	\$612,000	\$715,000	\$818,000	\$818,000	
OPERATING EXPENDITURES										
7 Overheaded Operating Labor	\$38,004	\$59,176	\$44,868	\$43,000	\$44,000	\$45,000	\$46,000	\$47,000	\$48,000	3% Projected Incr
8 Electric Power		\$8,000	\$8,000	\$8,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	
9 Other Operating Expenses	\$32,456	\$96,335	\$80,496	\$80,000	\$80,000	\$82,000	\$84,000	\$87,000	\$90,000	3% Projected Incr
10 Purchased Water - NSD - \$1,500/MG					\$128,000	\$146,000	\$159,000	\$173,000	\$173,000	\$1,500 Projected Cost/MG
11 Purchased Water - LGVSD - \$1,500/MG					\$38,000	\$57,000	\$77,000	\$96,000	\$96,000	\$1,500 Projected Cost/MG
12 NSD Contract Operation	\$74,736									
13 Replacement & Enhancement Proj	\$20,317									
14 Total Operating Expenditures	\$165,513	\$163,511	\$133,363	\$131,000	\$135,000	\$334,000	\$370,000	\$407,000	\$411,000	
15 NET OPERATING INCOME (LOSS)	\$53,909	\$31,784	\$65,800	\$83,000	\$324,000	\$278,000	\$345,000	\$411,000	\$407,000	
OTHER SOURCES OF FUNDS										
16 IRWMP Prop 84 Grant - North & South				\$240,000	\$195,000				\$435,000	\$13,800,000
17 Water Smart Grant - South					\$653,000	\$653,000		\$1,306,000		
18 ARRA Grant - North				\$637,000	\$637,000			\$1,274,000		
19 ARRA Grant - South					\$556,000			\$556,000		
20 SRF Loan - North				\$2,182,000	\$2,182,000			\$4,364,000		
21 SRF Loan - South					\$2,637,000	\$2,637,000		\$5,274,000		
22 FRC Trsf for Expansion Local Share		\$133,659		\$499,000				\$632,659		
23 Interest Revenue	\$3,197	\$874	\$1,067	\$0	\$0	\$0	\$6,000	\$9,000	\$13,000	1% ROI
24 IRWMP Prop 50 Grant - NFPD #2		\$188,562	\$53,188							
25 Stone Tree Golf Debt Service	\$250,572	\$250,572	\$250,572	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	\$251,000	
26 FRC Trsf RWF SRF Loan				\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	
27 FRC Trsf for NBWRA				\$115,882	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	
28 FRC Trsf for SRF Expansion Loan					\$160,000	\$647,000	\$647,000	\$647,000	\$647,000	
29 Loan from/(repaid to) Novato	\$230,623	(\$186,026)	\$1,130,501	\$4,359,000	(\$3,064,000)	(\$2,470,000)				
30 Total Other Sources of Funds	\$484,392	\$387,641	\$1,435,328	\$8,305,882	\$4,354,000	\$1,865,000	\$1,051,000	\$929,000	\$933,000	
OTHER USES OF FUNDS										
31 RW Expansion North	\$91,930	\$41,729	\$454,813	\$5,000,000	\$600,000				\$6,188,472	\$13,800,000
32 RW Expansion South			\$586,966	\$3,000,000	\$3,500,000	\$500,000			\$7,586,966	
33 NBWRA	\$150,455	\$75,198	\$133,319	\$115,882	\$125,000	\$125,000	\$125,000	\$0	\$0	
34 Other Capital Improvement Projects	\$72,233				\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
35 RWF SRF Loan Debt Service	\$273,367	\$273,367	\$273,367	\$273,000	\$273,000	\$273,000	\$273,000	\$273,000	\$273,000	
36 RW Exp SRF Loan Debt Service @ 3%					\$160,000	\$647,000	\$647,000	\$647,000	\$647,000	
37 Net Working Capital (Incr) Decr	\$40,855	\$29,131	\$19,446							
38 Total Other Uses of Funds	\$628,840	\$419,425	\$1,467,911	\$8,388,882	\$4,678,000	\$1,565,000	\$1,065,000	\$940,000	\$940,000	
39 Total Cash Generated	(90,539)	0	33,217	\$0	\$0	\$578,000	\$331,000	\$400,000	\$400,000	
40 Cash Balance/(Amount Due Novato)	(\$230,623)	(\$44,597)	(\$1,175,098)	(\$5,534,000)	(\$2,470,000)	\$578,000	\$909,000	\$1,309,000	\$1,709,000	
41 Depreciation Expense	\$133,844	\$160,548	\$163,167	\$166,000	\$326,000	\$408,000	\$418,000	\$418,000	\$418,000	

2.d

MEMORANDUM

To: Board of Directors

January 6, 2012

From: Chris DeGabriele, General Manager 

Subject: Board of Directors Planning Workshop – Key Issues – Employees

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i. Employee Succession Planning/Staffing Update

Attached are two charts and a table showing: 1) the District's history in Full Time Equivalent Employee Count, 2) Full Time Equivalent Employees per 1,000 Services and 3) Staffing Changes at the District from our nadir in 1997 and zenith in 2008 compared to the current staffing level. As the charts and table show, the District has followed the Board's direction in pursuing a smart attrition path as opportunities arise. An update of the District's detailed succession planning chart will be available at the meeting.

Over the next five to eight years, it is likely that the District will see four officers/department heads depart which will provide opportunity for further advancement within the ranks and opportunity for further consolidation of staff.

The District, in my estimation, has an excellent staff and management team. I am requesting that the Board consider further leadership training for Drew McIntyre and Robert Clark within the next five years and suggest that they attend the Water and Wastewater Leadership Center, a one-week program at the University of North Carolina held in early spring each year. While the tuition is expensive, I believe it is worthwhile to prepare these individuals as future leaders of the District. A brochure from the Water and Wastewater Leadership Center is attached.

