



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 January 16, 2018 – 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.

Est. Time	Item	Subject																				
6:00 p.m.		CALL TO ORDER																				
	1.	APPROVE MINUTES FROM REGULAR MEETING , January 2, 2018																				
	2.	GENERAL MANAGER’S REPORT																				
	3.	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.																				
	4.	STAFF/DIRECTORS REPORTS																				
	5.	MONTHLY PROGRESS REPORT w/Customer Service Questionnaire																				
		<div>CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.<table><tr><th><i>Water Service Agreement</i></th><th><u>TYPE</u></th><th><u>DU</u></th><th><u>EU</u></th></tr><tr><td>6. Consent – Approve Chase Bank Water Agreement</td><td>Comm.</td><td>-</td><td>0</td></tr><tr><td>7. Consent – Approve Resolution of Appreciation for NFPD Fire Chief Mark Heine</td><td></td><td></td><td></td></tr><tr><td>8. Consent – Approve Notice of Completion for the Recycled Water Expansion Central Service Area – East Pipeline Project</td><td></td><td></td><td></td></tr><tr><td>9. Consent – Approve San Mateo Tank Inlet/Outlet Project – Notice of Exemption</td><td></td><td></td><td></td></tr></table></div>	<i>Water Service Agreement</i>	<u>TYPE</u>	<u>DU</u>	<u>EU</u>	6. Consent – Approve Chase Bank Water Agreement	Comm.	-	0	7. Consent – Approve Resolution of Appreciation for NFPD Fire Chief Mark Heine				8. Consent – Approve Notice of Completion for the Recycled Water Expansion Central Service Area – East Pipeline Project				9. Consent – Approve San Mateo Tank Inlet/Outlet Project – Notice of Exemption			
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		INFORMATION ITEMS																				
	10.	Update on Polybutylene Service Lateral Population																				
	11.	Ethics Training for Board of Directors and District Officers																				
	12.	2018 Strategic (Long-Range) Plan Development Meetings with Martin Rauch																				
	13.	NBWA Update – January 5, 2018																				
	14.	TAC Meeting – January 8, 2018																				

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)

Est. Time	Item	Subject
	15.	MISCELLANEOUS Disbursements NMWD Board Committee Assignments 2018 Increase in Directors' Compensation Self-Insured Workers' Comp -2nd Quarter Status Report Renewal of Oceana Marin Liability Insurance City of Novato Paving Moratorium Water Agency Board of Directors Appoints Grant Davis as General Manager <u>News Articles:</u> Fire Chief succession on agenda for board California population growth while Marin's shrinks Novato's next fire chief will be internal hire
	16.	CLOSED SESSION: In accordance with California Government Code Section 54957 for Public Employment, Title: Auditor-Controller
7:00 p.m.	17.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 2, 2018

CALL TO ORDER

President Fraites 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, Michael Joly, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Katie Young, and Chief Engineer Rocky Vogler. Auditor-Controller David Bentley was absent.

District employee Tony Arendell (Construction/Maintenance Superintendent) was in the audience.

MINUTES

On motion of Director Baker, seconded by Director Petterle the Board approved the minutes from the previous meeting as amended by the following vote:

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

NOES: None

GENERAL MANAGER'S REPORT

Holiday Party

Mr. McIntyre reminded the Board about the Holiday Party on Saturday at 6pm at Hopmonk Tavern. He noted that about 95 people have responded.

Labor Day at the Lake

Mr. McIntyre stated that he and Robert Clark met with members from a local Rotary Club who are investigating reinstating Labor Day at the Lake. He stated that the group is making outreach to the Fire District, City and County and to the Water District. Mr. McIntyre reminded the Board that fireworks were banned in 2007 after the lake water tested positive for the toxin perchlorate. He noted that during the recent meeting there was a discussion about the group proposing environmentally safe fireworks for NMWD consideration. He provided the club with Pablo Ramudo's contact information for further discussion.

Director Fraites stated that he saw some discussion on this topic in the Novato NextDoor Social Network and Director Baker asked if there was a potential fire hazard. Mr. McIntyre

1 responded that the group is making outreach to the Novato Fire Protection District and County Fire
2 Department as part of their due diligence.

3 Meetings next week

4 Mr. McIntyre stated that there will be a North Bay Watershed Association meeting in
5 Petaluma on Friday, Mr. Vogler and he will attend the Technical Advisory Committee meeting on
6 Monday the 8th and next Saturday the 13th he will be attending the bi-annual Oceana Marin
7 Homeowners Association Meeting.

8 **OPEN TIME**

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

11 **STAFF / DIRECTORS' REPORTS**

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

14 Tony advised the Board of a main leak on Bahama Reef in Bel Marin Keys.

15 **CONSENT CALENDAR**

16 On the motion of Director Petterle, seconded by Director Baker the Board approved the
17 following items on the consent calendar by the following vote:

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

19 NOES: None

20 **AMEND GENERAL SERVICE AGREEMENT – GENTERRA CONSULTANTS**

21 The Board authorized the General Manager to amend the General Consulting Services
22 Agreement between NMWD and Genterra and increase the budget by \$40,000.

23 **NOTICE OF COMPLETION FOR THE RECYCLED WATER CENTRAL PROJECT – WEST**
24 **(GHILOTTI CONSTRUCTION)**

25 The Notice of Completion for the Recycled Water Central Project – West was approved by
26 the Board.

27 **NOTICE OF COMPLETION FOR THE RECYCLED WATER CENTRAL PROJECT – HIGHWAY**
28 **101 CROSSING (ANVIL BUILDERS)**

29 The Notice of Completion for the Recycled Water Central Project – Highway 101 Crossing
30 was approved by the Board.

31 **DISCONTINUE ACCEPTING AMERICAN EXPRESS CREDIT CARDS**

1 The Board approved to discontinue the acceptance of American Express to pay customer
2 water bills. This will save the District \$3,700 annually.

3 **ACTION CALENDAR**

4 **REVISION TO REGULATIONS 4, 7, AND 52 IN COMPLIANCE WITH SB-7 (SUBMETERING)**

5 Mr. McIntyre requested that the Board approved revising Regulations 4, 7 & 52 to require
6 installation of private sub meters in compliance with SB-7. He stated that this new legislation
7 requires new multiunit residential structures and new mixed-use residential and commercial
8 structures to measure the quantity of water supplied to each individual residential dwelling unit. He
9 noted that this legislation was enacted to encourage additional water conservation.

10 Director Fraites asked if sub metering applies to low income housing. Mr. McIntyre
11 responded that there is an exemption for low income housing due to water affordability concerns.

12 Director Joly asked if there was a financial impact to the District to implement the program.
13 Mr. McIntyre responded no. Director Grossi asked if the connection fee would be impacted. Mr.
14 McIntyre responded that connection fees are based on the number of dwelling units and would not
15 change.

16 On motion of Director Petterle, seconded by Director Baker, the Board approved revisions to
17 Regulations 4, 7, and 52 by the following vote:

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

19 NOES: None

20 **BOARD COMMITTEE ASSIGNMENTS ALTERNATES**

21 Director Fraites requested that Board members be assigned as alternates to Board
22 Committee Assignments for 2018. The following members are now alternates for the committees:

23 Novato Watershed Association – Jack Baker

24 Public Policy Facilitating Committee – Jim Grossi

25 Water Advisory Committee – Michael Joly

26 North Bay Water Reuse Authority- Jim Grossi

27 Recycled Water Subcommittee – Steve Petterle

28 Novato Watershed Policy Advisory Committee – Jack Baker

29 On motion of Director Petterle, seconded by Director Baker, the Board approved the
30 alternates for the 2018 calendar year by the following vote:

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

2 NOES: None

3 **MISCELLANEOUS**

4 The Board received the following miscellaneous information: Disbursements and Meter
5 Reading Accuracy.

6 The Board received the following news articles: Reducing wildfire risk at Lake Sonoma,
7 Elaborate effort returns West Marin home to affordable stock, and Pure Water Brewing Alliance
8 inaugurated at WEFTEC with recycled-water beer.

9 **ADJOURNMENT**

10 President Fraites adjourned the meeting at 6:23 p.m.

11 Submitted by
12
13

14
15 Katie Young
16 District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR December 2017
January 16, 2018

1.

Novato Potable Water Prod - RR & STP Combined - in Million Gallons - FYTD

Month	FY17/18	FY16/17	FY15/16	FY14/15	FY13/14	18 vs 17 %
July	331	310	227	319	385	7%
August	303	300	235	301	360	1%
September	292	302	210	276	332	-3%
October	274	203	299	221	313	35%
November	164	144	145	173	229	14%
December	152	148	145	129	182	3%
FYTD Total	1,516	1,406	1,262	1,419	1,800	8%

West Marin Potable Water Production - in Million Gallons - FY to Date

Month	FY17/18	FY16/17	FY15/16	FY14/15	FY13/14	18 vs 17 %
July	9.5	7.9	6.6	8.6	9.3	19%
August	8.8	7.4	7.0	8.5	9.3	19%
September	6.4	6.4	6.4	7.8	8.5	0%
October	7.9	5.2	6.5	5.4	8.0	52%
November	5.4	4.2	4.7	4.6	6.8	29%
December	5.1	3.7	3.9	4.7	6.4	37%
FYTD Total	43.0	34.8	35.2	39.5	48.3	24%

Stafford Treatment Plant Production - in Million Gallons - FY to Date

Month	FY17/18	FY16/17	FY15/16	FY14/15	FY13/14	18 vs 17 %
July	113	70	108	83	98	61%
August	81	90	79	61	83	-10%
September	123	97	38	26	56	27%
October	102	94	50	0	82	9%
November	54	64	58	8	5	-16%
December	0	0	0	0	2	-
FYTD Total	473	415	333	178	326	14%

Recycled Water Production* - in Million Gallons - FY to Date

Month	FY17/18	FY16/17	FY15/16	FY14/15	FY13/14	18 vs 17 %
July	27.7	27.1	21.3	21.8	27.6	2%
August	26.1	26.0	26.2	26.0	26.2	0%
September	25.0	23.5	15.7	19.2	18.6	6%
October	19.1	8.3	15.8	9.4	15.8	130%
November	2.5	1.2	3.2	3.7	6.4	111%
December	0.8	0.4	0.8	1.6	1.6	123%
FYTD Total*	101.2	86.5	83.0	81.6	96.1	17%

*Excludes potable water input to the RW system: FY18=0.8MG; FY17=0.1MG; FY16=6.9MG; FY15=6.9MG; FY14=5.3MG

2. Stafford Lake Data

	December Average	December 2016	December 2017
Rainfall this month	5.12 Inches	4.49 Inches	0.04 Inches
Rainfall this FY to date	10.24 Inches	11.72 Inches	2.78 Inches
Lake elevation*	184.0 Feet	186.4 Feet	179.9 Feet
Lake storage**	643 MG	770 MG	462 MG

* Spillway elevation is 196.0 feet

** Lake storage less 390 MG = quantity available for delivery

Temperature (in degrees)

	Minimum	Maximum	Average
December 2016 (Novato)	41	61	51
December 2017 (Novato)	35	68	51

3. Number of Services

December 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY18	FY17	Incr %	FY18	FY17	Incr %	FY18	FY17	Incr %	FY18	FY17	Incr %
Total meters installed	20,778	20,782	0.0%	56	48	16.7%	789	787	0.3%	-	-	-
Total meters active	20,555	20,536	0.1%	53	44	20.5%	781	781	0.0%	-	-	-
Active dwelling units	24,012	23,979	0.1%	0	0	-	831	830	0.1%	232	231	0.4%

4. Oceana Marin Monthly Status Report (December)

Description	December 2016	December 2017
Effluent Flow Volume (MG)	0.869	0.397
Irrigation Field Discharge (MG)	0.228	0.473
Treatment Pond Freeboard (ft)	5.8	6.8
Storage Pond Freeboard (ft)	5.4	8.4

5. Developer Projects Status Report (December)

Job No.	Project	% Complete	% This month
1.2784.00	Novato Village Senior Apartments	3	1

District Projects Status Report - Const Dept (December)

Job No.	Project	% Complete	% This month
1.7168.00	Center Rd. 6" CIP	98	8

Employee Hours to Date, FY 17/18

As of Pay Period Ending December 31, 2017
Percent of Fiscal Year Passed = 50%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	93	1,400	7%	Construction	2,757	4,920	56%
Engineering	247	1,414	17%	Engineering	1,586	4,000	40%

6. Safety/Liability

	Industrial Injury with Lost Time				Liability Claims Paid	
	Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
FY 18 through December	54	26,472	3	2	1	\$966
FY 17 through December	29	\$15,584	2	2	4	\$1,212

Days without a lost time accident through December 31, 2017 = 65 days

7. Energy Cost

FYE	December			Fiscal Year-to-Date thru December		
	kWh	¢/kWh	Cost/Day	kWh	¢/kWh	Cost/Day
2018 Stafford TP	40,946	19.7¢	\$261	351,349	19.5¢	\$372
Pumping	75,343	20.3¢	\$478	827,115	21.2¢	\$963
Other*	37,998	19.1¢	\$234	268,000	25.6¢	\$379
	154,287	19.8¢	\$957	1,446,463	21.6¢	\$1,716
2017 Stafford TP	35,699	19.2¢	\$221	337,450	18.9¢	\$347
Pumping	58,845	20.2¢	\$396	710,333	20.3¢	\$793
Other*	36,705	21.4¢	\$262	252,218	25.5¢	\$355
	131,249	20.3¢	\$887	1,300,000	21.0¢	\$1,497
2016 Stafford TP	27,456	18.6¢	\$165	317,222	18.3¢	\$316
Pumping	66,616	16.0¢	\$367	650,145	17.5¢	\$632
Other*	33,988	18.7¢	\$220	233,123	24.1¢	\$312
	128,060	17.3¢	\$737	1,200,490	19.0¢	\$1,260

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of December 2017	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	19	73	3,808
Retrofit Certificates Filed	13	127	5,958
Cash for Grass Rebates Paid Out	1	11	896
Washing Machine Rebates	4	13	6,770
Water Smart Home Survey	28	166	3,071

9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	December 2017	December 2016	Fiscal Year to Date 2018	Fiscal Year to Date 2017
PLANNED				
Duration Between 0.5 and 4 hours	8	26	236	120
Duration Between 4 and 12 hours			3	3
Duration Greater than 12 hours				
UNPLANNED				
Duration Between 0.5 and 4 hours	32*	6	29	36
Duration Between 4 and 12 hours	82**		6	16
Duration Greater than 12 hours				1
SERVICE LINES REPLACED				
Polybutylene	5	11	49	63
Copper (Replaced or Repaired)	3		4	11

*28 disruptions for 6-inch main on Albatross

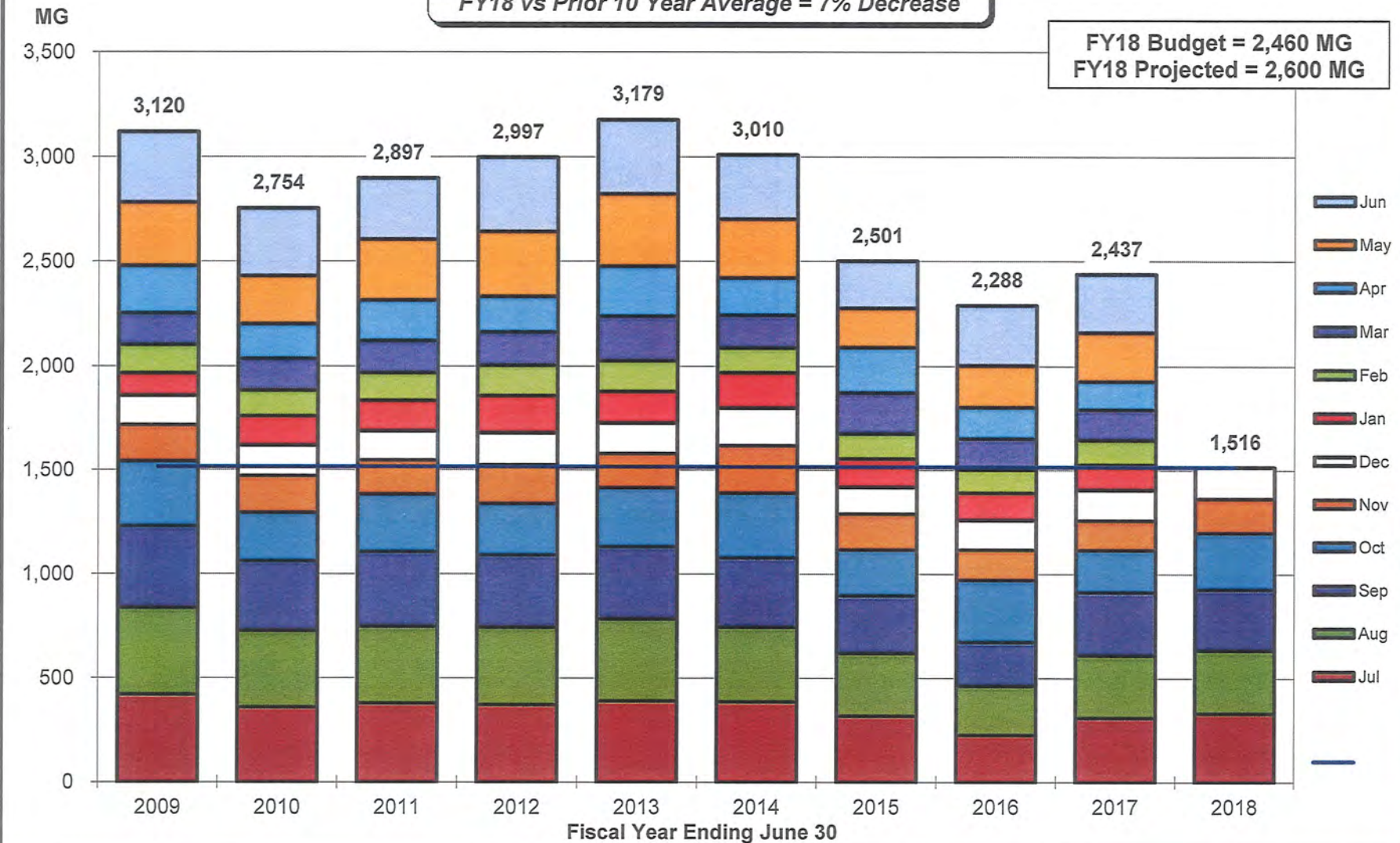
** 12-inch main leak on Bahama Reef

Novato Potable Water Production

t:\acell\wtr use\productn.xls chart - total prod by mo

FY18 vs FY17 = 8% Increase
FY18 vs Prior 10 Year Average = 7% Decrease

FY18 Budget = 2,460 MG
FY18 Projected = 2,600 MG



NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2017

1/10/2018

Type	Dec-17	Dec-16	Action Taken December 2017
<u>Consumers' System Problems</u>			
Service Line Leaks	9	12	Notified Consumer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	6	1	Notified Consumer
Nothing Found	12	6	Notified Consumer
Low Pressure	0	0	~
High Pressure	0	0	~
Water Waster Complaints	0	0	~
Total	27	19	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	0	1	~
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	0	0	~
Water Off/On Due To Repairs	6	5	Notified Consumer
Misc. Field Investigation	0	3	~
Total	6	9	
<u>Leak NMWD Facilities</u>			
Main-Leak	1	0	Repaired
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	10	4	Repaired
Services-Nothing Found	3	1	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	2	1	Repaired
Fire Hydrants-Nothing Found	0	1	~
Fire Hydrants-Damaged	0	1	~
Meter Replacement	0	0	~
Meter Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	5	0	Repaired
Total	21	8	
<u>High Bill Complaints</u>			
Consumer Leaks	8	7	Notified Consumer
Meter Testing	0	0	~
Meter Misread	4	5	Notified Consumer
Nothing Found	21	67	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	1	~
Total	33	80	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2017