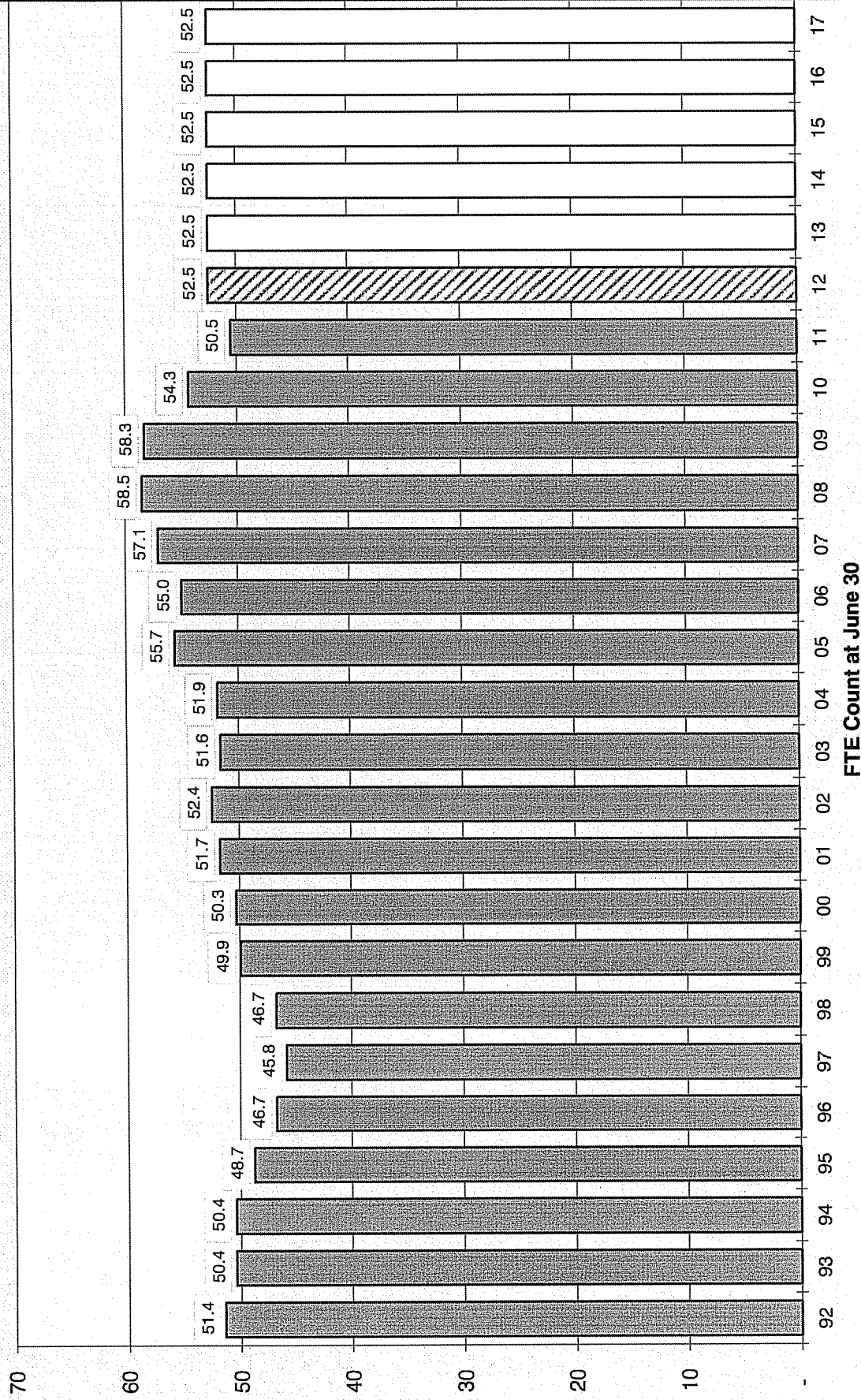
ii. Effective Utility Management Benchmarking

At the January 3 meeting, the Board had an opportunity to receive information on the Self-Assessment conducted pursuant to the Effective Utility Management Survey. I suggested that the District begin collecting benchmark data for the five attributes marked "Most Important". That benchmark data is attached. As District staff begin to explore other agencies' benchmarking efforts, it's likely that this list will be expanded. Staff will also strive to come up with an improvement plan especially in Financial Viability and the Employee Leadership and Development area.

12/30/11

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Full Time Equivalent Employee Count

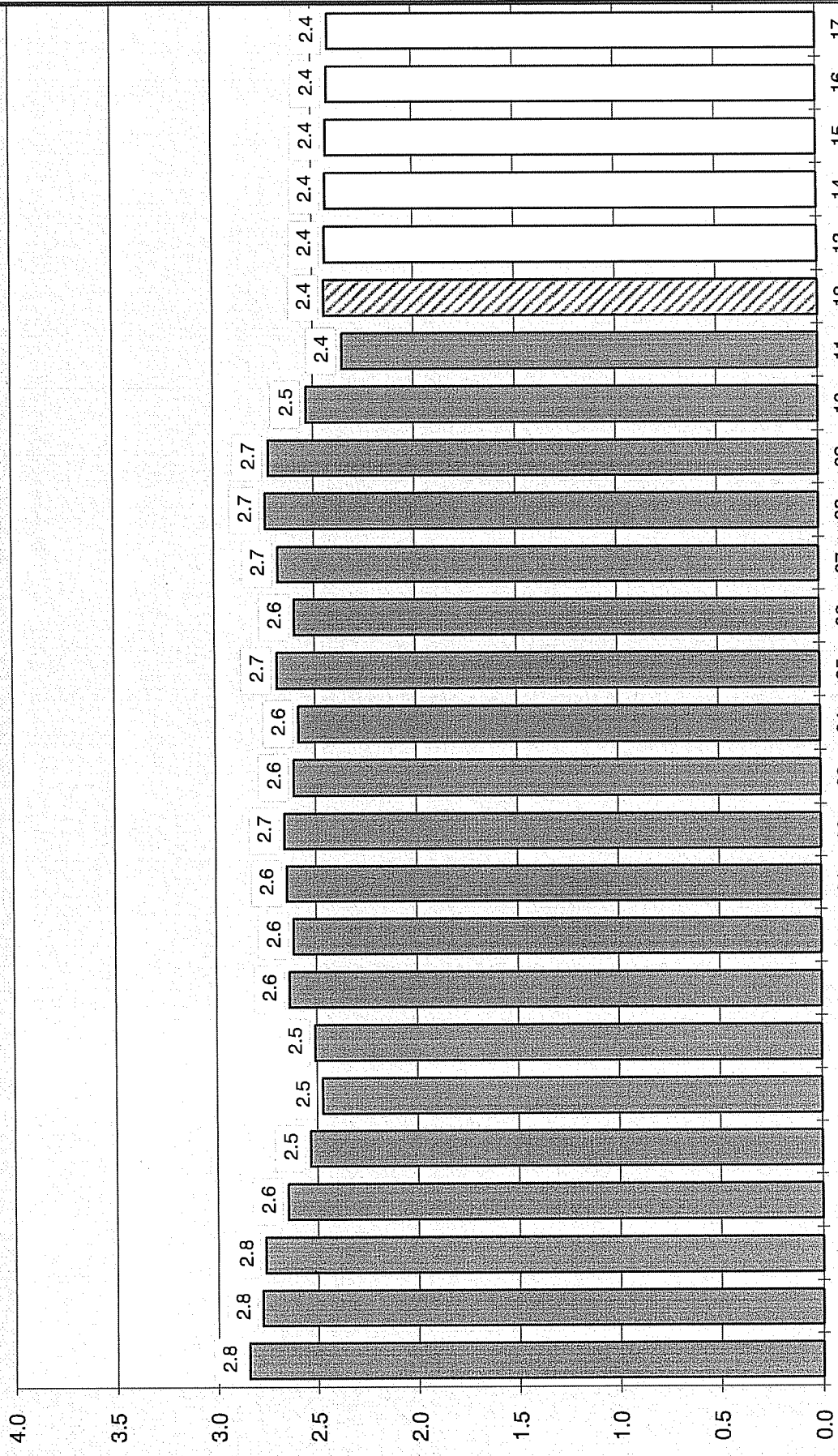


FTE Count at June 30

12/30/11

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Full Time Equivalent Employees per 1,000 Services



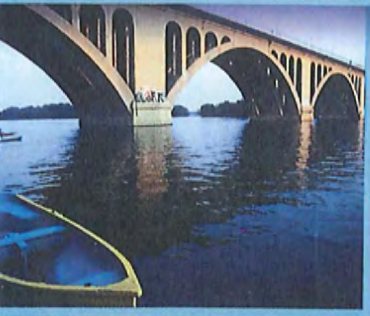
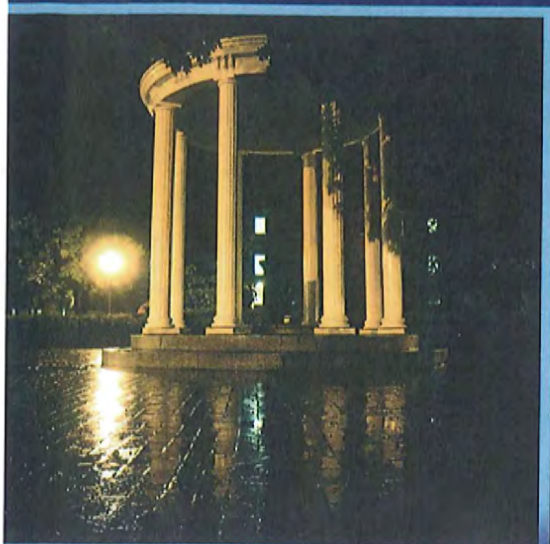
FTE Employees at June 30

Staffing Changes

1/6/12

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	Nadir 6/30/97	Zenith 6/30/08	Current 12/31/11	Increase From '97	% Incr From '97
GM	1.0	1.0	1.0	0.0	0%
Administration	7.0	8.5	6.9	-0.2	-2%
Consumer Acctg	6.7	7.5	7.0	0.3	4%
Construction	12.0	11.0	10.0	-2.0	-17%
Engineering	5.0	9.7	8.7	3.7	73%
Maintenance	6.0	10.0	8.0	2.0	33%
Operations	5.0	6.0	6.0	1.0	20%
Water Quality	3.1	4.8	5.0	1.9	60%
Total - FTE Regular Employees	45.8	58.5	52.5	6.7	15%



2012

Water & Wastewater Leadership Center

February 19—March 2, 2012

Executive Education Designed for Utilities Leaders
at the Kenan-Flagler Business School,
University of North Carolina-Chapel Hill

NACWA



ASSOCIATION OF
METROPOLITAN
WATER AGENCIES



Water Environment
Federation
Preserving & Enhancing
The Global Water Environment



American Water Works
Association

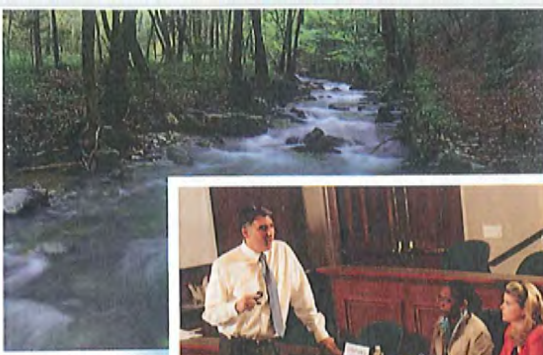


APWA
AMERICAN PUBLIC WORKS ASSOCIATION



NAWC
National Association
of Water Companies





2012 Water & Wastewater Leadership Center

Exceptional leadership is essential for today's water and wastewater utilities to thrive. In support of water and wastewater utilities nationwide — both public and private — the National Association of Clean Water Agencies (NACWA), the Association of Metropolitan Water Agencies (AMWA), the American Water Works Association (AWWA), the Water Environment Federation (WEF), the National Association of Water Companies (NAWC) and the American Public Works Association (APWA) have joined together to advance the Water & Wastewater Leadership Center.

Celebrating more than a decade of executive leadership training, the goal of the Leadership Center is to prepare and develop leaders and management executives at water and wastewater utilities throughout the United States, so these organizations can meet customers' current and future demands with the highest level of service, quality and efficiency.

The Leadership Center consists of an extensive 11-day residential leadership development program, unlimited peer networking, an online resource center, and optional faculty mentoring.

"The Leadership Center was key to my developing a philosophy of leadership that drives my thoughts, attitudes and actions as I strive to improve myself and my utility."

► D. Allen Saxon, Jr.
2005 Alumnus, Assistant Director
for Wastewater Treatment, Augusta
Utilities Department, GA.