1/10/2018

Type	Dec-17	Dec-16	Action Taken December 2017
<u>Low Bill Complaints</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	0	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	0	
<u>Water Quality Complaints</u>			
Taste and Odor	1	3	<i>Customer reported acrid taste in water. (Jennifer Ln)</i> No acrid taste at time of sampling. Other results were normal for NMWD supply. Customer was notified of results.
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	2	4	<i>Customer concerned about mineral deposits. (Andreas Ct)</i> Hardness and other parameters were normal for NMWD supply. Customer was notified of results. <i>Customer concerned about water quality. (Hatch Rd)</i> All results were typical for NMWD supply. Customer was notified of results.
Total	3	7	
TOTAL FOR MONTH:	90	123	-27%
<u>Fiscal YTD Summary</u>			
Consumer's System Problems	224	208	8% Increase in Nothing Found
Service Repair Report	61	74	-18% Decrease In Water On/Off Due to Repairs
Leak NMWD Facility	121	103	17% Increase In Washer Leaks
High Bill Complaints	371	458	-19% Decrease In Nothing Found
Low Bills	1	1	0% ~
Water Quality Complaints	21	26	-19% Decrease In Taste and Odor
Total	799	870	-8%

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders December 2017

1/10/2018

Type	Dec-17	Dec-16	Action Taken December 2017
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	305	265	
<u>Change Meter:</u> leaks, hard to read	8	11	
<u>Possible Stuck Meter</u>	1	0	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	2	1	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	19	24	
<u>Dig Outs</u>	73	36	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc. get meter number, kill service, etc.	0	0	
	408	337	

Bill Adjustments Under Board Policy:

December 17 vs. December 16

Dec-17	22	\$8,817
Dec-16	43	\$11,620

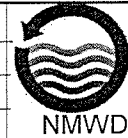
Fiscal Year vs Prior FY

17/18 FY	235	\$100,572
16/17 FY	324	\$105,817

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Customer Service Questionnaire Quarterly Report

Quarter Ending 12/31/17



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Response				Response			
Water Quality	Agree	Neutral	Disagree	Pressure	Agree	Neutral	Disagree
Courteous & Helpful	2			Courteous & Helpful	3		
Accurate Information	2			Accurate Information	3		
Prompt Service	2			Prompt Service	3		
Satisfactorily Resolved	2			Satisfactorily Resolved	3		
Overall Experience	2			Overall Experience	3		
	10	0	0		15	0	0
Leak	Agree	Neutral	Disagree	Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	19	1		Courteous & Helpful			
Accurate Information	19	1		Accurate Information			
Prompt Service	19	1		Prompt Service			
Satisfactorily Resolved	17	3		Satisfactorily Resolved			
Overall Experience	19	1		Overall Experience			
	93	7	0		0	0	0
Billing	Agree	Neutral	Disagree	Other	Agree	Neutral	Disagree
Courteous & Helpful	10	1		Courteous & Helpful	1		
Accurate Information	9	2		Accurate Information	1		
Prompt Service	10	1		Prompt Service	1		
Satisfactorily Resolved	9	2		Satisfactorily Resolved		1	
Overall Experience	10	1		Overall Experience	1		
	48	7	0		4	1	0
Grand Total				Grand Total			
					170	15	0
					92%	8%	0%
				Questionnaires Sent Out	82	100%	
				Questionnaires Returned	37	45%	

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Issues NMWD Should Address In The Future	
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[illegible]

MEMORANDUM

To: Board of Directors

January 12, 2018

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for December 2017

t:\aclword\invest\18\investment report 1217.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$13,490,112 and a market value of \$13,461,929. During December the cash balance decreased by \$503,481. The market value of securities held decreased \$28,183 during the month. The ratio of total cash to budgeted annual operating expense stood at 87%, down 3% from the prior month.

At December 31, 2017, 28% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 28% in Time Certificates of Deposit, 22% in Federal Agency Securities, 15% in US Treasury Notes, 7% in the Marin County Treasury, and 1% retained locally for operating purposes. The weighted average maturity of the portfolio was 230 days, compared to 184 days at the end of October. The LAIF interest rate for the month was 1.24%, compared to 1.17% the previous month. The weighted average Portfolio rate was 1.21%, compared to 1.15% the previous month.

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
December 31, 2017

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	12/31/2017 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$3,731,854	\$3,728,280	1.24% ³	28%
Time Certificate of Deposit								
TCD	Wells Fargo Bank	n/a	3/23/16	3/23/18	248,000	248,000	1.10%	2%
TCD	Mercantil Commerce Bank	n/a	6/17/16	6/15/18	248,000	248,000	1.00%	2%
TCD	Customers Bank	n/a	6/24/16	6/25/18	248,000	248,000	1.20%	2%
TCD	Merrick Bank	n/a	7/19/16	7/19/18	249,000	249,000	1.00%	2%
TCD	BMO Harris Bank	n/a	8/18/16	8/17/18	248,000	248,000	1.05%	2%
TCD	Ally Bank	n/a	10/4/16	9/28/18	248,000	248,000	1.15%	2%
TCD	Everbank	n/a	11/17/16	11/15/18	248,000	248,000	1.20%	2%
TCD	Investors Bank	n/a	12/16/16	12/17/18	248,000	248,000	1.35%	2%
TCD	Capital One Bank	n/a	7/19/17	7/19/19	247,000	247,000	1.70%	2%
TCD	Capital One NA	n/a	8/9/17	8/9/19	247,000	247,000	1.70%	2%
TCD	American Express FSB	n/a	9/6/17	9/6/19	247,000	247,000	1.75%	2%
TCD	Goldman Sachs Bank USA	n/a	10/11/17	10/11/19	247,000	247,000	1.70%	2%
TCD	Morgan Stanley Private Bank	n/a	11/22/17	5/22/19	248,000	248,000	1.60%	2%
TCD	Morgan Stanley Bank	n/a	11/9/17	11/12/19	247,000	247,000	1.75%	2%
TCD	American Express Centurion	n/a	12/5/17	12/5/19	247,000	247,000	1.90%	2%
					\$3,715,000	\$3,715,000	1.41%	28%
US Treasury Notes								
Treas	1,000 - 1.375%	n/a	11/17/16	12/31/18	\$1,003,242	\$995,352	1.05%	7%
Treas	1,000 - 1.50%	n/a	1/10/17	2/28/19	1,003,081	995,742	1.23%	7%
					\$2,006,323	\$1,991,094	1.14%	15%
Federal Agency Securities								
FICO	0.86% MTN	n/a	4/22/16	5/11/18	\$1,013,894	\$1,010,839	0.85%	8%
FNMA	0.875% MTN	n/a	7/19/16	7/27/18	999,632	995,460	0.97%	7%
FHLB	1.625% MTN	n/a	11/21/17	6/14/19	999,489	997,336	1.65%	7%
					\$3,013,015	\$3,003,635	1.16%	22%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$898,508	\$898,508	0.75%	7%
Other	Various	n/a	Various	Open	125,413	125,413	0.41%	1%
TOTAL IN PORTFOLIO					\$13,490,112	\$13,461,929	1.21%	100%

Weighted Average Maturity = **235 Days**

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit, Treas: US Treasury Notes with maturity of 5 years or less.

FICO: Financing Corporation, FNMA: Federal National Mortgage Association, FHLB: Federal Home Loan Bank

Agency: STP State Revolving Fund Loan Reserve.

Other: Comprised of 4 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

1 Original cost less repayment of principal and amortization of premium or discount.

2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.

3 Earnings are calculated daily - this represents the average yield for the month ending December 31, 2017.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Loan	6/30/06	2/28/24	\$3,612,640	\$1,411,400	2.40%
Employee Housing Loans (5)	Various	Various	934,200	934,200	Contingent
TOTAL INTEREST BEARING LOANS			\$4,546,840	\$2,345,600	

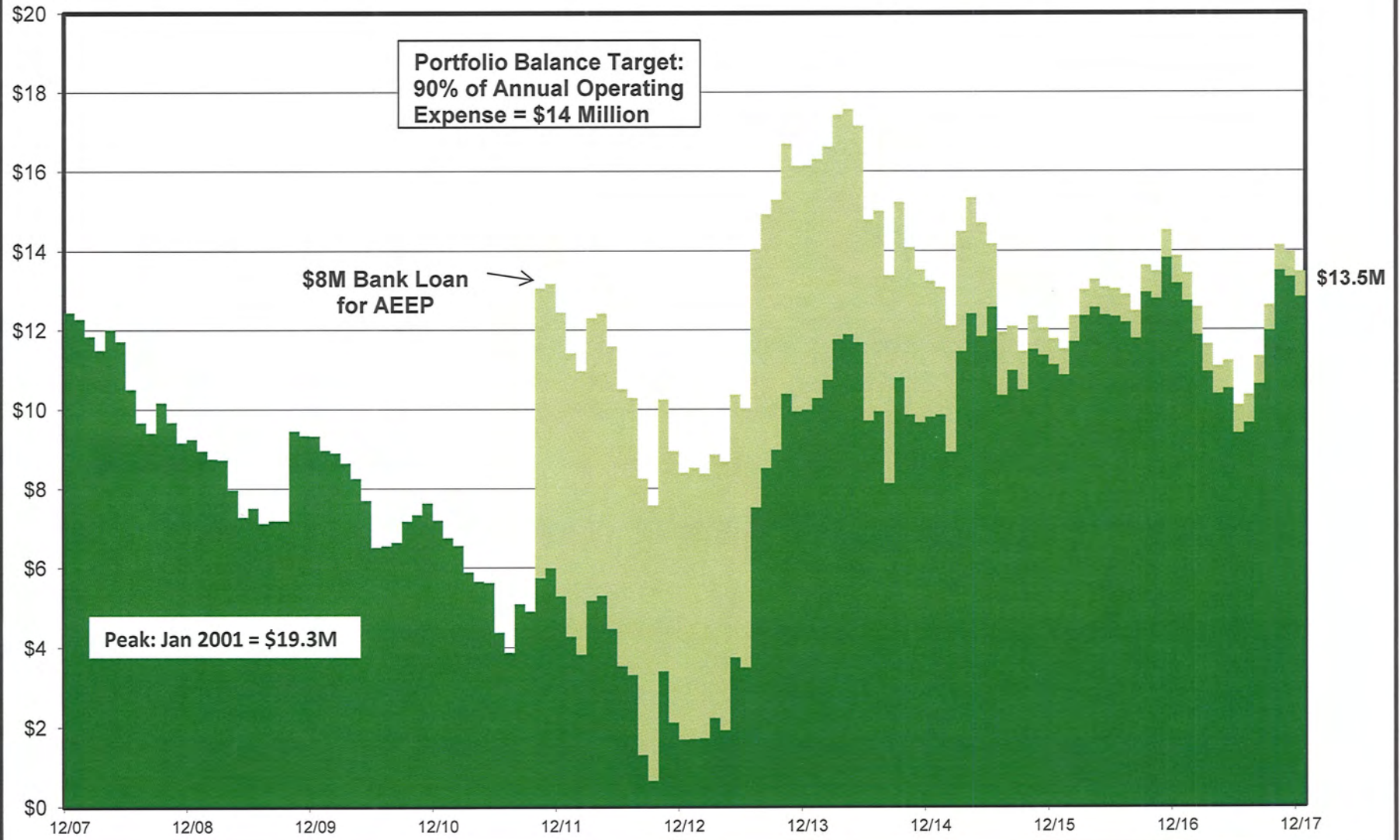
The District has the ability to meet the next six months of cash flow requirements.

1/12/2018

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NMWD Portfolio Balance 10-Year History

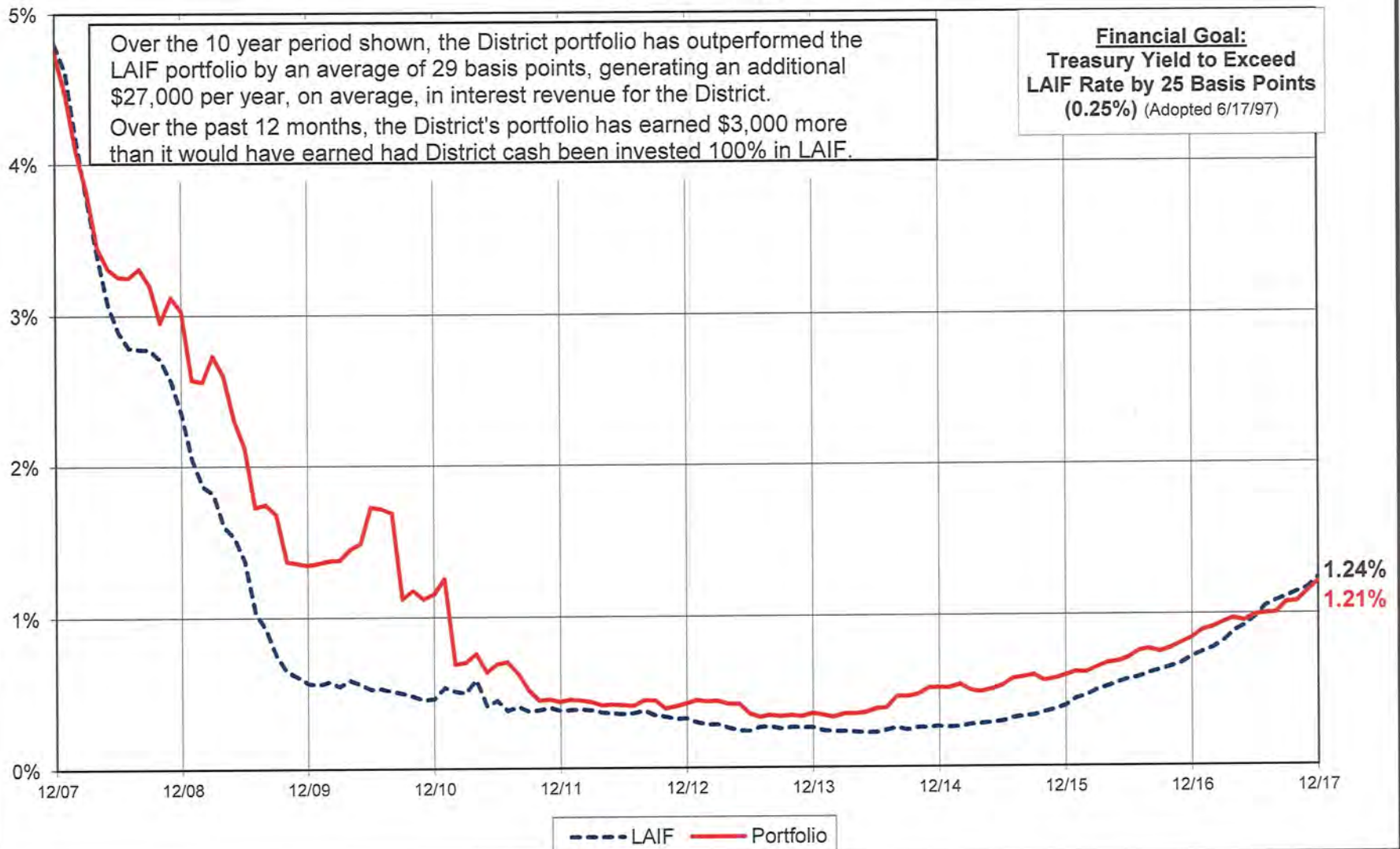
Million



1/12/2018

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NMWD Portfolio Rate of Return State of CA Local Agency Investment Fund vs District Portfolio 10-Year History




6

MEMORANDUM

To: Board of Directors

January 12, 2018

From: Rocky Vogler, Chief Engineer 

Subject: Water Service Agreement – Chase Bank- 402 Ignacio Boulevard
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RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

The Chase Bank - 402 Ignacio Boulevard project is a 3470 square foot (SF) building replacement, in a shopping center on an 8.08 acre parcel – APN 160-190-13 (see attached map). Domestic water service is currently being provided from the existing 1-inch meter (Service No. 15741) and will remain in service. Irrigation demands will be moved to an existing irrigation meter serving the shopping center (service No. 42684). This agreement will provide a new fire hydrant and a new 6-inch fire protection service to the new building.