"The instructors are top-notch. Everything about the program exceeded my expectations."

► Karen Pallansch
2004 Alumna, General Manager,
Alexandria Sanitation Authority, VA.



The Water & Wastewater Leadership Center curriculum will equip students with enhanced leadership and management skills and the knowledge to develop strategic goals that deliver measurable results.

LEADERSHIP CENTER TRAINING BENEFITS YOU AND YOUR UTILITY

Participants will learn how to better themselves and improve their leadership style. Students will:

- Learn how to think and act like a leader
- Enhance their ability to make decisions and lead confidently
- Develop strategic thinking skills
- Learn to provide leadership in challenging situations
- Understand the changing global economic environment
- Enlarge their perspective on what is possible for their utility
- Increase the focus on results, productivity, and higher levels of achievement
- Broaden their understanding of the evolving utility and its changing business environment

WHO SHOULD ATTEND?

The Leadership Center's curriculum is designed for current and up-and-coming water and wastewater utility leaders including CEOs, General Managers, Senior Managers and upper-level management.

KEY COURSE ELEMENTS DEMONSTRATE LEADERSHIP STRATEGIES THROUGH:

- Utility business assessment, personal performance evaluation and improvement planning
- Self-awareness and assessment
- Preparation of individual action plans
- Examination of challenges facing public utilities in the future
- Discussions on water and wastewater industry topics

ONLINE INFORMATION RESOURCE

Participants have access to the Leadership Center website, which serves as an information network for alumni. The site provides contact information for Center professors and handy program information.

CURRICULUM FOCUSES ON IMPORTANT LEADERSHIP ISSUES SUCH AS:

- Business Culture and Industry Analysis
 - Megatrends, business environment and leadership challenges
 - Potential futures for the water and wastewater industry
 - External challenges to public utilities and the industry
- Leadership and Personal Assessments
- Speaking the Language of Leadership—Effective Communications
- Service Quality
- Crisis Management
- Information Technology
- Leading Change
- Developing Negotiation Skills
- Finance Fundamentals and Innovative Investment Strategies
- The Human Side of Human Resources – Organizational Issues
- Empowerment and Strategic Leadership

"The Leadership Program provided me invaluable management and leadership tools and allowed me to build new relationships and friendships with many of my industry peers from across the country."

► Adel H. Hagekhalil, P.E., BCEE

2002 Alumnus, Assistant Director
Bureau of Sanitation - City of Los Angeles, CA.



Water & Wastewater Leadership Center
 1816 Jefferson Place, NW
 Washington, DC 20036-2505



*****AUTO**MIXED-ADC 800

S1 P15

00036413
 MR. CHRIS D. DEGABRIELE
 NORTH MARIN WATER DISTRICT
 PO BOX 146
 NOVATO CA 94948-0146



TUITION

Tuition for the Water & Wastewater Leadership Center is 12,550. Included with tuition are 11 full days of instruction, curriculum materials, residential accommodations and most meals.

Tuition must be paid in full no later than January 13, 2012.

APPLICATION PROCESS

Applicants should complete and submit the program application and application fee by November 11, 2011. Complete applications include the following:

1. Application form
2. Current resume
3. Letter of intent
4. \$1,000 application fee

Letters of intent should outline the student's reasons for applying to and attending the Leadership Center, describe the applicants current leadership role within his/her agency and outline his/her goals for the future. Completed applications and fees should be sent to **Kelly Brocato, Water & Wastewater Leadership Center, 1816 Jefferson Place, NW, Washington, DC 20036-2505** or e-mailed to kbrocato@nacwa.org.

EARLY APPLICATION IS ENCOURAGED

Students are strongly encouraged to apply early due to the high level of interest in the Leadership Center. Applications are considered in the order in which they are received; however, please note that preference is given to applicants from municipalities based in the United States.

CANCELLATIONS & SUBSTITUTIONS

If a candidate is accepted to the Leadership Center and is unable to attend, an alternate candidate may be nominated before November 11, 2011. Please notify Kelly Brocato, Water & Wastewater Leadership Center Program Manager, at 202-833-1449 immediately if a candidate change is necessary. Cancellations received after November 11, 2011, but before January 13, 2012, will incur 50 percent of the total tuition fees. Substitutions will not be allowed after January 13, 2012. Cancellations after January 13, 2012 will be charged full tuition.

TOP-NOTCH FACILITIES

All classes are held in state-of-the-art facilities at the Paul J. Rizzo Conference Center's Executive Education program at the Kenan-Flagler Business School, University of North Carolina-Chapel Hill.

COMFORTABLE ACCOMMODATIONS

Hotel accommodations will be reserved for all participants at the Paul J. Rizzo Conference Center in Chapel Hill, NC. Participants will have access to laundry facilities, a fully equipped health club, as well as other recreational activities.

TRAVEL PLANNING

Leadership Center participants are responsible for their own transportation costs. The Rizzo Conference Center is approximately 30 minutes from the Raleigh-Durham International Airport and two miles from the main campus of the University of North Carolina. Participants should plan to arrive in Chapel Hill the afternoon of Sunday, February 19, 2012. Departure should be scheduled after 7:00 pm on Thursday, March 1, 2012 or in the morning of Friday, March 2, 2012.

MORE INFORMATION

Kelly A. Brocato
 Leadership Center Program Manager
 Phone: 202-833-1449
 E-Mail: kbrocato@nacwa.org

The Leadership Center is a cooperative venture of the following associations; for additional information please visit:

NACWA
 National Association
 of Clean Water
 Agencies
www.nacwa.org

AMWA
 Association of
 Metropolitan Water
 Agencies
www.amwa.net

WEF
 Water Environment
 Federation
www.wef.org

AWWA
 American Water
 Works Association
www.awwa.org

APWA
 American Public
 Works Association
www.apwa.net

NAWC
 National Association
 of Water Companies
www.nawc.org

EFFECTIVE UTILITY MANAGEMENT

Recommended Attribute-Related Water Utility Benchmarking Measures

1. Product Quality
 - Drinking Water Compliance Rate (%) $100 \times \text{\#days in full compliance} \div 365$
 - Wastewater Treatment Effectiveness Rate (%) $100 \times (365 - \text{\#noncompliance days}) \div 365$