New water facilities required include 180 feet of 6-inch PVC main, 5 feet of steel main, one 6-inch fire service and one commercial fire hydrant. The building will receive normal pressure Zone 1 water. Future water demand is estimated to be three equivalent dwelling units (EDU). The existing domestic water service was installed October 19, 1981 to serve a commercial building (Bank of Marin). Facility Reserve Charges (FRC) for three units were collected at that time. This project will add no new water demand. Therefore no additional FRCs are required.


Sanitary sewer service will continue to be provided by Novato Sanitary District.

Environmental Document Review

This project has been determined by the City of Novato to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15302 – Replacement and Reconstruction.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM 

Date 1.12.18

RESOLUTION NO. 18-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
PACHECO PLAZA CENTER, LLC

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Pacheco Plaza Center, LLC, an California limited liability company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 402 Ignacio Boulevard, Marin County Assessor's Parcel Number 160-190-13, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 16th day of January, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
CHASE BANK – 402 IGNACIO BOULEVARD

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2018, by and between NORTH MARIN WATER DISTRICT, herein called "District," and PACHECO PLAZA CENTER, LLC, A California limited liability company, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 160-190-13 and the project known as CHASE BANK – 402 IGNACIO BOULEVARD, consisting of one (1) lot for commercial development; and

WHEREAS, prior to final approval by the City or County of a Subdivision Map, Precise Development Plan, Parcel Map or other land use application and recording of a final map for the project, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to each lot, unit or parcel of the project;

WHEREAS, the Applicant is the owner of real property in the District commonly known as 402 Ignacio Boulevard, Novato (Marin County Assessor's Parcel 160-190-13); and

WHEREAS, the District established water service to the Pacheco Plaza Shopping Center (160-190-11) in 1966; and

WHEREAS, the District established water service to a commercial pad within the shopping center known as 400 Ignacio Blvd. on October 19, 1981 for a 1-inch meter; and

WHEREAS, the 400 Ignacio Blvd. building is now known as 402 Ignacio Blvd. and the shopping center parcel number has changed from 160-190-11 to 160-190-13; and

WHEREAS, in 1981 fees were collected for three (3) Facility Reserve Charges for said commercial building establishing an entitlement of there (3) EDUs, and;

WHEREAS, future water use is estimated to not exceed three (3) EDUs, and;

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 5 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2812.001, entitled, "CHASE BANK – 402 IGNACIO BOULEVARD", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 5 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

Initial Charges			
Meter Charges (Domestic) (Included in Estimated District Costs)	One 1-inch @	\$ 0.00	\$ 0.00
Meter Charges (Fire Service) (Included in Estimated District Costs)..	One 1-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges	One @	\$ 1,055.00	\$ 1,055.00
Facilities Reserve Charges (EDUs domestic only).....	Three @	\$ 28,600.00	\$ 85,800.00
Credit for Existing Services To Be Removed			
(1 RFC and 3 EDUs).....	@	\$ <86,855.00>	\$ <86,855.00>
Subtotal - Initial Charges.....			\$ 0.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 15,081.00
District Construction Labor.....	\$ 17,331.00
Engineering & Inspection.....	\$ 5,833.00
Bulk Materials.....	\$ 571.00

Subtotal –Estimated District Costs..... \$ 38,816.00

Estimated Applicant Installation Costs

Installation Labor.....	\$ 15,894.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 0.00
Bulk Materials.....	\$ 9,646.00

Subtotal- Estimated Applicant Installation Costs..... \$ 25,540.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 64,356.00

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. Financial Arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 38,816**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 25,540** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 6,385** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable

letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$ 25,540** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

6. The applicant shall not resell any water furnished pursuant to this agreement. If multiple services from a single connection to the District's system through a master meter are allowed pursuant to District Regulation 4(b) the Applicant shall not submeter the individual services. The District's bills for water measured by a master meter shall be paid by the Applicant or a responsible homeowner's association. If a rental unit served through a master meter is converted into a separately owned unit the District may require the installation of a separate connecting main and meter for water service to the unit at the cost of the owner of the unit.

7. Water service through the facilities to be installed pursuant to this agreement will not be furnished to any building unless the building is connected to a public sewer system or to a waste water disposal system approved by all governmental agencies having regulatory jurisdiction. This restriction shall not apply to temporary water service during construction.

8. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f.

9. The District has determined that recycled water may be supplied for irrigation in the future and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main when it becomes available. In the interim, potable water shall be supplied through a potable irrigation water meter with a reduced pressure principle backflow device. When recycled water becomes available, the irrigation system will

be connected to the recycled water distribution main per District requirements at the time the connection is made.

10. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 5 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

11. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

12. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Rick Fraites, President

Katie Young, Secretary

(SEAL)

PACHECO PLAZA CENTER, LLC
A California Limited Liability Company
"Applicant"

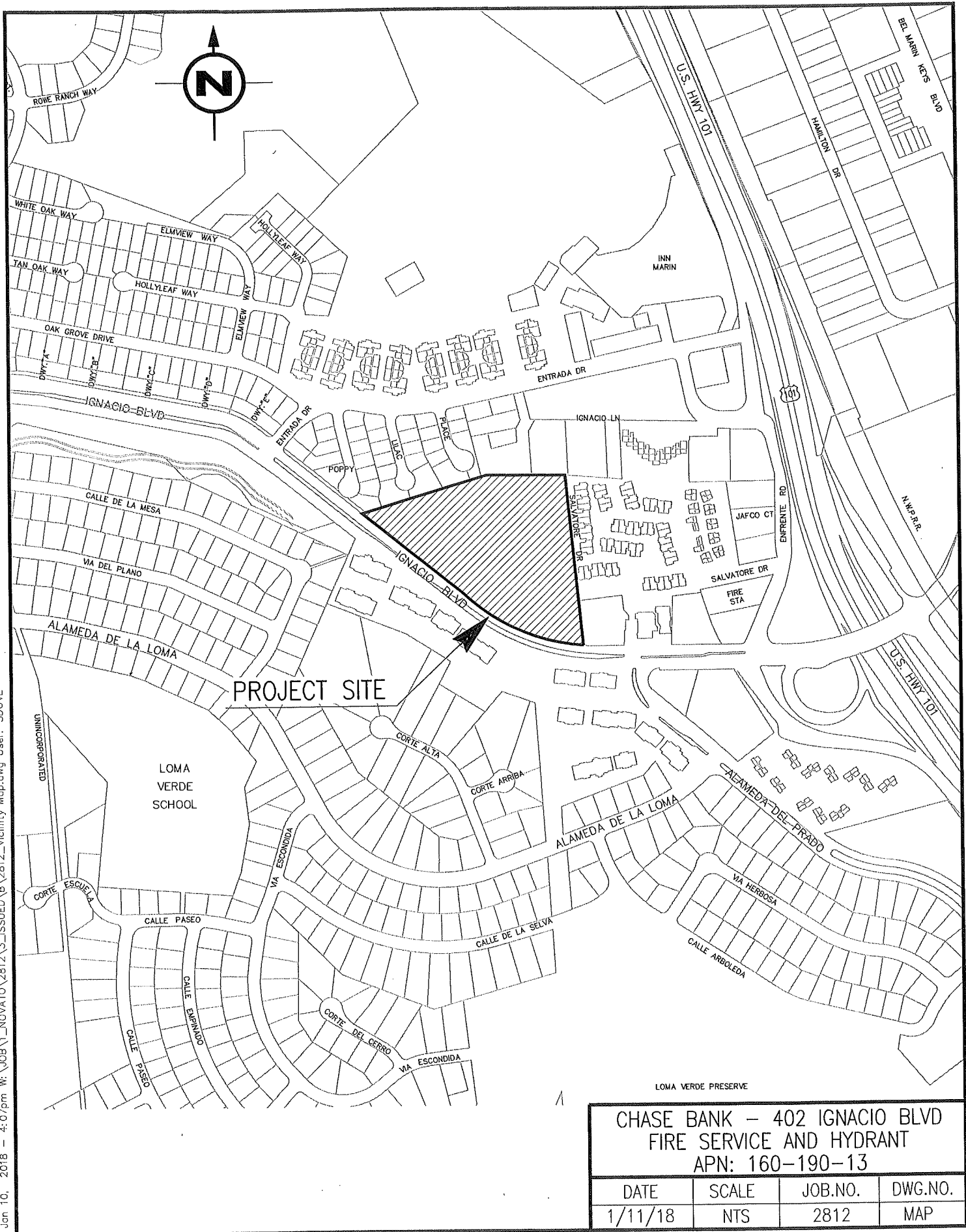
(SEAL)

John H. Kieckhefer, Manager

NOTES: *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void. If thereafter a new agreement is requested, it shall incorporate the Initial Charges (connection fees) and cost estimates then in effect.

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.



CHASE BANK - 402 IGNACIO BLVD
FIRE SERVICE AND HYDRANT
APN: 160-190-13

DATE	SCALE	JOB.NO.	DWG.NO.
1/11/18	NTS	2812	MAP

7

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, General Manager
Subj: Resolution of Appreciation for Mark Heine
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January 12, 2018


RECOMMENDED ACTION: Board Approve the Resolution of Appreciation to Mark Heine

FINANCIAL IMPACT: None

Mark Heine is leaving after 32 years of employment with the Novato Fire Protection District. Thus it is appropriate to convey appreciation for Mark's years of service to the District and adopt the attached resolution of appreciation.

RECOMMENDED ACTION:

Board adopt the resolution of appreciation to Marc Heine retiring after 32 years of employment with the Novato Fire Protection District.

Approved by GM 

Date 1.12.18

Resolution 18-XX
North Marin Water District
Resolution of Appreciation
to
Mark Heine

Whereas:

Mark Heine was employed by the Novato Fire Protection District in 1986 as a firefighter/paramedic and rose through the ranks and served as Fire Chief of the Novato Fire Protection District since 2013; and

Whereas:

Mark Heine's performance as Chief of the Novato Fire Protection District has been outstanding, marked by his knowledge, commitment, innovation, and service to the Novato community; and

Whereas:

The Novato Fire Protection District, under Mark Heine's direction, has maintained the highest levels of fire suppression, fire prevention, and emergency medical services at the most efficient cost to Novato residents; and

Whereas:

The Novato Fire Protection District, under Mark Heine's direction has consistently coordinated its operations closely with the other Novato area local agencies including the City of Novato, Novato Sanitary District, Novato Unified School District and North Marin Water District; and

Whereas:

Mark Heine has been active in Novato community organizations and has demonstrated his diligence, integrity, personal dedication and wit in service to the Novato Fire Protection District's customers and citizen clients; and

Whereas:

Mark Heine is retiring after thirty-two years of service with the Novato Fire Protection District.

Be It Therefore Resolved:

The Directors of the North Marin Water District express their deep appreciation for the commendable manner in which Mark Heine has performed his responsibilities as Fire Chief of the Novato Fire Protection District, and for the perseverance, integrity and leadership he has demonstrated, and wish him the best in his retirement and all the good things that life can bring.

Dated at Novato, California
This sixteenth day of January 2018

Rick Fraites, President
North Marin Water District

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the sixteenth day of January by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)

8

MEMORANDUM

To: Board of Directors
From: Rocky Vogler, Chief Engineer *RW*
David Jackson, Associate Engineer *AJ*
Subject: Notice of Completion for Recycled Water Expansion Central Service Area – East Pipeline Project (Mountain Cascade Inc.)

R:\Folders by Job No\6000 Jobs\6058 RW Central\BOD Memos\6058 30 East Pipeline Notice of Completion BOD memo.docx

January 12, 2018

RECOMMENDED ACTION: Authorize the General Manager to execute and file a Notice of Completion for the Recycled Water Expansion Central Service Area – East Pipeline Project.

FINANCIAL IMPACT: None

Pursuant to and in conformance with contract requirements for the Recycled Water Expansion Central Service Area – East Project, the contractor (Mountain Cascade Inc.) has fulfilled their obligations under the contract. Corrections of all work deficiencies and punch list items have been completed. All work performed by Mountain Cascade Inc. (MCI) has been inspected by District staff, construction manager (Covello Group.), consultants (Miller Pacific Engineering and Environmental Science Associates), and the City of Novato. MCI's work was completed on July 28, 2017.

Per the Contract Documents, MCI has furnished written notice that the work is complete, that all subcontractors and equipment suppliers have been paid, and MCI has released the District of all claims (**see Attachment A**). Therefore the remaining payment due to MCI as of this Board meeting date is \$425,722.88. A Notice of Completion is provided as **Attachment B** which, if approved, will be filed with Marin County on January 18, 2018. Final payment (for monies held in retention) in the amount of \$425,722.88 will be processed for release on or about February 19, 2018, subject to absence of any claims filed during the 30-day notice period.

Project Cost Summary

The Board approved the award of the East project contract with MCI on September 20, 2016 for \$3,520,219, and included a contingency of \$300,000 (9% of contract value). On October 3, 2017, the Board approved an increase to the contingency of \$60,000 (1.7% of contract value). An additional contingency increase of \$65,000 (total combined contingency = \$425,000) was approved at the December 19, 2017 Board meeting in order to provide sufficient funding to address any amounts included in the final balancing change order. The total contractor payment is \$3,910,435.80, \$34,783.20 less than the approved budgeted amount (including contingency).

RECOMMENDATION

Authorize the General Manager to execute and file a Notice of Completion for the Recycled Water Expansion Central Service Area – East Project.

Approved by GM *[Signature]*

Date *1/12/18*

CONDITIONAL WAIVER
RELEASE AND CERTIFICATE OF FINAL PAYMENT

TO: North Marin Water District (District)

JOB: 5 6058.30

CONTRACT DATED: October 4, 2016

CONTRACTOR:
Mountain Cascade Inc.
555 Exchange Ct.
Livermore, CA 94551

DESCRIPTION OF PROJECT: Includes construction of 1.9 miles of recycled water pipeline including approximately 7,300 feet of 16-inch PVC pipe, 2,300 feet of 12-inch PVC pipe, and approximately 750 feet of 16-inch welded steel pipe across the Novato Creek Bridge.

DESCRIPTION OF SITE (LOCATION): This portion of the work is generally bounded by Davidson St. on the North, Vintage Way (Costco) on the South, the Novato Sanitary District Treatment Plant on Rowland Blvd. on the East, and Highway 101 on the West.

With reference to said contract, as amended, between the undersigned contractor and the District, the undersigned hereby certifies and represents that it has made full payment of all costs, charges and expenses incurred by it or on its behalf for work, labor, services, materials and equipment supplied to the foregoing site and/or used in connection with its work under said contract.

The undersigned further certifies that to its best knowledge and belief, each of its subcontractors and materialmen has made full payment of all costs, charges and expenses incurred by them or on their behalf for work, labor, services, materials and equipment supplied to the foregoing site and/or used by them in connection with the undersigned's work under said contract.

In consideration of the sum of \$425,722.88 as final payment under the contract to be received hereafter within a reasonable time, the undersigned, upon receipt of such final payment, waives and releases and forever discharges the District and the site and property from all claims, stop notices and obligations of every nature arising out of or in connection with the performance of said contract by the undersigned and all amendments thereto except as set forth below.

1. NONE

(Note: If none, write "NONE" in space above. If the space above is left blank, it is interpreted that "NONE" is claimed. Any claims excepted must be described and the specific amount claimed must be set forth.)

Unless any claims, stop notices, and obligations are described, and the specific amounts claimed, are described in the space above, contractor certifies that there are none.

As additional consideration for the final payment the contractor agrees to indemnify and hold harmless the District from and against all costs, losses, damages, claims, causes of action, judgments and expenses, including attorney's fees arising out of or in connection with claims against the District which claims arise out of the performance of the work under the contract and which may be asserted by the contractor or any of its suppliers, subcontractors of any tier or any of their representatives, officers, agents or employees except for those claims listed above.

The foregoing shall not relieve the undersigned of its obligations under the provisions of said contract, as amended, which by their nature survive completion of the work including, without limitation, warranties, guarantees and indemnities.

Executed this 2nd day of January 20 18

Please attach appropriate
notarial certificate

(Mountain Cascade Inc.)

By: Shawn Hammond

Title: Sr. PM

Distribution:

Original
Copy

Contractor
Job File

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ATTACHMENT A

Posting requested by:

NORTH MARIN WATER DISTRICT

After Posting Time has Expired Mail To:

North Marin Water District
P. O. Box 146
Novato, CA 94948-0146

NORTH MARIN WATER DISTRICT
NOVATO, CALIFORNIA

NOTICE OF COMPLETION

To: Marin County Clerk
3501 Civic Center Dr., Rm 234
San Rafael, CA 94903

Date:
File No.: 5 6058.30
Date of Completion:

Owner: North Marin Water District
999 Rush Creek Place
Novato, CA 94947

OWNER'S ESTATE OR INTEREST:
Easement _____ Fee Title X Encroachment Permit _____
Other (describe) _____

CONTRACTOR:

Name: Mountain Cascade, Inc.
Address: 555 Exchange Ct., Livermore, CA 94551

TITLE OF PROJECT: Recycled Water Expansion - Central Service Area – East

DESCRIPTION OF PROJECT: Installation of approximately 9,500 ft of 16-inch and 12-inch PVC (or FPVC) pipe and 750 ft of 16-inch steel pipe (335 feet of which is to be installed under the Novato Creek Bridge) and 90 ft of 24-inch steel casing under the SMART Railroad right of way by jack and bore method together with all appurtenances thereto and all restorations.

DESCRIPTION OF SITE (LOCATION): From Novato Sanitary District Davidson Treatment Plant, Davidson Street to Louis Drive, through Slade Park, under the SMART Railroad right of way, Franklin Street path to Rowland Way to Rowland Blvd. to Vintage Way and terminating at the intersection of Vintage Way at the south end of Rowland Blvd., in Novato, CA.

Final payment will be made to the above contractor on or after 35 days from the recording date of this notice of completion, except where otherwise provided for by law.

The undersigned under penalty of perjury says that he is the General Manager of the North Marin Water District, the public agency authorizing the work or improvement referred to in the foregoing notice of completion; that he has executed such notice of completion on behalf of such public agency and likewise makes this verification on behalf of said public agency pursuant to authority granted by the District's Board of Directors; and that he has read said notice of completion and knows the contents thereof and that the facts therein stated are true.

Drew McIntyre, General Manager

VERIFICATION
STATE OF CALIFORNIA)
COUNTY OF MARIN)

THE UNDERSIGNED, declares that he has read the foregoing notice, knows the contents thereof, and the same is true of his own knowledge. I certify under penalty of perjury that the foregoing is true and correct.

SEAL:

Drew McIntyre, General Manager

Date and Place

Disposition:
Original: County Recorder
Copy: Contractor
Copy: Project File

ATTACHMENT B

9

MEMORANDUM

To: Board of Directors
 From: Rocky Vogler, Chief Engineer 
 Subject: San Mateo Tank Inlet/Outlet Pipeline - Notice of Exemption
R:\Folders by Job No\7000 jobs\7150 San Mateo 24 Inlet_Outlet\Environmental\NOE BOD Memo 1_16_18.doc

January 12, 2018

RECOMMENDED ACTION: Approve Filing Attached Notice of Exemption

FINANCIAL IMPACT: None – Information

Staff recommends the Board approve filing the attached Notice of Exemption for the San Mateo Tank Inlet/Outlet (I/O) Pipeline project.


The I/O project is included in the District's FY18-FY24 Capital Improvement Projects Budgets. The I/O project involves installation of a 24-inch diameter main extending from the San Mateo Tank and connecting to existing distribution system piping in San Mateo Way. When San Mateo Tank was originally constructed in the 1960's, a temporary 12-inch main was also constructed to connect the tank to the distribution system. At that time, additional development was planned along the slopes of Mount Burdell, and the existing 24-inch main in Palmo Way was to be extended to the tank as development occurred. Subsequently in the 1970's, the Mount Burdell Preserve was purchased by the Marin County Open Space District and no further development occurred. The existing 12-inch main connected to the tank represents a hydraulic bottleneck in the system. As identified in the District's 2012 Novato Service Area Water Master Plan, upsizing the I/O main to 24-inch (as was originally planned) will reduce pumping costs and improve overall reliability and fire flow capability to the surrounding areas.

The consultant GHD was retained to prepare the environmental analysis required under CEQA. It was determined that the I/O project qualifies for a Class 3 exemption under Section 15303 of the CEQA Guidelines. The environmental review did not identify any significant effects that would occur from the project, and the exceptions listed in Section 15300.2 of the CEQA Guidelines were found not to apply to the project. The Marin County Open Space District has evaluated the analysis prepared by GHD, and has provided a letter (Attachment A) indicating no objection to the categorical exemption.

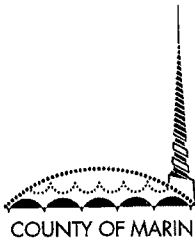
Staff recommends that the District file a Notice of Exemption with the County of Marin at this time. The Notice of Exemption is provided as Attachment B. GHD's CEQA review is also provided as Attachment C.

RECOMMENDATION

Approve filing of the attached Notice of Exemption.

Approved by GM 

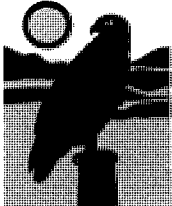
Date 1.12.18



MARIN COUNTY PARKS

Preservation • Recreation

MARIN COUNTY
PARKS
PRESERVATION • RECREATION



- OPEN SPACE DISTRICT
- REGIONAL PARKS & PATHWAYS
- COMMUNITY PARKS
- LANDSCAPE SERVICES

Max Korten
DIRECTOR AND
GENERAL MANAGER

Marin County Civic Center
3501 Civic Center Drive
Suite 260
San Rafael, CA 94903
415 473 6387 T
415 473 3795 F
415 473 2495 TTY
www.marincountyparks.org

January 8, 2018

Rocky Vogler, Chief Engineer
North Marin Water District
999 Rush Creek Place
P.O. Box 146
Novato, California 94948-0146

SUBJECT: Categorical Exemption for North Marin Water District's (NMWD) San Mateo Tank Pipeline Project

Dear Mr. Vogler:

The Marin County Open Space District (MCOSD) staff has reviewed the administrative draft categorical exemption for the above-referenced project. NMWD is proposing to use a Class 3 exemption (CEQA Guidelines Section 15303) for New Construction or Conversion of Small Structures. The analysis in your memorandum dated December 12, 2017, provides a rationale and justification for use of this categorical exemption. Based on the analysis in this document, the MCOSD staff does not object to the NMWD using the reference categorical exemption to comply with CEQA.

If you have any questions, please contact James Raives of my staff at (415) 473-3745 or JRaives@marincounty.org.

Sincerely,

Max Korten
Director, Marin County Parks

cc: Jon Campo



Memorandum

December 12, 2017

To: Rocky Vogler, Chief Engineer

From: Pat Collins

Tel: 707-523-1010

Subject: North Marin Water District San Mateo Tank Pipeline Project – Review for CEQA Exemption

This memorandum provides a brief description of the project and identifies the California Environmental Quality Act (CEQA) exemption for which the project qualifies. No significant environmental effects of the project have been identified, and the exceptions listed in Section 15300.2 of the CEQA Guidelines were found not to apply to the project. In summary, the project qualifies for a Class 3 exemption under Section 15303 of the CEQA Guidelines.

Project Description

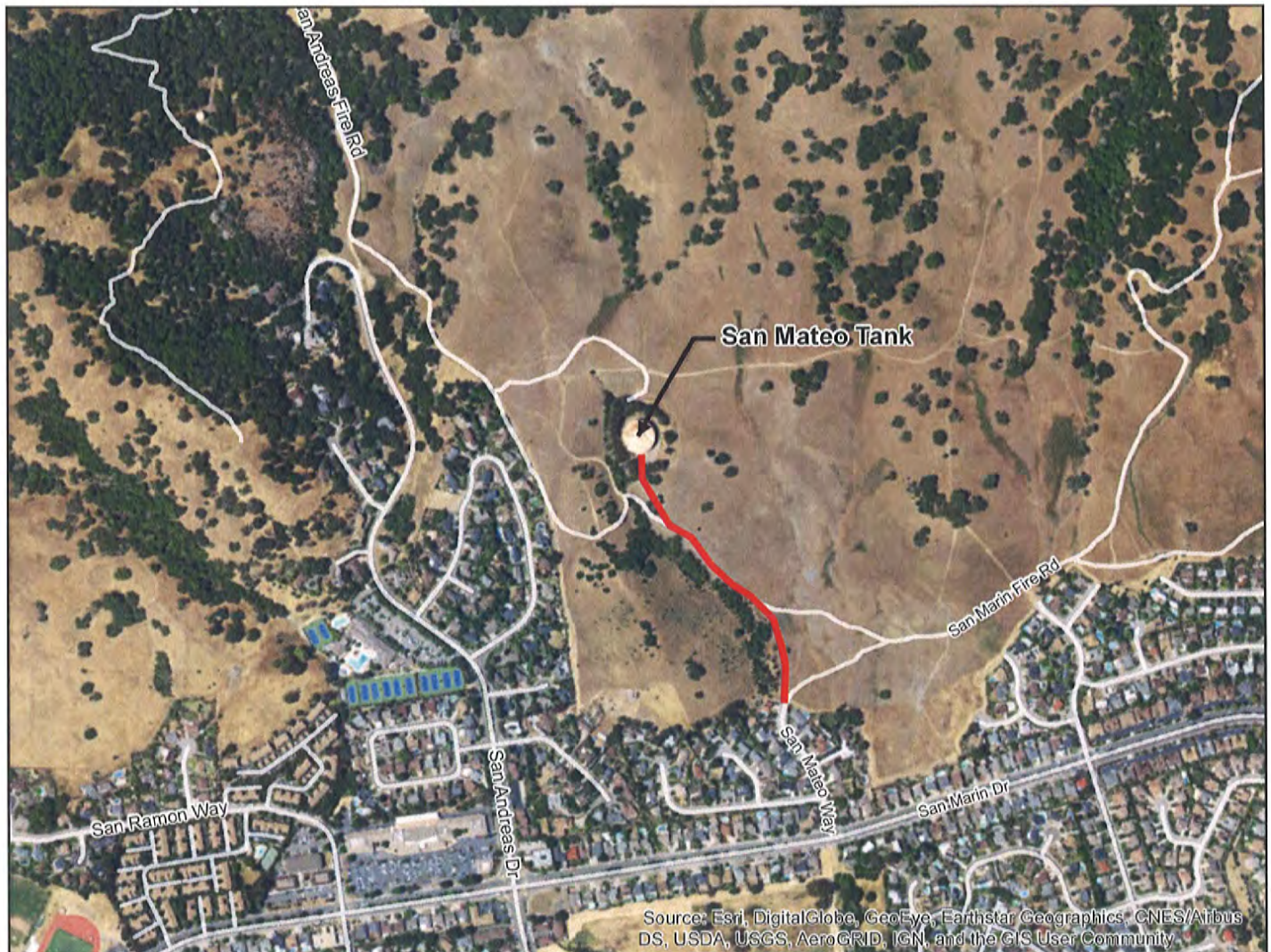
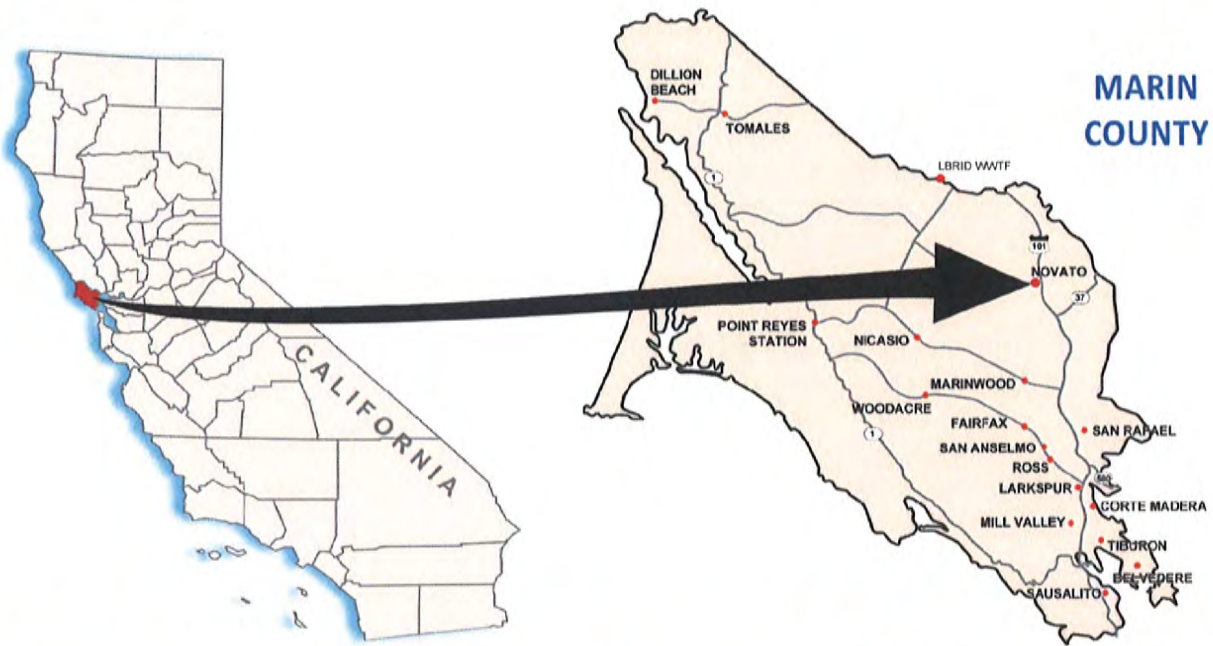
The existing water transmission main from the San Mateo Water Storage Tank to the North Marin Water District's (District) water distribution system is significantly undersized. The District proposes to install a larger diameter water main along a nearby alignment to improve hydraulic efficiency. The new water main would provide daily operational flexibility and reliability in meeting the water distribution needs of the system and would not increase water supply.

Project Location and Setting

The project would be located in Novato, north of San Marin Drive and east of San Domingo Way (see Figure 1). The project would be south of the existing San Mateo Tank and within Marin County Open Space District's Mt. Burdell Open Space Preserve (see Figure 2). The existing water pipeline crosses approximately 750 feet of the Mt. Burdell Open Space Preserve between the San Mateo Tank and San Domingo Way. The proposed alignment for the new pipeline would cross approximately 1,470 feet of the Preserve between the Tank and San Mateo Way. The proposed alignment would be primarily within the San Marin Fire Road. To the south and west of the existing and proposed pipeline alignments are residential neighborhoods; to the north and east is open space.

Detailed Project Description

The District proposes to construct and operate a water main from the existing San Mateo Tank to the cul-de-sac at the north end of San Mateo Way. The project would install approximately 1,470 feet of 24-inch transmission pipe. Approximately 790 feet or 54 percent of the length of the proposed pipeline would be installed under the existing San Marin Fire Road.



Paper Size 8.5" x 11" (ANSI A)

0 800
Feet

Map Projection: Lambert Conformal Conic

Horizontal Datum: North American 1983

Grid: NAD 1983 StatePlane California III FIPS 0403 Feet



San Mateo Tank Pipeline Replacement
North Marin Water District

Job Number 11136725
Revision
Date 12 Dec 2017

Regional Location

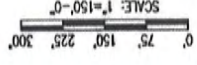
Figure 1

2235 Mercury Way Suite 150 Santa Rosa CA 95407 USA T 707 523 1010 F 707 527 6679 E santarosa@ghd.com W www.ghd.com

© 1111/11136725 NMWD CP Design Review/04-Technical Work/Phase 20 PL CatEx/Figures/GIS/Regional Map.mxd

© 2012. While every care has been taken to prepare this map, GHD (and DATA CUSTODIAN) make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.

Data source: Data Custodian, Data Set Name/Title, Version/Date. Created by:rmremillard



San Mateo Tank Pipeline Replacement
 North Marin Water District
 Job Number 11136725
 Revision
 Date Dec 2017

Figure 2

Project Implementation and Construction

Project construction is expected to require approximately six months starting in March 2018. Construction activities would occur primarily during the day between 8:00 a.m. and 5:00 p.m. on non-holiday weekdays. Construction trips would be limited to the work hours described above. The project site would be accessed from public roadways and the portion of the San Marin Fire Road in which the pipeline alignment is located. Other portions of the San Marin Fire Road located to the east of the site would not be utilized. The open-trench construction would include clearing and grading the ground surface along the pipeline alignment, excavating the trench, preparing and installing pipeline sections, backfilling the trench with non-expansive fills, and revegetating or restoring the construction zone, as appropriate.

The pipeline would be installed within an approximately 50-foot wide construction zone, accommodating a 4-foot wide trench for the 24-inch transmission pipeline. Installation of the pipeline would require excavation of approximately 5- to 7-foot deep trenches to approximately one foot below the bottom of the pipeline. The construction zone would be approximately 1.69 acres total; however, it is estimated that the pipeline trench would disturb less than 0.14 acre within the construction zone. Some tree removal consisting of non-native species would be required in the immediate vicinity of the existing water tank.

Maintenance and Operation

Once installed and operational, maintenance would be similar to the maintenance needed for the existing pipeline. Therefore, no additional vehicle trips would be required. As it is a passive system (i.e., no moving apparatus), no additional noise would be generated by project operation.

Standard Environmental Protection Action – Bird Surveys

The District, as part of its normal procedures, avoids impacts to nesting birds through the following Standard Environmental Protection Action:

- To the extent feasible, tree removal will occur outside the nesting bird season (February 15 to August 15).
- If suitable nesting trees are within 300 feet of the construction zone, a qualified biologist shall conduct nesting bird surveys in and around the work areas prior to initiation of construction activities.
- If active bird nests are observed in or near work areas, appropriate work exclusion buffers will be established surrounding the nest sites. The size of the exclusion buffers to be established will depend on the species. The work exclusion buffers will be maintained until the young have fledged.

Required Permits or Approvals

The project would be subject to approval by the District's Board of Directors. The District would also obtain a 50-foot permanent construction easement, which includes a 20-foot permanent pipeline easement from the Open Space District along the pipeline alignment and may also require a construction easement or other agreement from the Novato Fire Department for construction within the Fire Road.

No other permits or approvals would be required.

Review for CEQA Exemption

The project was reviewed pursuant to the CEQA Guidelines to determine if it qualifies under a class of projects which have been determined in the Guidelines as not to have a significant effect on the environment and which may be exempted. The project meets the criteria for a Categorical Exemption under CEQA Guidelines Section 15303 (Class 3, New Construction or Conversion of Small Structures):

- *Construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures (15303)*
- *Water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction (15303)*

Section 15300.2 Exceptions

Section 15300.2 of the CEQA Guidelines includes a list of circumstances in which a categorical exemption cannot be used. The following paragraphs provide an evaluation of the project against each of the applicable exceptions, including significant effects due to project location, cumulative impacts, unusual circumstances, scenic highways, hazardous waste sites, and historical resources.