2. Customer Satisfaction
 - Customer Service Complaint Rate $1000 \times (\text{c.s. complaints} \div \text{total \# customers})$
 - Technical Quality Complaint Rate $1000 \times (\text{tech quality complaints} \div \text{total \# customers})$
 - Error Driven Bill Adjustments (%) $100 \times \text{\#error driven bill adjustments} \div \text{total \#bills}$

3. Financial Viability
 - Debt Ratio $\text{Total Liabilities} \div \text{Total Assets}$
 - Cost of Water Service $\text{Cost of Water Service for Typical Customer} \div \text{Compared to Bay Area Retail Water Agencies}$

4. Water Resource Adequacy
 - Per Capita Water Use Reduction $\text{Annual GPCPD} \div \text{Baseline GPCD}$
 - UWMP Identify Water Available for Future (Y/N)
 - % Conserved Water Rate Increasing Trend Each Year

5. Employee & Leadership Development
 - Training Hours per Employee (#) $\text{Total Hours of Formal Training All Employees} \div \text{Total Authorized FTE}$

2.e.

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: District of Distinction Accreditation
t:\acl\word\memo\12\district of distinction.docx

January 6, 2012

RECOMMENDED ACTION: Consider Applying for Accreditation as a District of Distinction
FINANCIAL IMPACT: \$1,000

The July/August edition of California Special District magazine included a story on Novato Fire Protection District, touting NFPD as the first fire district in the California to be internationally accredited by the Commission on Fire Accreditation International (Attachment A). The certification allowed NFPD the opportunity to be recognized by their peer agencies and the Novato community as a special district that meets and exceeds industry standards and best practices.

A comparable program, promoted by the Special District Leadership Foundation, offers a District of Distinction Accreditation program to showcase a special district's "commitment to excellence and transparency." Their brochure is included as Attachment B.

To qualify, a special district must:

- 1) Demonstrate that they undergo regular financial audits and apply any audit recommendations to future years;
- 2) Demonstrate that their operations conform to all statutes and regulations under state law, as reflected in a policies and procedures manual (e.g., governance, ethics, board conduct, district finances, reserves, etc.);
- 3) Demonstrate that all directors and executive staff have received training in governance and are in compliance with ethics training legislation.

A \$1,000 application fee is required, and the initial accreditation is good for two years. Thereafter it may be renewed for \$100 annually.

The December 2011 ACWA Newsletter recognized Cucamonga Valley Water District for their recent District of Distinction award (Attachment C).

Were North Marin Water to apply for and receive the District of Distinction accreditation, it would provide an opportunity to be recognized in the community. We desire direction from the Board on whether this is something staff should pursue.

ATTACHMENT 2.e.

Exceptional public outreach enhances public trust

Novato Fire Protection District



Chief Marc Revere
Novato Fire
Protection District

Novato Fire Protection District has worked tirelessly over the last few years to raise not only the level of service to its community but the community's awareness of the district as well. Novato FPD is the first fire district in the state to be internationally accredited from the Commission on Fire Accreditation International – a recognition that reflects the district has gone above and beyond what is considered best practices for fire agencies. In addition, it has launched a comprehensive public outreach program. The program aims to educate and keep the public updated on what the district is doing, the services it offers and how the public can work to help keep itself safe and proactive on reducing fire risk.

California Special District asked Novato FPD Fire Chief Marc Revere to explain the accreditation process the district went through, why it was important and the results they've seen from launching a public outreach program.

Novato Fire Protection District is the first fire district in California to become an Internationally Accredited Fire Agency from the Commission on Fire Accreditation International (CFAI). What does this accreditation mean?

Achieving accreditation is a reflection that the Novato Fire District meets and exceeds our industry's best practices in all activities, programs and operations. Additionally, it identifies areas of opportunity for continued enhancement of district services and support.

Accreditation ensures we are delivering excellence to the community in every aspect of what we do as a fire and emergency services organization. Currently, there are only 137 agencies worldwide that have the distinction of Accredited Agency status.

Novato Fire Protection District

Established: July 1, 1926
Location: Novato, California (Marin County, 20 miles
North of San Francisco)
Size: 1 Square Miles

Population: 65,000
Annual Budget: \$23,000,000
Website: www.novatofire.org

How did the district achieve this status?

Accreditation is a peer review process similar to other institutional accreditation processes that provides an in-depth review of an organization's service delivery, operations, programs, human resources and financial management. Three documents are evaluated during this review process: the Strategic Plan, the Standard of Cover (SOC), and the Self-Assessment Manual (SAM).

Novato FPD employed the Incident Command System (ICS) to manage the Accreditation Self-Assessment process. More than 30 district personnel participated in various levels of the Self-Assessment Process as branch managers, group supervisors and team members. These members conducted a critical self-assessment process addressing 277 performance indicators specified by CFAI. References were cited and provided to document each of the performance indicators.

In December 2008, Novato FPD revised its strategic plan with input from approximately 65 community stakeholders as well as participation from approximately 24 district members consisting of all ranks and across all functional divisions within the organization. This final document, the 2009-2013 Community Based Strategic Plan, was approved by the Novato FPD Board of Directors and the results were shared with both community and internal stakeholders.

The second document, the All Risk Standard of Cover (SOC) was originally drafted in 2003. The district evaluated the existing SOC and made

revisions to reflect new facilities and resources that had changed since the first edition. Response goals were revised to conform to the guidelines established by the CPSE and best industry practices. This final document was approved by the Fire District Board of Directors and the results were shared with both community and internal stakeholders.

Next, the district applied for and received "Candidate Agency" status as part of the Self-Assessment and Accreditation process. This was the last of three phases in the self assessment process. Receiving "Candidate Agency" status was an indication that Novato FPD had completed its comprehensive SAM and was asking for a team of Peer Assessors to analyze the district's SAM and to arrange a site visit to the district. The purpose of the site visit is for a team of Peer Assessors to verify and validate that the services and functions of the district match the statements that we provided in the SAM and meet industry best practices.

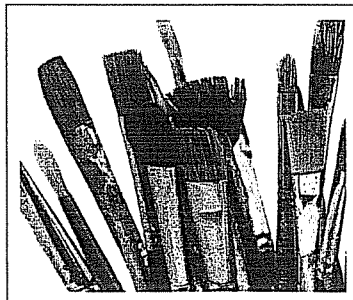
During this phase a third party Peer Review Team was assigned by the CFAI to review all of the self-assessment categories, criteria, and performance indicators within the self-assessment process.