Locations. CEQA Guidelines Section 15300.2(a) specifies that Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply in all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies. No such areas, such as an Alquist-Priolo Earthquake Fault zone or critical habitat pursuant to the federal Endangered Species Act, are known to occur at the location of the project. Therefore, the locations exception under Section 15300.2(a) does not apply to the project.

Cumulative Impact. CEQA Guidelines Section 15300.2(b) specifies that a categorical exemption shall not be used when the cumulative impact of successive projects of the same type in the same place over time is significant. No cumulative projects of a similar nature or with similar overlapping impacts are known within the project area. Therefore, the cumulative impact exception under Section 15300.2(b) does not apply to the project.

Significant Effect from Unusual Circumstances. CEQA Guidelines Section 15300.2(c) specifies that a categorical exemption shall not be used for an activity where there is a reasonable possibility that

the activity will have a significant effect on the environment due to unusual circumstances. No unusual circumstances have been identified.

A vegetation survey prepared for the project by Marin County Parks identified special-status species, sensitive vegetation communities, and potential wetlands in the vicinity of the project (Benson 2015). Subsequently, the pipeline alignment was modified so that the construction zone would avoid all of the identified resources. The project would avoid impacts to nesting birds through the implementation of standard environmental protection actions identified in the Project Description above. In addition, the construction plans and specifications for the project will incorporate standard erosion control and water quality protection best management practices that must be implemented as part of the required State Water Resources Control Board Order No. 2009-0009-DWQ, Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction and Land Disturbance Activities, as amended by Order No. 2012-0006. As the pipeline would be underground, no permanent impacts to habitat would occur. Therefore, no potentially significant impacts to biological resources would occur, and the unusual circumstances exception under Section 15300.2(c) does not apply to the project.

Scenic Highways. CEQA Guidelines Section 15300.2(d) specifies that a categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a State scenic highway. There are no State-designated scenic highways in the project area or in Marin County (Caltrans 2016). Therefore, the project would not result in damage to a scenic resource within a highway officially designated as a State scenic highway. The scenic highways exception under Section 15300.2(d) does not apply to the project.

Hazardous Waste Sites. CEQA Guidelines Section 15300.2(e) specifies that a categorical exemption shall not be used for a project located on a site which is included on a list compiled pursuant to Section 65962.5 of the Government Code (known as the Cortese List). The concern with hazardous waste sites is the potential to create a significant hazard to the public or the environment, particularly through the disturbance, upset, or release of hazardous materials through project implementation. No hazardous materials sites on the Cortese List databases are listed within or near the Project area (California 2017). Therefore, the project does not have the potential to disturb or encounter hazardous materials on any sites that may be included on a list compiled pursuant to Section 65962.5 of the Government Code. The hazardous waste sites exception under Section 15300.2(e) does not apply to the project.

Historical Resource. CEQA Guidelines Section 15300.2(f) specifies that a categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. The CEQA Guidelines define a historical resource as: (1) a resource listed in the California Register of Historical Resources; (2) a resource included in a local register of historical resources, as defined in the California Public Resources Code (PRC) Section 5020.1(k), or identified as significant in a historical resource survey meeting the requirements of PRC Section 5024.1(g); or (3) any object, building, structure, site, area, place, record, or manuscript that a lead

agency determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California, provided the lead agency's determination is supported by substantial evidence in light of the whole record.

A records search at the Northwest Information Center of the California Historical Resources Information System was conducted on June 29, 2017 for the project site to ascertain if known historic resources, either from the historic period or archaeological sites, occur within a one-quarter mile of the site (ASC 2017a). No previously recorded cultural resources were identified within the project area. However, four previously recorded resources have been recorded with one-quarter mile of the project area. Therefore, a survey of the Project area was undertaken. A pedestrian survey of the project area was conducted on September 28, 2017 by the Anthropological Studies Center (ASC) at Sonoma State University, accompanied by a representative of the Federated Indians of Graton Rancheria; no archaeological resources were found (ASC 2017b). Thus, no known historical resources would be adversely affected by the project, and the historic resources exception under Section 15300.2(f) does not apply to the project.

Conclusion

The project qualifies for a Class 3 exemption under Section 15303 of the CEQA Guidelines. The environmental review and documentation reported above did not identify any significant effects that would occur from project, and the exceptions listed in Section 15300.2 of the CEQA Guidelines were found not to apply to the project.

References

- Anthropological Studies Center (ASC). 2017a. *Archaeological Resources Review for the North Marin Water District San Mateo Tank Project, Novato, Marin County, California*. July.
- ASC. 2017b. *Archaeological Survey Review for the North Marin Water District San Mateo Tank Project, Novato, Marin County, California*. November.
- Benson, Shelly. 2015. *Vegetation Survey of the Proposed North Marin Water District Pipeline Project Area, Mount Burdell Open Space Preserve*. October 19.
- Caltrans. 2016. List of Officially Designated State Scenic Highways. Website: <http://www.dot.ca.gov/design/lap/livability/scenic-highways/index.html>. Accessed: June 19, 2017.
- California State Water Resources Control Board. 2017. GeoTracker. Website: <https://geotracker.waterboards.ca.gov/>. Accessed: June 19, 2017.

Notice of Exemption**Appendix E**

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Marin
3501 Civic Center Dr #234
San Rafael, CA 94903

From: (Public Agency): North Marin Water District
999 Rush Creek Pl
Novato, CA 94945

(Address)

Project Title: San Mateo Tank Pipeline Project

Project Applicant: None

Project Location - Specific:

Located in Novato, north of San Marin Drive and east of San Domingo Way; south of the San Mateo Tank.

Project Location - City: Novato Project Location - County: Marin

Description of Nature, Purpose and Beneficiaries of Project:

A water distribution pipeline from the San Mateo Tank to the District's distribution system. The project would provide daily operational flexibility and reliability and would not increase water supply.

Name of Public Agency Approving Project: North Marin Water District

Name of Person or Agency Carrying Out Project: North Marin Water District

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: Sec. 15303, New Construction of Small Str
- ☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Class 3 exemption specifically includes water mains. The project does not trigger any of the exceptions in Sec. 15300.2 of the Guidelines.

Lead Agency
Contact Person: Rocky Vogler, PE Area Code/Telephone/Extension: 415-761-8945

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: _____ Title: _____

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

10

MEMORANDUM

To: Board of Directors

January 12, 2018

From: David L. Bentley, Auditor-Controller

Subj: Update – Polybutylene Pipe Population

t:\acl\word\pb\pb population update FY17.docx; t:\acl\word\pb\pb population update fy18 -2.docx

RECOMMENDED ACTION: None**FINANCIAL IMPACT:** None

At the November 21, 2017 meeting Director Baker asked staff to provide an update to the Board on the District's polybutylene service lines. A 2011 Memorandum recounting the liability claim settlement is attached (Attachment A).

To date the District has replaced 84% 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 in excess of 9% for the past 3 fiscal years. Assuming the failure rate remains constant at 9% and 60 services are pre-emptively replaced annually, the entire PB population will have been replaced by 2026 (Attachment C).

Note on Attachment D that the number of failures occurring annually over the past 25 years is trending upward, and averaged 122 per year over the past five years. This is a 30% 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:\acl\word\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
---------------	---------

Distributor

P.E. O'Hair	175,000
-------------------	---------

Fittings Manufacturers

Ford Meter Box	150,000
Mueller	26,500

Total settlement money received	<u>\$1,088,500</u>
---------------------------------------	--------------------

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	<u>\$393,061</u>

Staff & Other Miscellaneous Expense:

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

Total Legal & Staff Expense	<u>\$458,583</u>
-----------------------------------	------------------

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) ¹	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 \$4,700,000² 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
Net Out-Of-Pocket	
Due to Defective PB Product.....	<u>\$9,251,342</u>

Path Forward

¹ Amount is estimated - actual cost of emergency PB repairs prior to 1985 was not accounted for separately.

² 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 service³. T

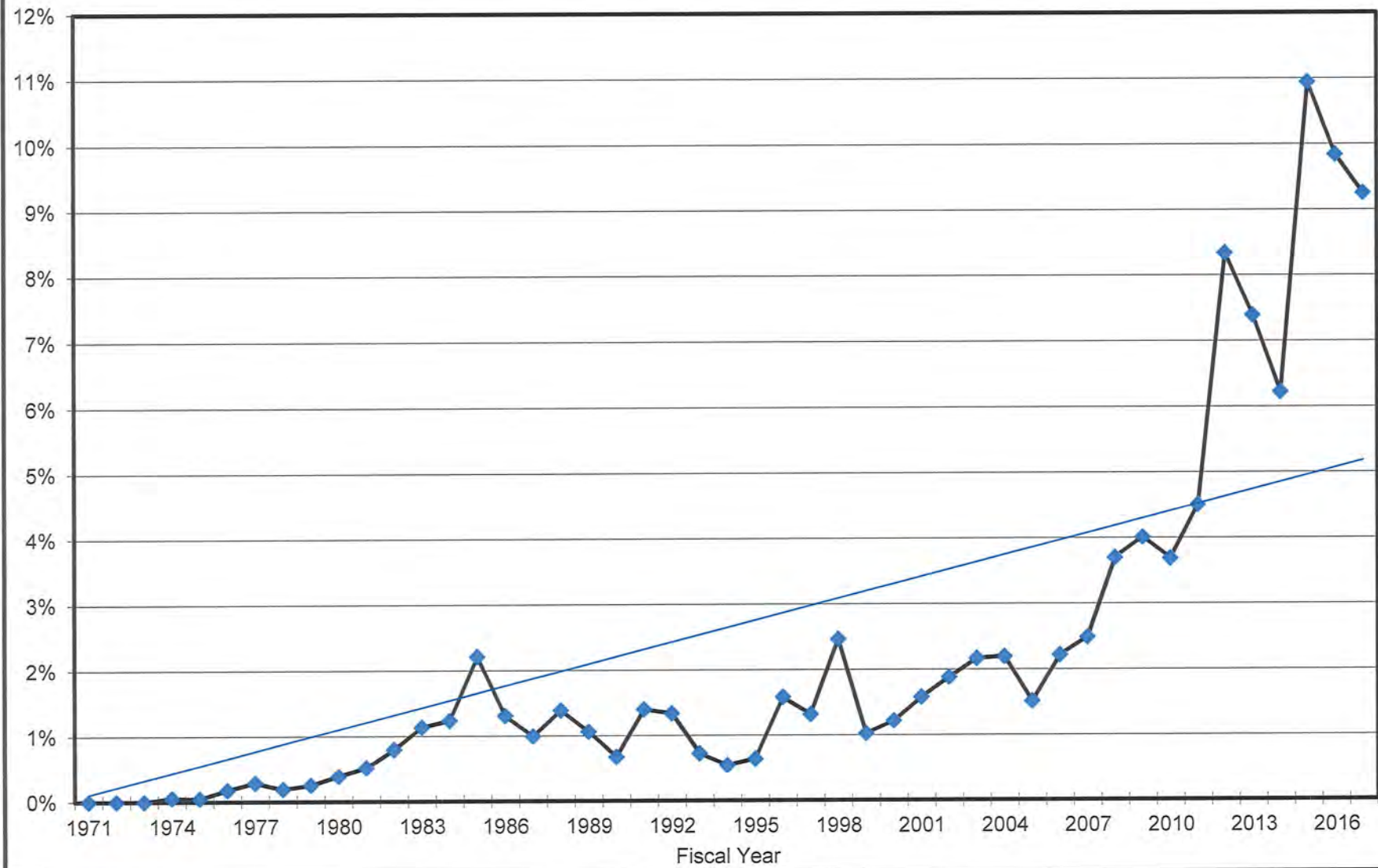
Therefore, the preplanned replacements will be targeted to replace the Mobil and Witco services installed between 1971 and 1978. We will continue to monitor the Shell pipe failures before moving to pre-emptively replace them.

³ 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.

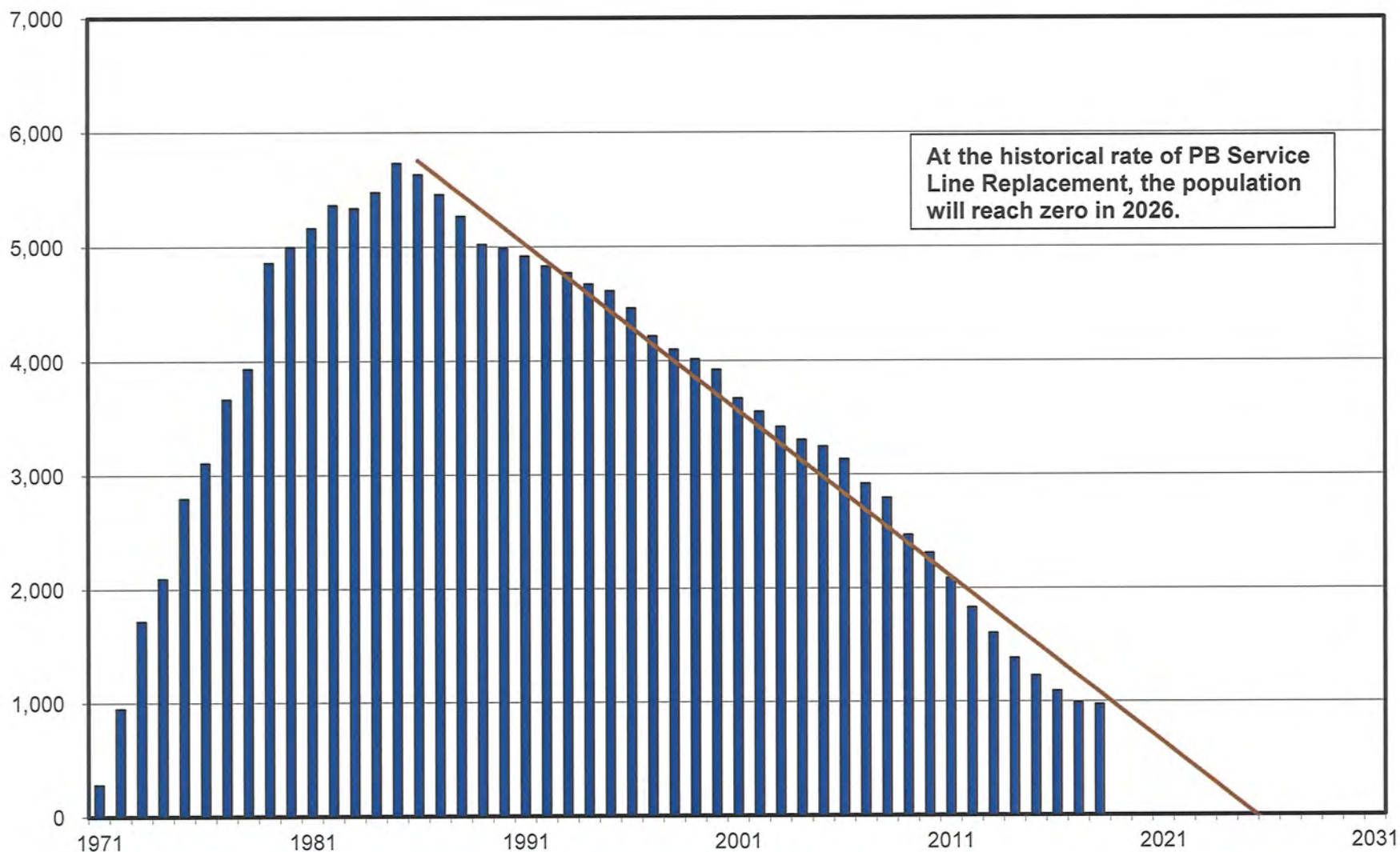
11/27/17

t:\acexcel\pb\pbleaks.xlsx\pb population

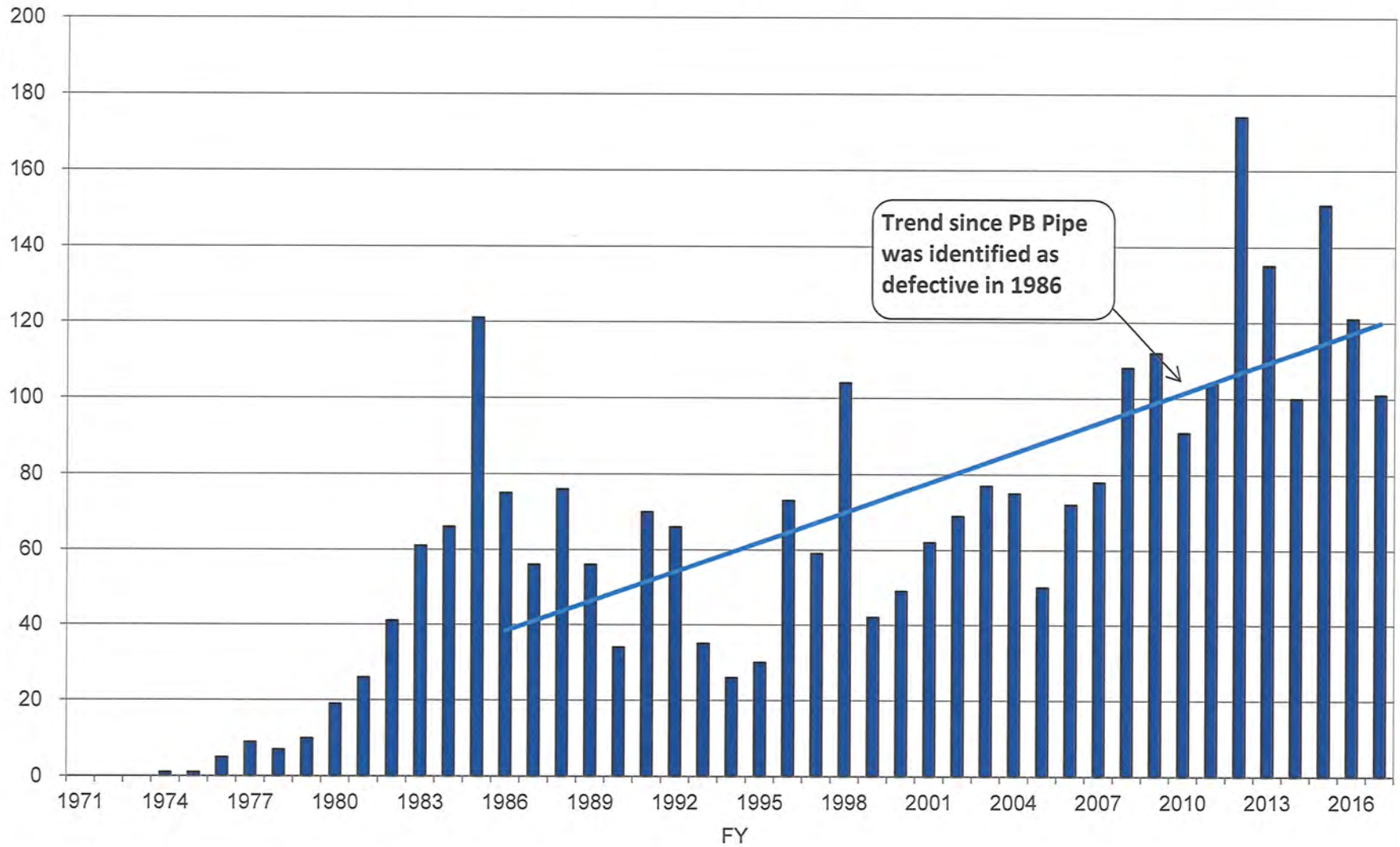
% of Polybutylene Pipe Population Failing by Fiscal Year



NMWD Polybutylene Pipe Service Line Population



Polybutylene Pipe Failures by Fiscal Year



11

MEMORANDUM

To: Board of Directors
From: Katie Young, District Secretary 
Subject: Ethics Training for Board of Directors and District Officers
\\nmwdserver1\administration\GM\2018 Misc\ethics training memo18.doc

January 12, 2018

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Effective January 1, 2006, state law (Assembly Bill No. 1234) requires that all local agencies that provide compensation, salary or stipend to, or reimburses the expenses of, members of a legislative body must provide ethics training to local agency officials by January 1, 2007 and every two years after. You are required to complete the training this year.