The team made their site visit to Novato. This site visit included a comprehensive review all of the districts references, a tour of the district, personnel interviews, a determination of the adequacy of facilities, apparatus, water supply systems, identified risks and hazards, the training facility and most importantly, verified that what we have indicated we do in the SAM and Standard of Cover is actually what we do as an organization. The Peer Review Team then made its recommendation for accredited agency status to the CFAI.

The district participated in the last phase of the Accreditation process by appearing

continued on page 41

Conference highlight



TUESDAY BREAKOUT SESSIONS

Power, Position, Influence: Leading with Courage and Power, and

Exceptional Public Outreach: Best Practices & Examples You Can Use in Your District



Breakout Session

A
DISTRICTS WORK TOGETHER
of art.



What's so special [continued from page 39]

before the CFAI Commission at the annual International Association of Fire Chief's Conference. This final phase of the process involved the critical review, verification and validation by an 11 member CFAI Commission. The Commission reviewed and concurred with the recommendation, formally approving the district's Accredited Agency. The district was honored at an awards banquet during the conference.

What prompted Novato FPD to initiate its comprehensive public outreach program? Why did the district deem it such a priority?

Novato FPD initiated the program in order to:

- Improve strategic and financial positioning using positive messages of Novato FPD's service and staff excellence.
- Aid the district's desire to improve communications to specific communities within the Novato FPD.
- Educate the community on risk reduction, fire prevention and disaster preparedness.
- Reinforce the positive perception of the Novato FPD as a service entity.
- Reinforce the positive perception of Novato FPD as an employer.
- Increase public knowledge of the services available through the Novato FPD.
- Build relations with at-risk constituencies (elderly, special needs populations, youth).
- Enhance financial positioning to position the Novato FPD for future community-supported tax or bond measures.

What does the public outreach program entail?

The program entails:

- An overhaul of the Novato FPD's website.
- Annual Community Newsletters from the Board of Directors.

- Risk reduction mailing brochures and post cards to coincide with seasonal hazards such as wildland fire season, holiday fire season and risk reduction fall prevention.
- Purchasing advertising in the weekly community newspaper to feature Novato FPD employees and risk reduction messages.
- Social media presence, particularly Facebook.
- Consistent media placement of positive, service-oriented stories reinforcing the Novato FPD's commitment to the community.
- Interviewing media reporters to determine their challenges and the types of stories they are looking for their publications.
- Educating the community on risk reduction, fire prevention and disaster preparedness.
- Identifying key community leaders, investing in collaborative relationships with them and their organizations. Developing these leaders as advocates of the Novato FPD.

Novato FPD believed an important first step to launching a public outreach program was to conduct a measurable survey with the public. What sort of information did you hope to gain and why does the district believe a public outreach survey is so significant?

The information we hoped to gain included the community's perception of the Novato FPD as a service provider; whether the community perceived they were getting a good value for the tax money they spent of risk reduction and fire protection; had the community visited the Novato FPD's website and what risk reduction and prevention actions did the community participate in.

The Novato FPD's Board of Directors has embraced the strategic

vision of the public outreach program through their policies and budget prioritization. The program is significant in supporting organizational communication of risk reduction, good stories, good will, and community service as well as employee profiles.

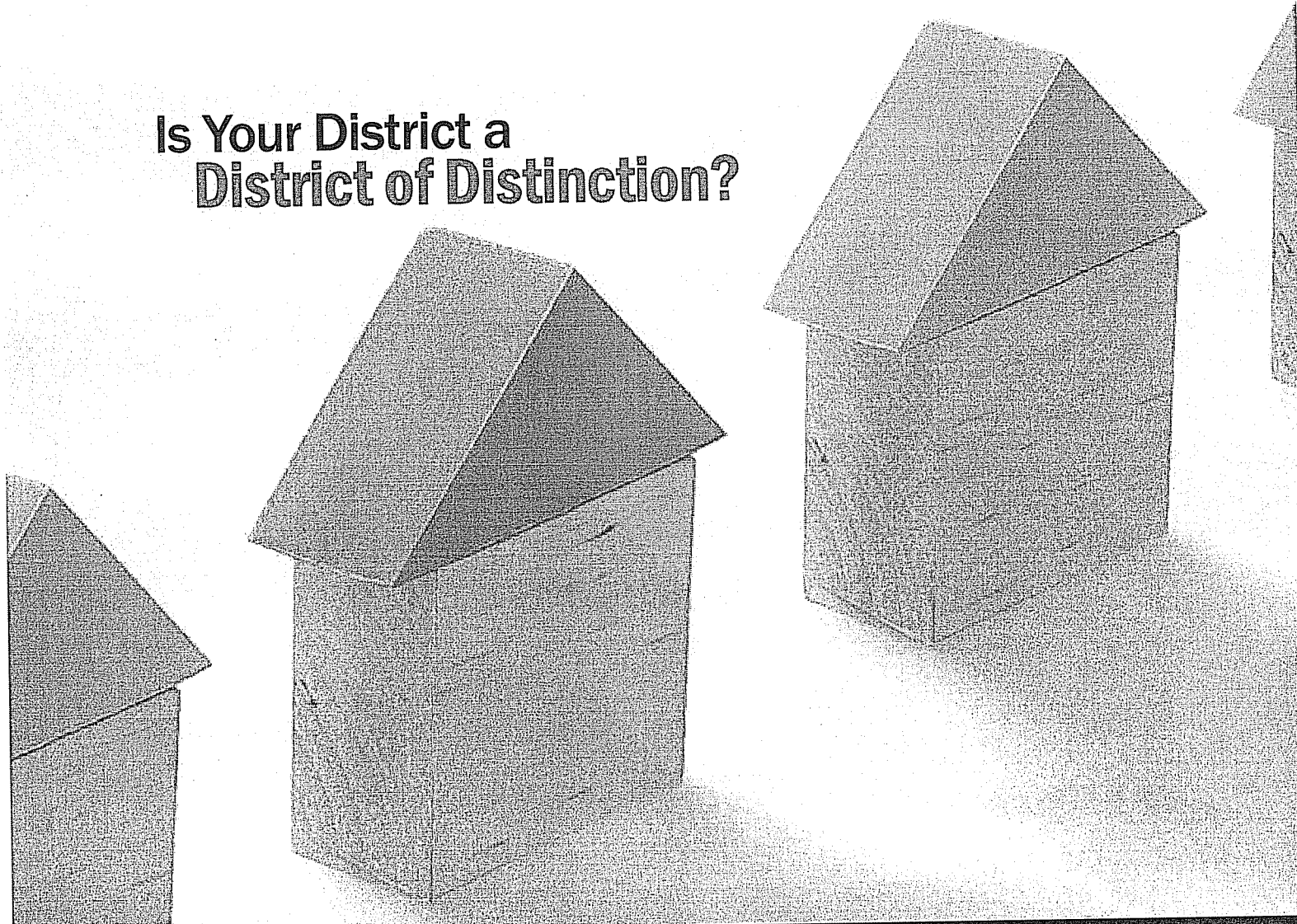
What results have you seen since implementing the program?

We have seen excellent results since implementing the public outreach program. Those include increased community risk reduction activities. Our Community Emergency Response Team participation has increased, attendance at risk reduction classes have increased (First Aid and CPR) and Wildland Urban Interface (WUI) vegetation clearance has increased. As a result of WUI clearance, the size of vegetation fires in the WUI has decreased and no WUI fire losses have occurred, despite half of the homes in the Novato FPD lying in the WUI. We've also seen an enhanced trust in the Novato FPD. An example of this trust includes special needs populations in the community providing detailed personal information to the Novato FPD

We have also seen an increased community perception of the Novato FPD as an excellent service provider. Consistently Novato FPD receives positive community comments in the media and in social media. There has been a lack of negative media stories, and negative public commentary, including commentary on local blogs.

The program has really served to reinforce the community perception that the Novato FPD is well led, well managed and a fiscally responsible government organization. ■

Is Your District a District of Distinction?



DISTRICTS OF DISTINCTION ACCREDITATION

A Program to Showcase Your District's
Commitment to Excellence & Transparency





Dedicated to Excellence in Local Government

Special District Leadership Foundation (SDLF)

In recent years the task of governing public agencies has grown more complex, more regulated and more costly. New, more demanding benchmarks for effective government are required. In response, representatives of eight special district associations combined their resources and formed **SDLF** to provide high-quality, cost-effective professional development opportunities for special district public officials and administrative personnel.

SDLF is a 501(c)(3) nonprofit organization founded in 1999 as a collaborative effort of the special district community. Today it is supported by eight special district associations:

*Association of California Water Agencies
California Association of Public Cemeteries
California Association of Recreation & Park Districts
California Association of Sanitation Agencies
California Rural Water Association
California Special Districts Association
Fire Districts Association of California
Mosquito & Vector Control Association of California*

*The **SDLF** Board of Directors includes a representative from each of these entities, as well as public members with expertise in local government.*



Districts Of Distinction Accreditation

Nearly every California resident benefits from one or more of the essential services — water, sewage treatment, fire protection, parks and recreation, transit, street lighting, mosquito abatement and more — provided by an independent special district. Because of the kind of services they provide, special districts are the form of local government closest to the people they serve. Yet by their specialized nature, special districts are sometimes thought to operate out of public view, which has led to concern and increased scrutiny by the media and the Legislature in recent years.

The Special District Leadership Foundation, a collaborative effort of eight special district organizations, has developed the Districts of Distinction program to help special districts demonstrate publicly their soundness as providers of essential public services.

What is the Districts of Distinction program?

The Districts of Distinction program is an accreditation program that enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a "District of Distinction" by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

Who should apply to be a District of Distinction?

Any California special district that wants to demonstrate publicly the effectiveness of its operations. Applying for this designation shows that your district understands and respects the responsibilities inherent to providing essential public services in a fiscally responsible manner.

What does a district receive for completing the program?

Districts of Distinction earn the right to use the program's seal on district materials and a plaque honoring their accomplishment. SDLF will also write and issue press releases and notify legislators on a district's behalf.

For how long is the designation valid?

The Districts of Distinction designation is valid for two years and may be renewed by submitting a renewal application and a \$100 renewal fee.

How does a district apply?

Districts interested in earning the Districts of Distinction designation must complete the application in this brochure and submit it along with the following documentation:

- A copy of the district's policy manual, including a minute action adopting/reviewing the policies from within the last year;
- Copies of the three most recent audits, including financial statements and management letters; and
- Proof of ethics and governance training for the board of directors and executive staff (at least the general manager).

Applications must also be accompanied by an application fee. The fee is on a sliding scale, based on a district's ability to pay:

District's Annual Budget	Fee
\$0-299,999	\$200
\$300,000-749,999	\$400
\$750,000-999,999	\$600
\$1,000,000-2,999,999	\$800
\$3,000,000 or more	\$1,000

For more information, contact SDLF at 916.231.2939 or visit www.sdlf.org.

Is your district a
District of Distinction?

Districts of Distinction Accreditation

The Districts of Distinction program enables districts to demonstrate to their communities, the media and legislators their commitment to delivering essential public services in a sound and responsible manner. Districts apply for this designation by completing the application and including financial audits, policies and procedures and proof of training received by directors and executive staff.

Financial audits

Districts must demonstrate that they undergo regular financial audits and apply any recommendations to future years.

What to submit:

Copies of the three most recent audits, including financial statements and management letters. Each audit will be reviewed by a member of the Audit Review Committee. Committee members are volunteers from the special district community, including district controllers, directors of finance and general managers.

To volunteer for the Audit Review Committee, contact SDLF at 916.231.2939 or info@sdlf.org.

Policies and procedures

Districts must demonstrate that their operations conform to all statutes and regulations under state law, as reflected in a policies and procedures manual. Policies and procedures should focus on governance, ethics, board conduct, district finances, reserves, etc.

What to submit:

Copy of your district's policies and procedures manual, along with a minute action adopting and/or reviewing the policies from within the past year.

SDLF makes available guidelines for formulating sound policies, adapted from guidelines developed by the Association of California Water Agencies. To receive printed guidelines, contact SDLF at 916.231.2939 or info@sdlf.org, or download the guidelines at www.sdlf.org.