NMWD's Directors have traditionally completed AB 1234 Compliance Training for Special Districts using the Fair Political Practices Commission (FPPC) free online Ethics Training Course which is available again this year. The FPPC website is <http://localethics.fppc.ca.gov/login.aspx>. You will need to create a new account and complete the course. At the end of the course, you will be instructed to print out a Proof of Participation Certificate. It is the Directors' obligation to provide the original certificate to the District Secretary for recordkeeping. Please do so by April 1, 2018.

Please note that to satisfy AB 1234 requirement, the Proof of Participation Certificate must reflect that the public official spent two hours or more reviewing the materials presented in the online course. If the certificate reflects less than two hours, the participant should have on file additional certificates demonstrating that the official has satisfied the entire two-hour requirement. The Training Time is recorded on the Proof of Participation Certificate that is kept on file.

This year, District officers (General Manager, District Secretary, Chief Engineer and Auditor-Controller) will also take the aforementioned ethics training.

12

MEMORANDUM

To: Board of Directors

January 12, 2018

From: Drew McIntyre, General Manager



Subject: 2018 Strategic (Long-Range) Plan Development Meetings with Martin Rauch

t:\gm\bod misc 2018\strategic plan update memo 1_12_2018.doc

Recommended Action: Information Only

Financial Impact: None

The purpose of this memo is to remind the Board of the upcoming interviews and special meetings related to development of the 2018 Strategic (Long-Range) Plan. A contract with Martin Rauch of Rauch Communications Consultants (Rauch) was approved by the Board at the November 21st meeting.

The work plan includes the following meeting dates:

- | | |
|--|---------------------------------------|
| 1. Board Interviews | Tuesday, January 23 |
| 2. Strategic Planning Workshop #1 | Tuesday, February 13, Special Meeting |
| 3. Strategic Planning Workshop #2 | Tuesday, February 27, Special Meeting |
| 4. Final Draft Strategic Plan Presentation | Tuesday, April 3, Regular Meeting |

The Strategic Planning Workshop dates have already been approved and scheduled as part of the 2018 Board Meeting Schedule. The date scheduled for Board member interviews with Martin Rauch is Tuesday, January 23, 2018. Katie will individually schedule the interviews with Board members. The two workshops will be all day events (location to be at the Novato Fire Protection District's Administrative office at 95 Rowland Way). Lunch and coffee will be provided.

Martin has been provided with our most recent annual reports, current District budgets, Board Policy Manual, Mission and Vision Statements along with accompanying goals and objectives.

13



North Bay Watershed Association

Board Meeting Notice

January 5th, 2018

9:30 a.m. – 11:30 a.m.
Petaluma Community Center
320 N McDowell Blvd
Petaluma, CA 94954

Board Meeting Agenda

- | | |
|--|--------|
| 1. Call to Order
<i>Jack Gibson, Chair</i> | 9:30 |
| 2. Public Comment | |
| 3. Approval of Agenda
<i>Approve</i> | 1 min. |
| 4. Approval of Minutes
<i>Approve</i> | 5 min. |
| 5. Treasurer's Report
<i>Accept</i> | 1 min. |
| 6. Director's Report
<i>Judy Kelly, NBWA Executive Director</i> | 5 min. |
| 7. Climate Change Actions from Bonn to the North Bay
Presentation and Q&A
<i>Ellie Cohen, Point Blue</i> | 9:45 |
| 8. Climate Smart Agriculture & Carbon Farm Planning
Presentation and Q&A
<i>Leigh Sharp & Charles Schembre (Napa RCD)</i> | 10:30 |
| 10. Items of Interest
<i>Description</i> | 11:15 |
| 11. Items for the Next Agenda
<i>Description</i> | 11:25 |

Next Meeting

February 2, 2017
9:30 a.m. – 11:30 a.m.
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

North Bay Watershed Association

Summary of the meeting of the North Bay Watershed (NBWA) Board of Directors.

Date: Friday, December 1st, 2017

Location: Novato Sanitary District, 500 Davidson Street, Novato, CA

Director's Present Included:

Board Member	Organization	Board Member	Organization
Diane Furst	Central Marin Sanitation Agency	Leon Garcia	Napa County Flood Cont. & Water Cons. Dist.
Mariam Aboudamous	City of American Canyon	Ryan Gregory	Napa Sanitation District
Pam Drew	City of Novato	Rick Fraites	North Marin Water District
Teresa Barrett	City of Petaluma	Brant Miller	Novato Sanitary District
Damon Connolly	County of Marin	Pamela Meigs	Ross Valley Sanitary District
Jack Gibson	Marin Municipal Water District		

Directors present represent 11 of the 19 agencies signatory to the Association MOU.

1. Call to Order – Jack Gibson, Chair, called the meeting to order at 9:35 a.m.
2. Public Comment – No public comments.
3. Approval of Agenda – The agenda was unanimously approved.
4. Approval of Minutes – The minutes of the previous meeting were approved with one abstention.
5. Treasurer's Report – Judy Kelly, NBWA Executive Director, presented the treasurer's report on behalf of Cheryl Howlett, NBWA treasurer. The NBWA is in good financial standing heading into the 2018 Conference.
6. Director's Report – For updated news from the NBWA please read the winter 2017 newsletter at nbwatershed.org/email-newsletter/.
7. **North Bay Fires: Response and Recovery** – Christina Grosso, Scott Dusterhoff, and Meg Sedlak from the San Francisco Estuary Institute (SFEI) discussed the fires that swept the North Bay in October of 2017, water quality and sediment monitoring in the watersheds affected by the fires, and finally described current efforts to develop the Watershed Atlas, an online tool tracking fire response and recovery efforts.

Directly following the fires a series of Watershed Emergency Response Team (WERT) reports were released for each fire by a collaborative group involving Cal Fire, which described each fire event and the associated impacts. Included in these reports are debris flow and flash flooding hazard maps, and anticipated erosion rates for the next year. These reports indicate that a 10-fold increase in erosion is anticipated in the Nuns fire area, and a 22 fold increase in erosion is anticipated in the area of the Atlas fire.

Typically water quality declines after fires, particularly when urban areas burn, which produces much more toxic waste than when wildlands burn. In particular, polycyclic aromatic hydrocarbons, metals, sediment, phosphorus and nitrates are seen in higher concentrations following fire events. The Regional Water Quality Control Board (RWQCB), in partnership with a variety of other local and regional agencies, are monitoring a variety of potential water contaminants pre and post storms this winter to detect impacts to water quality. SFEI is beginning to conduct broader, non-targeted monitoring to determine if there are other toxins present in watersheds post-fire that need to be monitored for human

or environmental safety. Q: How does the RWQCB choose which toxins to monitor? A: They use a list of chemicals known to be harmful to humans or the environment. Q: What does SFEI expect to find with the non-targeted toxin study? How will this information be used? A: It is unclear what will be found, but any information will be reported out in presentation and a memorandum which will be available to interested parties. Protocols will be developed to monitor newly discovered toxins. It is possible that the study will discover that all toxins of concern are currently being monitored.

Q: How do we study the effectiveness of Best Management Practices (BMPs) which are used to slow erosion and prevent sediment and debris from entering water ways? Who is responsible for studying this question?

In order to monitor sediment following fires it is important to monitor hillslope, channel, and sediment transport changes. More sediment gages are needed throughout affected watersheds and could be used to help understand the effectiveness of BMPs.

The R3MP Watershed Atlas is being used to track post-fire activity and make data available in one map for regional agencies collaborating on the fire recovery effort. Summary layers are being developed which can present metrics for the completed recovery efforts. View the Watershed Atlas at: r3mp.ecoatlas.org/.

8. Additional Fire Response Activities

Ken Schwarz Ph.D., of Horizon Water and Environment, and Judy Kelly, presented on the various fire response actions being taken regionally in the North Bay, both by NBWA member agencies as well as other regional entities. Ken noted that regional efforts to recover from the 2017 wildfires are extensive, but that there appeared to be significant collaboration between organizations taking recovery actions. Ongoing recovery will require continued communication and coordination between agencies and the NBWA aims to use their platform as a regional connection between agencies to foster that communication.

Q: How long does the hydrophobic layer of soil (caused by high heat fire activity) persist? A: 2 – 3 years, however local scientists are finding that logs of wildland areas had low severity burn, so widespread hydrophobicity in the soil is limited.

The list that Ken and Judy Kelly developed can be found on the NBWA website alongside the December 2017 Board Meeting presentations: nbwatershed.org/board_meeting/.

9. Items of Interest

10. Items for the Next Agenda

- Climate Change Actions from Bonn to the North Bay – Ellie Cohen, Point Blue
- Carbon Sequestration in Napa County – Leigh Sharp & Charles Schembre, Napa RCD

Next Meeting Information: January 5, 2017 – Petaluma Community Center, 320 N McDowell Blvd, Petaluma, CA

SUBMITTED BY:
Sophie Porcelli
SCWA Programs Specialist | NBWA Staff
Sophie.Porcelli@scwa.ca.gov

**NORTH MARIN WATER DISTRICT
BOARD OF DIRECTORS
COMMITTEES/ASSOCIATION ASSIGNMENTS
2018**

Committee

NMWD Representative(s)/Alternate

North Bay Watershed Association

Rick Fraites/Jack Baker

1 meeting per month – Friday
9:30 a.m. – 11:30 a.m.
Petaluma / Novato

Public Policy Facilitating Committee

Steve Petterle/Jim Grossi

(Russian River Biological Assessment/Opinion)
1 meeting per quarter – Friday
9:00 a.m. – Noon
Santa Rosa/Ukiah

Water Advisory Committee

Jack Baker/Michael Joly

1 meeting per quarter – Monday
9:00 a.m. – Noon
Santa Rosa

North Bay Water Reuse Authority/NorthBay Water

Jack Baker/Steve Petterle

1 meeting per quarter – Monday
9:30 a.m.
Novato Sanitary District/Novato City Hall

Recycled Water Subcommittee

Jack Baker/Steve Petterle

As needed

Novato Watershed Policy Advisory Committee

Rick Fraites/Jack Baker

As needed

14

*DRAFT Minutes of Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
January 8, 2018

Attendees: Ben Horenstein, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Carlene Okiyama, City of Santa Rosa
Nikkole Suka, City of Santa Rosa
Colin Close, City of Santa Rosa
Paul Piazza, Town of Windsor
Mary Grace Pawson, City of Rohnert Park
Kent Carothers, City of Petaluma
Colleen Ferguson, City of Sonoma
Drew McIntyre, North Marin Water District
Rocky Vogler, North Marin Water District
Mike Ban, Marin Municipal Water District
Pam Jeanne, SCWA
Carrie Pollard, SCWA
Lynne Rosselli, SCWA
Justin Adalio, SCWA
Jay Jasperse, SCWA
Don Seymour, SCWA
Dan Muelrath, Valley of the Moon Water District

Public Attendees: David Keller, Friends of the Eel River (FOER)
Margaret Di Genova, California American Water
Leif Macrae, Kennedy/Jenks Consultants

1. Check-in

Chair Drew McIntyre called the meeting to order at 9:07 a.m.

2. Public Comment

None.

3. WAC Chairman Solicitation Update

Chair Drew McIntyre reminded the TAC Committee that input for consideration of the Vice-Chair person is due January 10, 2018, email Mike Healy.

4. Sonoma Marin Saving Water Partnership

a. Water Production Relative to 2013 Benchmark

Drew McIntyre gave update. Year to date water usage through November is down 15% versus 2013. (Handout provided)

b. State's Long-Term Water Conservation Framework Update

Drew McIntyre and Jennifer Burke provided updates. Work on the State's Long-Term Water Conservation Framework will start to ramp up this year. As

a reminder, this is related to the Freedman, AB 1668, and Hertzberg/Skinner, SB 606 Bills which were not approved in 2017 and have been held as two-year bills. Jennifer added that the State Water Board put out their Draft rule making for permanent prohibitions on Water Waste. Comments from water agencies raise concern about the State Water Board's intention to use its general authority to prevent Waste and Unreasonable Use without consideration of specific water use circumstances as required by law. Comment letters were due on December 26, hearing expected in the Spring.

- c. Sonoma-Marin Saving Water Partnership 2018 MOU Report Update
Drew McIntyre gave update. The original MOU expires in June 2018. An Ad Hoc committee is working on updates to the MOU. Will report more in subsequent meetings.

5. Water Supply Conditions

Pam Jeanne reported. Normal water supply year as of January 1. At Lake Mendocino, there is 58,000 acre feet of storage, which is about 91% of target storage for the lake, outflow is 145 cubic feet per second. The temporary variance will allow the Agency to store another 5,000 acre feet within the flood pool. At Lake Sonoma, there is 197,000 acre feet in storage, about 80% of the water supply pool, outflow is 137 cubic feet per second. Hacienda Bridge river flows are about 455 cubic feet per second. Comments followed by committee members.

6. Biological Opinion Status Update

Pam Jeanne reported that the Agency is continuing to work on the Dry Creek Enhancement project. Construction and additional studies with the Corps of Engineers is scheduled for this summer. Currently, work is focusing on Right of Way acquisition with property owners and detailed design. Pam reported that they are drafting responses to comments on the Fish Flow Project Draft Environmental Impact Report, pending input from various State agencies. Work is continuing on the Estuary Project, which is currently in the non-management season and on monitoring the fish in the river. She announced that the Annual Public Policy Facilitating Committee Meeting will take place on February 22, 2018. Questions and comments followed by committee members.

7. Items for Next Agenda

New leadership within the WAC – Mark Millan will move from Vice-Chairperson to Chairperson.

A New Vice-Chair will need to be appointed.

8. Check Out

Meeting was adjourned at 9:25 a.m.