Training

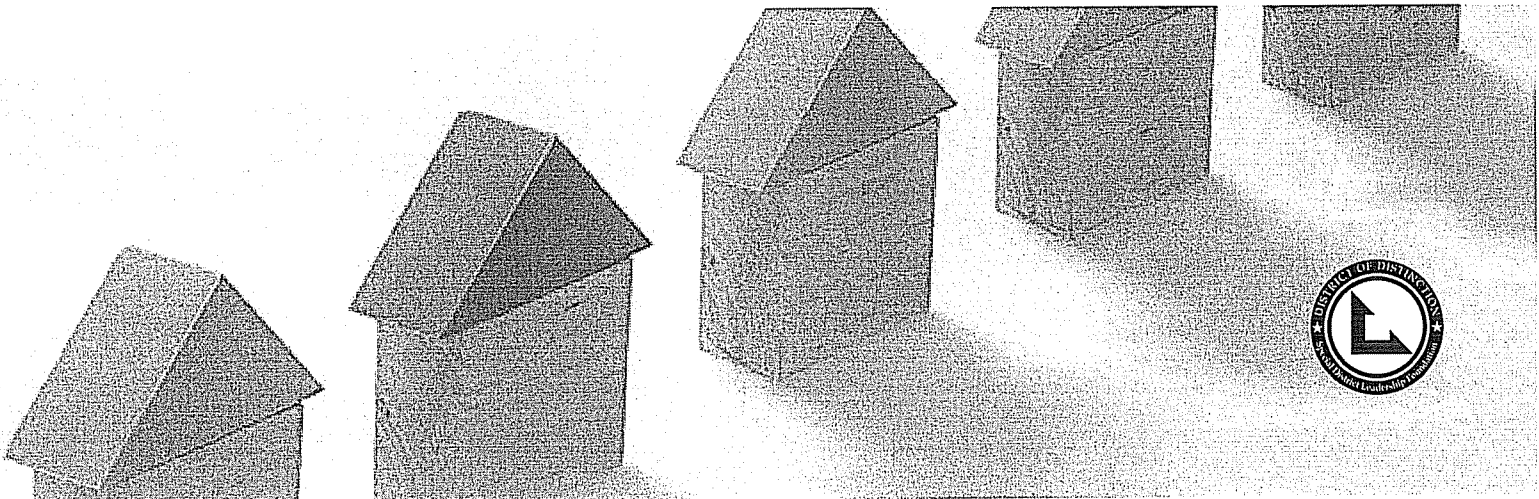
Districts must demonstrate that all directors and executive staff have received training in governance as well as compliance with Assembly Bill 1234, which relates to ethics:

Governance: Six hours of basic governance training within the past five years. Governance Foundations, offered by the CSDA's Special District Leadership Academy, satisfies this requirement. Other courses may qualify as well; contact SDLF for an up-to-date list.

Ethics: As of Jan. 1, 2006, AB 1234 requires two hours of ethics training every two years for elected and appointed members of local government legislative bodies. Any ethics courses that satisfy the requirements of AB 1234 will meet the requirements for Districts of Distinction.

What to submit:

Documentation showing class attendance, such as a certificate of completion, for each board member, general manager and other executive staff members as identified by the board.



APPLICATION

Districts Of Distinction Accreditation

Submit this application along with all required documentation and payment to:

Special District Leadership Foundation
1112 I Street, Suite 200, Sacramento, CA 95814
t: 916.231.2939 f: 916.442.7889 www.sdlf.org

District

Mailing address

City State Zip

Contact name and title

Phone Fax

Email address Website address

Assembly Member(s)*

Senator*

Local newspaper(s)

* Include all state legislators representing the district's area of operation.

Please include the following with this application:

- Board of directors roster
- List of executive staff, including titles
- Copy of current operating budget
- Documentation verifying completion of AB 1234 ethics compliance training by all board members and executive staff
- Documentation verifying completion of governance training by all board members and executive staff
- Copies of the three most recent audits, including financial statements and management letters
- Copy of policies and procedures manual
- Copy of minutes showing the policies and procedures have been reviewed and adopted

Please enclose a check for the application fee. The fee is on a sliding scale, based on a district's ability to pay:

\$0-299,999	\$200
\$300,000-749,999	\$400
\$750,000-999,999	\$600
\$1,000,000-2,999,999	\$800
\$3,000,000 or more	\$1,000

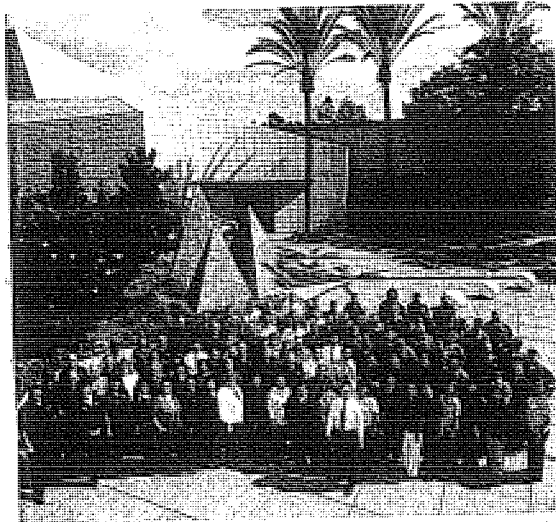
✓ Cucamonga Valley Water District Honored as District of Distinction

Cucamonga Valley Water District received the District of Distinction accreditation by the Special District Leadership Foundation, one of the most prestigious local government awards in the state of California. This award validates the district's commitment to good governance through transparency, and to ethical and sound operating practices.

The district successfully fulfilled a list of requirements involving policies, procedures, continued education and audit standards to receive accreditation. Special districts must demonstrate that all directors and executive staff have received training in governance as well as compliance with Assembly Bill 1234, which relates to ethics.

"CVWD is committed to operating in an open and transparent manner," commented Kathleen J. Tiegs, president of the district's board of directors. "We will continue to achieve our mission for our customers: providing high quality, reliable water service, while being good stewards of both our natural and our financial resources."

Information about the foundation is online at <http://sdlf.org>.



Cucamonga Valley Water District received the Special District Leadership Foundation's District of Distinction accreditation.

3

NO PAPER