15

DISBURSEMENTS - DATED JANUARY 4, 2018

Date Prepared 1/2/18


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
1	Abernathey, Harvey and Linda	Refund of Deposit/New Development/WC Restriction-Novato	\$1,000.00
2	Ability USA	Fit for Duty Exam & Job Analysis Report (\$787) (Bynum)	1,012.50
3	ADTS	Annual Random Testing Compliance Program (10 Employees)	870.00
4	Alphagraphics Marin	Printing (\$3,459) & Processing of Novato Fall Waterline (18,600)	4,699.10
5	ARB	Refund Security Deposit on Hyd Meter Less Final Bill	499.50
6	Asbury Environmental Services	Used Filter Disposal	55.00
7	Badger Meter	November Cellular Meter Charge	15.84
8	Basile, Richard	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
9		Cafeteria Plan: Uninsured Medical Reimbursement	209.00
10	Core Utilities	Consulting Services: November IT Support (\$5,000), SCADA (\$75), Programming for STP Communication Upgrade (\$750), SCADA/Wonderware Cleanup @ STP (\$350), CORE Billing Corrections (\$1,1750) & Website Modifications (\$550)	8,475.00
11	Cuenco, Kathleen	Novato "Toilet Rebate" Program & Refund Alternative Compliance Reg 15 Deposit (\$945)	1,245.00
12	Davis, William R.	Novato "Toilet Rebate" Program	300.00
13	Environmental Resource Assoc	Reference Samples (Lab)	118.49
14	Evoqua Water Technologies	Service on Deionization System (Lab)	185.22
15	Farr Construction	Prog Pymt#1: San Mateo Recoat Project (Balance Remaining on Contract \$1,513,350)	201,447.50

Seq	Payable To	For	Amount
16	Fedak & Brown	Final Payment on Financial Statement for Year End 6/30/17 & Preparation of Single Audit (\$3,136)	3,896.00
17	Genterra Consultants	Prog Pymt#9: Stafford Dam Maintenance Plan (Balance Remaining on Contract \$7,650)	3,962.50
18	Ghilotti Construction	Prog Pymt#2: On-Call Construction Repair on Center Road (\$65,154) (Balance Remaining on Contract \$34,485) & Prog Pymt #3: Stafford Dam Spillway Repair (\$15,000) (Balance Remaining on Contract \$19,485)	80,154.41
19	Golden Gate Petroleum	Band Saw Oil (5 gal), Gasoline (\$2.63/gal) & Diesel (\$2.94/gal) (\$2,155)	2,266.40
20	Grainger	Electrical Tape (20)	18.02
21	InfoSend	November Processing Fee for Water Bills (\$1,453), Postage (\$3,974) & November Monthly Support Fee	6,160.50
22	Latanyshyn, Roman	District Contribution Toward Gift or Recognition Gathering per Board Policy #29	200.00
23	Lincoln Life	Deferred Compensation PPE 12/31/17	11,991.06
24	Madruga Iron Works	Frame & Cover Assembly (Grant Ave Fire Service)	2,336.72
25	Maltby Electric	Tool Organizer (\$93), Nut Driver Set & Wire Stripper	178.64
26	Mani, Brianna	Novato "Washer Rebate" & "Toilet Rebate" Program (\$200)	250.00
27	Nationwide Retirement Solution	Deferred Compensation PPE 12/31/17	2,075.00
28	New Resources Group	Dye Tabs for Toilet Leak Detection (4,000)	465.00
29	NMWD Employee Association	NMWD Association Dues 10/31/17 through 12/15/17	935.00
30	NSI Solutions	QC Samples (Lab)	51.25
31	Pace Supply	1" Service Meters (40) (\$1,000), PVC Caps (2), Nipples (25), Copper Pipe (600') (\$1,818) & 2" Plugs (2)	2,924.07

Seq	Payable To	For	Amount
32	Pacific Surfacing	Refund Security Deposit on Hyd Meter Less Final Bill	884.73
33	Parkinson Accounting Systems	November Accounting Software Support	292.50
34	Pensabene, Oksana	Novato "Washer Rebate" Program	50.00
35	Piazza Construction	Prog Pymt#6: RW Exp Central Service Area Norman Tank Project (Balance Remaining on Contract \$147,394)	151,785.87
36	Piazza Construction Escrow Account	5% Retainer: Piazza Construction-RW Central Norman Tank Project	7,988.73
37	Preferred Alliance	Pre-Employment Drug Screen (Kristofors & Miranda)	84.00
38	Protection Engineering	6" Polyguard Tape (40 rolls)	1,459.03
39	Smith, Vernon	Novato "Toilet Rebate" Program	200.00
40	SPG Solar Facility	Energy Delivered Under Solar Services Agreement	6,863.61
41	Streakwave Wireless	Radios (2), Antennas (4) & Covers (\$493)	670.12
42	Stretch, Donald	Novato "Toilet Rebate" Program	100.00
43	Township Building Services	November Janitorial Service	1,822.84
44	US Bank	November Safekeeping Fee Treasury Securities	198.75
45	Versaggi, Nick	Refund Security Deposit on Hyd Meter Less Final Bill	609.26
46	VWR International	Sodium & Reagent (Lab)	80.47
47	Wiley Price & Radulovich	November Legal Services: District Secretary Job Description	440.00
TOTAL DISBURSEMENTS			<u>\$512,526.63</u>

The foregoing payroll and accounts payable vouchers totaling \$512,526.63 are hereby approved and authorized for payment.


for Auditor-Controller

1-2-18
Date


General Manager

1-2-18
Date

DISBURSEMENTS - DATED JANUARY 11, 2018

Date Prepared 1/9/18


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:


<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
P/R*	Employees	Net Payroll PPE 12/31/17 & Accrued Leave Payout at Retirement (Latanyshyn \$4,105)	\$143,461.44
EFT*	US Bank	Federal & FICA Taxes PPE 12/31/17	65,685.67
EFT*	State of California	State Taxes & SDI PPE 12/31/17	12,239.35
EFT*	CalPERS	Pension Contribution PPE 12/31/17	34,785.58
1	All Star Rents	Space Heater Rental & Propane (21 gals) (Stafford Spillway Repair)	233.79
2	Asbury Environmental Services	Used Oil Filter Disposal (55 Gal Drum)	165.00
3	Athens Administrators	Replenish December Workers' Comp Check Written (\$6,227) & Jan Workers' Comp Admin Fee	7,227.11
4	AT&T	December Internet Service @ PRTP	85.00
5	AT&T	Telephone (\$61), Fax (\$73), Data (\$317) & Leased Lines (\$188)	639.41
6	Buckles-Smith	Programmable Controller Back Panel for San Mateo Tank	206.24
7	Davenport, Colin	Replacement Payment (Employee Changed his Bank)	316.21
8	Environmental Express	Standards (Lab)	326.48
9	Farr Construction	Prog Pymt#2: San Mateo Recoat Project (Balance Remaining on Contract \$1,113,350)	380,000.00
10	Fisher Scientific	Test Bottles, Reagent & Zinc Standard (Lab)	327.69
11	Ghilotti Construction	Prog Pymt#4: On-call Construction Repair on Center Road (\$22,200) & Prog Pymt#5: Stafford Dam Spillway Repair (\$50,000) (Balance Remaining on Contract \$47,285)	72,200.71

Seq	Payable To	For	Amount
12	Grainger	Ball Valve for STP Chlorine Feed System (\$386), 1/2" Solenoid Valve for Pacheco Tank Mixing System (\$365), Screwdriver, Portable Toilet (OM) (\$103), Air Hose Couplers (2) & Pipe Threader (\$96)	1,002.12
13	Johnston, Scott and Logan	Novato "Washer Rebate" Program	50.00
14	Kaiser Foundation Health Plan	Pre-Employment Physicals (Kristofors & Miranda)	130.00
15		Vision Reimbursement	383.00
16	Lucchesi, Sarah	Cafeteria Plan Reimbursement	208.33
17	Marinscope	Subscription Renewal (McIntyre) (1/18-12/18) (Budget \$50)	49.00
18	Marin County Clerk	Notice of Exemption Fee for San Mateo Tank Rehab Project	50.00
19	McLellan, WK	Misc Paving (\$1,597) & Traffic Control (535 Atherton)	2,014.78
20	Mutual of Omaha	Jan Group Life Insurance Premium	868.87
21	Neopost USA	Jan Postal Meter Rental	108.20
22	Pace Supply	Meter Couplings (6) (\$77), Nuts & Bolts (4), Coupling Butterfly Valve	1,521.60
23	Panyard, Sarah	Novato "Toilet Rebate" Program	100.00
24	Parkinson Accounting Systems	Software Modification to Add "E-Signature" to Timesheet (4 hrs)	780.00
25	NMWD Petty Cash	Safety Snacks (\$38), Mileage (\$10) & Calendar	61.07
26	Ramudo, Pablo	Exp Reimb: Attend ACWA WQ Committee in Anaheim on 11/28/17. Airfare (\$208), Parking (\$50) & Mileage (\$43) & BAWWA Tour (\$60), Meeting in Alameda on 11/16/17	626.05
27	Red Wing Shoe Store	Safety Boots (Kurfurst & Barrilleaux)	375.96
28		Cafeteria Plan: Uninsured Medical Reimbursement	1,022.00

Seq	Payable To	For	Amount
29	Sequoia Safety Supply	Ear Plugs (400), Safety Glasses (24), Brief Relief Urine Bags (100) (\$259)	377.12
30	Soiland	Asphalt Recycling (5 tons)	15.00
31	Sparling Instruments	Repair Kit for 12" Meter	174.01
32	State Water Resources Control	Waste Water TP Operator Exam Fee (Garrett)	155.00
33	Streakwave Wireless	Spare Network Radios (5) (\$551), Antenna & Backhaul Radio	706.00
34	TPx Communications	December Telephone Charges	463.24
35	Univar	Sodium Hypochlorite (624 gal) (Less Credit of \$200 for Returned Drum) (STP)	1,841.82
36	White Cap Construction	32.8' Hydrotite (10 rolls) (\$2,627), 9"X3/8" Dumbbell Waterstop (\$806), Epoxy (1 gal) & Sealant (\$419) (110 oz) (Stafford Spillway Repair)	4,008.16
37	Wilson, Angelita and Mark	Novato "Toilet Rebate" Program	100.00
TOTAL DISBURSEMENTS			<u>\$735,091.01</u>

The foregoing payroll and accounts payable vouchers totaling \$735,091.01 are hereby approved and authorized for payment.

 1/8/18
 Auditor-Controller Date

 1/8/18
 General Manager Date

BOARD OF DIRECTOR'S 12/31/17 PPE

t:\forms\[bod payroll chart.xlsx]12-31-17

		Baker	Fraites	Grossi	Joly	Petterle
Reg Meeting	12/5/2017	\$219.00	\$219.00		\$219.00	\$219.00
	12/19/2017	\$219.00	\$219.00	\$219.00	\$219.00	\$219.00
*Extra Meeting (s)		\$219.00	\$219.00			
		\$219.00				
		\$219.00				
Total		\$1,095.00	\$657.00	\$219.00	\$438.00	\$438.00
		*12/4/17	*on 12/1/17			
		Northbay Water	North Bay			
		Recycling Assoc.	Watershed			
			Association			
		Northbay Water				
		Reuse Program				
		*12/5/17				
		Novato Watershed				
		Policy Advisory				
		Comm				

**NORTH MARIN WATER DISTRICT
BOARD OF DIRECTORS
COMMITTEES/ASSOCIATION ASSIGNMENTS
2018**

<u>Committee</u>	<u>NMWD Representative(s)/Alternate</u>
<u>North Bay Watershed Association</u> 1 meeting per month – Friday 9:30 a.m. – 11:30 a.m. Petaluma / Novato	Rick Fraites/Jack Baker
<u>Public Policy Facilitating Committee</u> (Russian River Biological Assessment/Opinion) 1 meeting per quarter – Friday 9:00 a.m. – Noon Santa Rosa/Ukiah	Steve Petterle/Jim Grossi
<u>Water Advisory Committee</u> 1 meeting per quarter – Monday 9:00 a.m. – Noon Santa Rosa	Jack Baker/Michael Joly
<u>North Bay Water Reuse Authority/NorthBay Water</u> 1 meeting per quarter – Monday 9:30 a.m. Novato Sanitary District/Novato City Hall	Jack Baker/Jim Grossi
<u>Recycled Water Subcommittee</u> As needed	Jack Baker/Steve Petterle
<u>Novato Watershed Policy Advisory Committee</u> As needed	Rick Fraites/Jack Baker

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Increase in Directors' Compensation
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January 12, 2018

RECOMMENDED ACTION: None - Information Only

FINANCIAL IMPACT: \$1,000 Annually

In accordance with Ordinance No. 27 pertaining to Director's Compensation, said compensation amount shall be escalated annually on each January 1st based upon the change in the San Francisco Bay Area Consumer Price Index for the prior 12 month period, but by no greater than 5% per year, pursuant to California Water Code section 20200 et seq. The change in the SF Bay Area CPI in 2017 was 2.94%. Therefore, effective January 1, 2018, each director shall receive compensation of two hundred and twenty five dollars (\$225) per day for each day's attendance at meetings of the Board, or for each day's service rendered as a director with prior approval of the Board.

Director's compensation for the five-member Board is budgeted at \$41,000 annually, which amount includes payroll overheads. A 2.94% increase will add approximately \$1,000 in cost to the District annually. The adopted budget assumed a 3% CPI increase, so no budget augmentation is required.

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Self-Insured Workers' Comp – 2nd Quarter Status Report
T:\aclword\personnel\wclself ins status 1217.docx

January 12, 2018

RECOMMENDED ACTION: None

FINANCIAL IMPACT: Cumulative Savings of \$581,664

The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,331. The avoided-cost since returning to self-insurance is calculated at \$429,079. When the Reserve for Future Medical (which is the estimated cost to fully resolve open claims) is added, the total cash outlay avoided to date, including interest earned on the cost avoided, is \$581,664. This cash is set-aside in a reserve for future claims.

Through the first half of FY18, the District incurred five claims. Attached are charts showing a 10-year history of annual claims cost (average \$73,000 per year) and 10-year history of claims frequency (average 7 claims per year).

	FY12 through FY15	FY16	FY17	FY18	Cumulative
Premium Avoided	\$845,391 ¹	\$212,135 ²	\$191,000 ³	\$54,630 ⁴	\$1,303,156
Self-Insurance Cost					
Medical/Indemnity Expense	(174,705)	(8,162)	(241,046)	(8,426)	(432,339)
Third-Party Administration	(48,000)	(12,000)	(12,000)	(6,000)	(78,000)
Excess Insurance Premium ⁵	(193,292)	(54,462)	(58,638)	(24,995)	(331,386)
Legal/Miscellaneous	(21,646)	(2,946)	(1,102)	(6,658)	(32,351)
Net Cost Avoided	\$407,749	\$134,565	(\$121,787)	\$8,552	\$429,079
Reserve for Future Medical	0	0	116,087	11,663	127,749
Total Cash Outlay Avoided	\$407,749	\$134,565	(\$5,700)	\$20,215	\$556,829
Interest Earned on Cash Outlay Avoided	5,431	6,022	9,124	4,258	24,835
Cash Savings	\$413,180	\$140,587	\$3,424	\$24,473	\$581,664

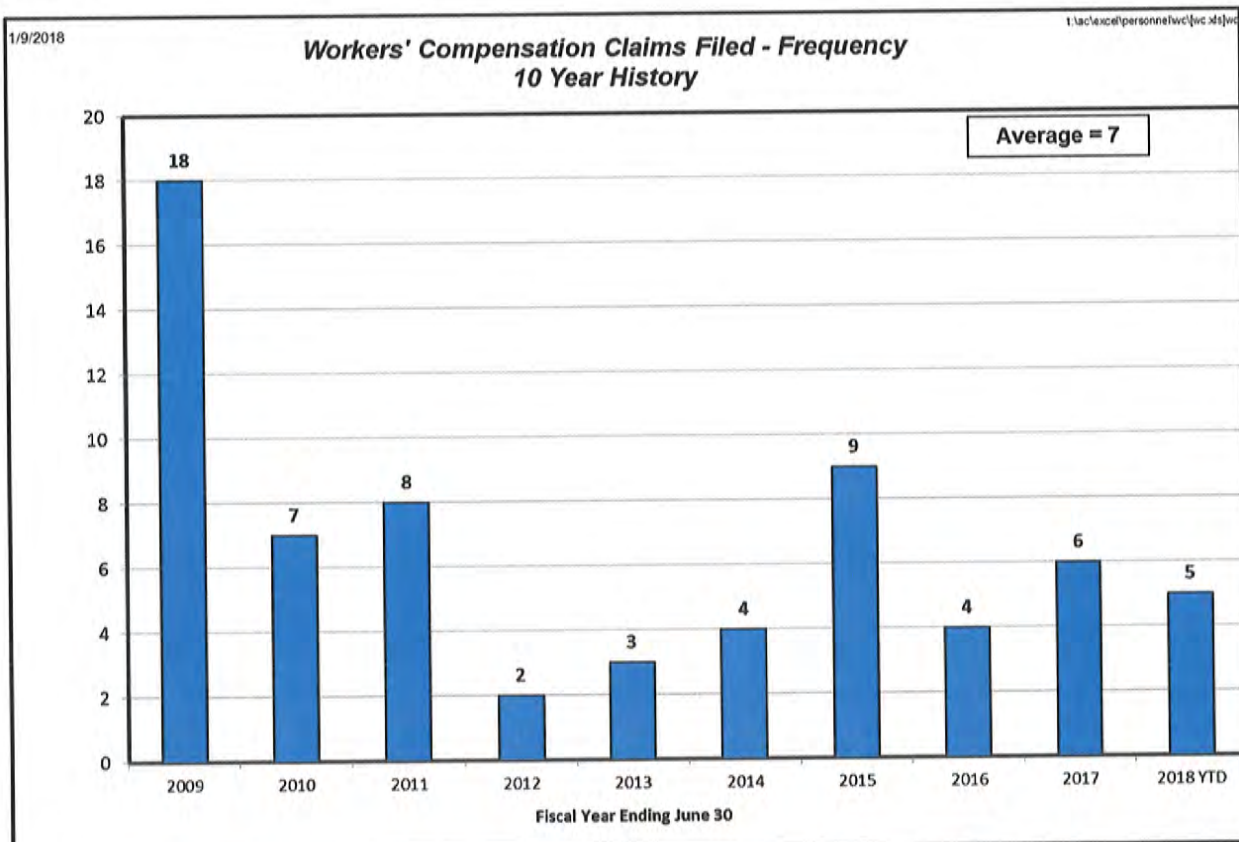
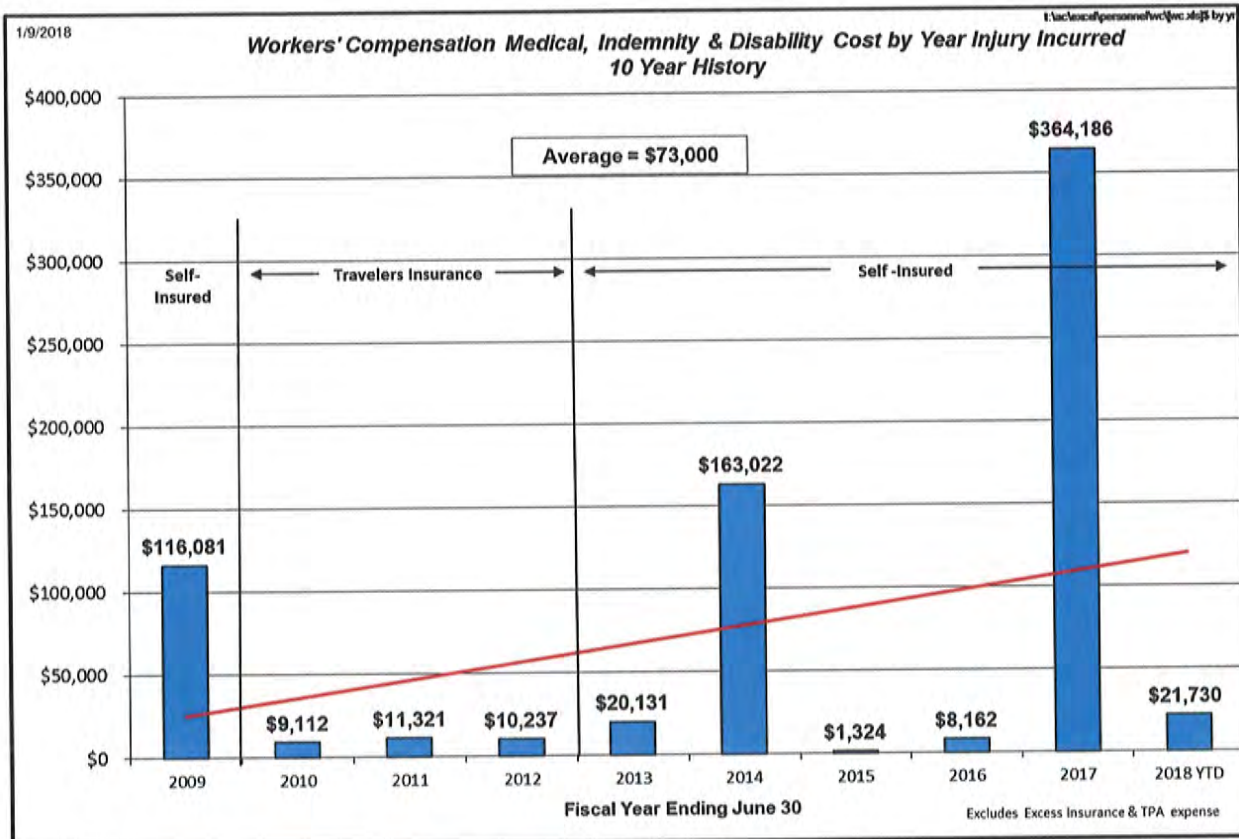
¹ Proposed annual premium of \$159,331 (FY12), \$170,574 (FY13), \$311,764 (FY14) and \$203,722 (FY15)

² New York Marine and General Insurance Company was the low cost proposal with an annual premium of \$212,135.

³ Allied World Assurance was the low cost proposal with an annual premium of \$191,000.

⁴ Zenith Insurance Company was the low cost proposal with an annual premium of \$109,260.

⁵ Excess Insurance Protects the District against Catastrophic Loss Exceeding \$1,000,000 per claim.



MEMORANDUM

To: Board of Directors

January 12, 2018

From: David L. Bentley, Auditor-Controller

Subj: Information – Renewal of Oceana Marin Liability Insurance

I:\ad\word\insurance\18\om liability ins purchase 18.docx

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$1,917 Expense for Oceana Marin Sewer

The 2018 premium for Oceana Marin sewer improvement district's \$1 million liability insurance policy is up 1% (\$15) from 2017. This coverage is provided via the California Sanitation Risk Management Authority (CSRMA), a Joint Powers Authority that also provides coverage for the sanitary districts in Novato, Central Marin, Las Gallinas, County San District's 1&5, Sausalito-Marin City, San Rafael, and the Sewerage Agency of Southern Marin. \$2,000 was budgeted for this purchase.

Note from the attached chart that Oceana Marin's insurance premium decreased significantly in 2010, and continues at a moderate level. CSRMA changed carriers four years ago to Allied World Assurance Company based on their more competitive proposal than the prior carrier. The Allied policy retains the limit of \$1 million per occurrence and \$3 million aggregate, but includes a \$1,000 deductible, compared to zero deductible with the previous policy.

Allied World Assurance Company carries an A.M. Best Rating of A XV. The A indicates excellent financial strength, and the XV indicates financial size is the largest rated (>\$2 billion statutory surplus).

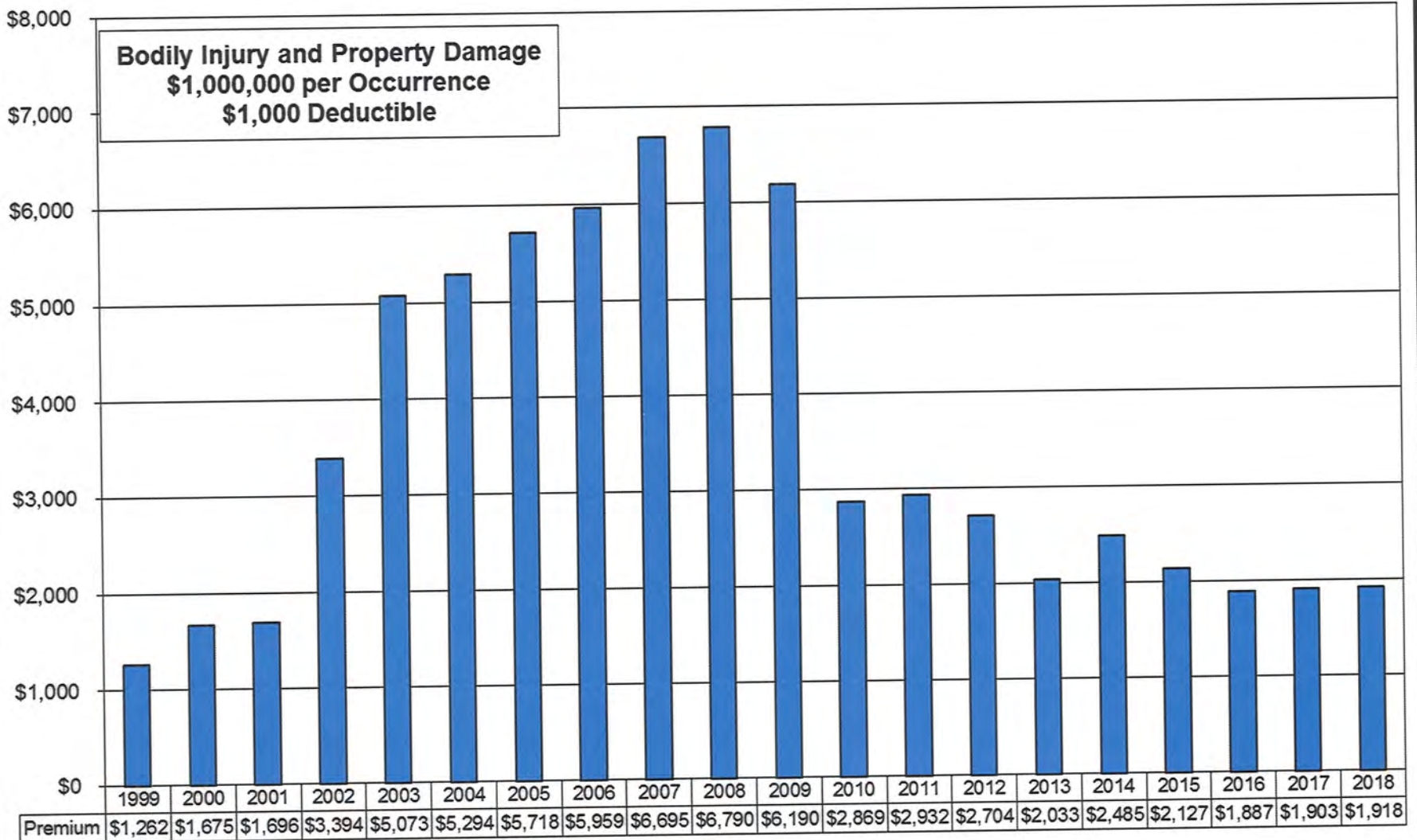
The premium cost for each of Oceana Marin's 232 dwelling units is \$8 per year. CSRMA reported that the average cost of the 518 sewer overflow claims incurred over the ten year period ending in 2017 was \$12,952, which equates to \$56 per Oceana Marin customer absent insurance. In February 2008 a sewer main in Oceana Marin ruptured, and CSRMA reimbursed the Oceana Marin district \$50,370 for clean-up costs. Since 1999, when the District initially purchased liability insurance for Oceana Marin, and including the 2018 premium, annual premium payments total \$70,603.

1/9/2018

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Oceana Marin Liability Insurance Premium

Renews January 1



MEMORANDUM

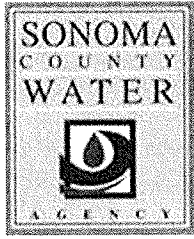
To: Board of Directors January 16, 2018
From: Terrie Kehoe, Engineering Services Representative
Rocky Vogler, Chief Engineer 
Subject: City of Novato Paving Moratorium; Measure A Group 10 (CIP 18-001), CIP 15-017
r:\chief eng\eng serv rep\paving\paving 2018\board memo 2018.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Standard practice by the City of Novato is to adopt a five year street cut (excavation) prohibition immediately following a street pavement rehabilitation project. These excavation prohibitions (also known as paving moratoriums) can have a negative impact on NMWD customers undergoing major remodels due to the need to upsize water service to meet fire sprinkling requirements. The City of Novato's 2018 pavement rehabilitation projects include streets pursuant to Novato Municipal Code Chapter XV, Section 15-2.54 (Attachment 1). This information is made available from the City of Novato's website and also by mail (via public notice). When the District receives paving moratorium updates, we first transfer the information to NMWD facility maps located at the Engineering Department counter. This allows both staff and customers the opportunity to see the actual areas affected by the moratorium as well as the dates the moratorium remains in effect.

Annually, NMWD sends a direct mailing to all those consumers who will be under the current paving moratorium. This year the District utilized a new parcel database program (Data Tree) that allows properties to be searched by parcel number, street address or owner name. This program also has the capability to print out mailing labels. The District is able to search each street on the listing, and print it by service number and mailing address. This provides a concise reference of what was mailed to our customers. For the current moratorium, the District sent 73 notices. The paving moratorium has an approximate start date of June 2018 and will last five years.



**Sonoma County Water Agency
PRESS RELEASE**

For Immediate Release
January 10, 2018

CONTACT:

Brad Sherwood
707.322.8192 (cell)
brad.sherwood@scwa.ca.gov

Water Agency Board of Directors Appoints Grant Davis as General Manager

(Santa Rosa, CA) The Sonoma County Water Agency Board of Directors today announced that Grant Davis will return to the Sonoma County Water Agency as its general manager. Mr. Davis returns to the Water Agency after being appointed nearly five-months ago by Governor Brown to serve as Director of the California Department of Water Resources (DWR).

"Mr. Davis recently approached the County to request consideration to return to his former position, stressing his desire to serve in his home community in the wake of our catastrophe. His local and regional experience, combined with his statewide relationships, will serve the Water Agency and the entire County well," said Sonoma County Water Agency Chairman James Gore. "I would like to extend my appreciation for the excellent work performed by Interim General Manager Mike Thompson and the Water Agency staff during this time of transition."

Mr. Davis said, "I am honored and humbled by the confidence of the Water Agency's Board of Directors to allow me the opportunity to return to the Sonoma County Water Agency as its general manager. Working with Governor Brown and his Administration as the Director of the California Department of Water Resources was a tremendous experience. I am thankful for the opportunity to serve Governor Brown. It was a true honor and privilege. This is going to be a very important year in California for water. I am confident that the Governor and the state are on a solid pathway forward. My home and passion is Sonoma County, and I am dedicated to helping the Water Agency achieve its ongoing goals while restoring our watersheds impacted by the wildfires."

Mr. Davis was appointed by Governor Brown to become the Director of the California Department of Water Resources on August 1, 2017. Acting DWR Director William R. Croyle retired on July 1, 2017. DWR plays an important role in sustaining California's economy, environment and quality of life. DWR operates and maintains the California State Water Project (SWP), which provides drinking water and water to farms.

Mr. Davis joined the Water Agency in 2007 as the assistant general manager and became its general manager in 2010. As the general manager of the Water Agency, Mr. Davis worked with more than 280 employees and is responsible for the Water Agency's core functions of providing drinking water to over 600,000 residents in portions of Sonoma and Marin counties, wastewater management for 60,000 customers, maintaining nearly 100 miles of streams and detention basins for flood protection, and restoring habitat for three federally listed fish species in the Russian River.

For nearly a decade, Mr. Davis has continued to implement nationally praised sustainability and western water initiatives, including being recognized by the White House last year for the Water Agency's efforts in climate adaptation, regional recycled water development, and its Forecast Informed Reservoir Operations initiative. Mr. Davis also implemented the Water Agency's Carbon Free Water by 2015 initiative and renewable energy program called the Sonoma County Energy Independence Program. In 2015, the Water Agency has contracted to procure 100 percent of its electricity needs through renewable and carbon free resources, thus achieving a carbon neutral electricity supply to power its system.

Under Mr. Davis' leadership, the Water Agency continues to implement a Biological Opinion on the Russian River which has resulted in the creation of the National Oceanic and Atmospheric Administration's first Safe Harbor Program agreement. Other major achievements of Mr. Davis' included the development of the North Coast and Bay Area Integrated Regional Water Management Programs, in which \$19 million was secured to support the installation of a new regional Bay Area weather forecasting satellite system.

Prior to joining the Water Agency, Mr. Davis was Executive Director of The Bay Institute, a science-based nonprofit, dedicated to protecting the San Francisco Bay-Delta Watershed and improving water management in California. Mr. Davis also worked for Congresswoman Lynn Woolsey, State Senator Milton Marks, and Assemblywoman Lucy Killea.

View this press release at <http://www.scwa.ca.gov/lower.php?url=press-releases&article=water-agency-board-of-directors-appoints-grant-davis-as-general-manager-2018-01-10>

For more information about the Water Agency, please visit www.sonomacountywater.org.

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The Sonoma County Water Agency is working to secure our future by investing in our water resources, community and environment. The Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomacountywater.org.

NOVATO

Fire chief succession on agenda for board

The fire district board meeting on Jan. 3 will include succession planning to replace Chief Mark Heine, who is retiring Jan. 26.

The discussion will include a recruitment timetable and an annual salary range. The proposed base range is \$200,078 to \$209,605.

The board meeting is scheduled for 6 p.m. on the second floor of Fire Station 61 at 7025 Redwood Blvd.

Heine has worked for the fire district since 1986, starting as a firefighter/paramedic. He rose through the ranks and was named chief in 2013.

Marin
Independent
Journal
01/03/18

California population grows while Marin's shrinks

By The Associated Press

POSTED: 12/21/17, 4:20 PM PST | UPDATED: 1 WEEK, 4 DAYS AGO 30 COMMENTS

California's population is approaching 40 million after growing by nearly 300,000 people during the year ending July 1, 2017, state officials reported Thursday in their annual county-by-county population update.

That puts the state's total population at 39.6 million, by far the largest in the country.

Thirteen counties shrank, most of them sparsely populated areas in far Northern California and the Sierra Nevada range. Marin County lost 161 people, for a total population of 262,545.

California's counties range in size from 10.3 million in Los Angeles, which is larger than most states, to tiny Alpine with just 1,141 people — nine fewer than a year ago.

Most of the population growth came from births, which outpaced deaths by 220,000. More people moved out of California than in from other U.S. states, but foreign immigration made up the difference. Total net migration added 80,000 people, according to the report by the Department of Finance.

The largest numeric increases were in the Southern California counties of Los Angeles, Riverside, San Diego, Orange and San Bernardino, which each grew by more than 20,000 people. The biggest percentage jumps were in the Sacramento suburbs, the Inland Empire outside Los Angeles and the Central Valley.

Nine counties with more than 1 million people each comprise 70 percent of the state's population. They include the cities and suburbs of Los Angeles, San Diego and Sacramento as well as Silicon Valley and the East Bay outside San Francisco.

With 880,000 people, San Francisco is the state's 12th largest county.

Novato's next fire chief will be internal hire



Novato fire Chief Mark Heine meets with Pacheco Valle residents Jim Wilroy and Kathy Schlegel in August. Heine is leaving the district on Jan. 26. (Robert Tong/Marin Independent Journal)

By Stephanie Weldy, Marin Independent Journal

POSTED: 01/07/18, 5:36 PM PST | UPDATED: 6 HRS AGO 1 COMMENT

The Novato fire district's next chief will be promoted from within the organization, the board decided at its meeting Wednesday.

In preparation for Chief Mark Heine's retirement on Jan. 26, board members voted 5-0 to expedite the succession and seat a new fire chief by Feb. 1.

The board also unanimously voted for a salary range of \$200,000 to \$215,000 a year, not including benefits.

Heine said he has trained two potential successors over the past two years. Once board members have chosen the next chief, Heine said, he will spend a week preparing them to take over.

Heine, 54, a Petaluma resident, has worked for the fire district since 1986, starting as a firefighter/paramedic. He rose through the ranks and was named chief in 2013.

Having maxed out in the Marin County Employees' Retirement Association, which covers the fire district, Heine said he accepted a job as chief for Sonoma County's Rincon Valley and Windsor Fire Protection Districts.

"I have no desire to leave Novato at all," he said. "I love the organization and the community. It's been nothing but a distinct honor and privilege to serve the community for 33 years."

Heine's new base salary will be \$159,000, plus about \$75,000 in benefits. He will accrue another pension through the California Public Employees' Retirement System.

Heine's annual compensation in Novato is \$206,618 in salary plus benefits.