

**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING  
February 5, 2013– 7:30 p.m.  
District Headquarters  
999 Rush Creek Place  
Novato, California**

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<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
7:30 p.m.	<b>CALL TO ORDER</b>	
	1. <b>APPROVE MINUTES FROM REGULAR MEETING</b> , January 15, 2013	
	2. <b>GENERAL MANAGER'S REPORT</b>	
	3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. <b>STAFF/DIRECTORS REPORTS</b>	
	5. <b>QUARTERLY FINANCIAL STATEMENT</b>	
	<b>CONSENT CALENDAR</b>	
	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.	
	6. <b>Consent – Approve:</b> Resolution for Regulation 5- Temporary Service	<i>Resolution</i>
	7. <b>Consent – Approve:</b> Request Out-of-State Travel for Drew McIntyre	
	8. <b>Consent – Approve:</b> Authorization to Solicit Proposals for Replacement Photocopier	
	<b>ACTION CALENDAR</b>	
	9. <b>Approve:</b> Pilot Program for Digital Agenda Packets	
	10. <b>Approve:</b> Gallagher Pipeline Project – Prop 50 Funding Resolution	<i>Resolution</i>
8:00 p.m.	<b>INFORMATION ITEMS</b>	
	11. Water Conservation Mid-Year Update (July-December 2012)	
	12. Mid-Year Progress Report - Engineering Department	
	13. Pt. Reyes Treatment Plant Solids Handling Project- Status Update on Marin County Coastal Development Permit	
	14. Novato Potable Water System Financial Plan Update	

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

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
	15.	LAFCO Special District Member- Call for Nominations
	16.	NBWA Meeting – February 1, 2013
	17.	WAC/TAC Meeting – February 4, 2013
	18.	<b>MISCELLANEOUS</b> Disbursements Approved FY13/14 Budget Review Schedule Underground Service Alert FY13 2 <sup>nd</sup> Qtr. Labor Cost Report Outstanding Invoice- Rossi Meter Reading Accuracy Letter from Harry Graves Press Release- Flushing Program 2013  <u>News Articles:</u> Santa Rosa City Council picks Robin Swinth to replace Susan Gorin Guest Opinion: Magical thinking about fluoridation in Sonoma County Press Release- Sonoma County Water Agency - Water Agency announces 2013 public tours schedule District to flush out water system
	19.	<b>Closed Session:</b> Conference with Real Property Negotiator (Chris DeGabriele) regarding terms of Intertie Agreement between North Marin Water District and Marin Municipal Water District (Government Code Section 54956.8)
9:30 p.m.	20.	<b>ADJOURNMENT</b>

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**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
January 15, 2013

6 **CALL TO ORDER**

7 President Fraites called the regular meeting of the Board of Directors of North Marin Water  
8 District to order at 7:30 p.m. at the District Headquarters and the agenda was accepted as  
9 presented. Present were Directors Jack Baker, Stephen Petterle, and Dennis Rodoni. Also present  
10 were General Manager Chris DeGabriele, Secretary Katie Young, Auditor-Controller David Bentley  
11 and Chief Engineer Drew McIntyre. Director John Schoonover was absent.

12 Theresa Bangart and George Goerl (residents of Red Hawk Rd.), District employees Robert  
13 Clark (Operations/Maintenance Superintendent), and Doug Moore (Construction/Maintenance  
14 Superintendent) were in the audience.

15 **MINUTES**

16 On motion of Director Baker, seconded by Director Rodoni and carried by the following vote,  
17 the Board approved the minutes from the previous meeting as amended:

18 AYES: Directors Baker, Fraites, Petterle, Rodoni

19 NOES: None

20 ABSTAIN: None

21 ABSENT: Director Schoonover

22 **GENERAL MANAGER'S REPORT:**

23 **Public Policy Facilitating Committee Meeting**

24 Mr. DeGabriele informed the Board that he and Director Fraites attended the Public Policy  
25 Facilitating Committee Meeting on December 20th. He stated that the meeting included an overview  
26 of this year's progress on compliance with the Russian River Biological Opinion.

27 **Oceana Marin Homeowner's Association**

28 Mr. DeGabriele advised the Board that he will attend the Oceana Marin Homeowner's  
29 Association semi-annual meeting on Saturday, January 19, 2013 to review last year's activities and  
30 talk about plans for the coming year in Oceana Marin.

31 Mr. DeGabriele reminded the Board that the next NMWD Regular Board meeting would be  
32 February 5th.

1 **OPEN TIME:**

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

4 **STAFF/DIRECTORS REPORTS:**

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

7 Robert Clark advised the Board that the District has finished the majority of the annual  
8 maintenance tasks at the Stafford Treatment Plant and that the plant should start up later in the  
9 week.

10 Director Petterle informed the Board that while playing golf over the weekend he noticed four  
11 kayaks on Stafford Lake and notified the sheriff department who immediately removed the kayakers.

12 Director Rodoni opined that he most likely will be nominated to the vice chair of the Water  
13 Advisory Committee and that while he will be pleased to receive the nomination, there will be  
14 budgetary impacts, including more meetings and it could involve a yearly trip to Washington D.C. He  
15 stated that it would likely be a three year commitment, one year as vice chair and two years as chair.

16 **MONTHLY PROGRESS**

17 Mr. DeGabriele reported that through December water production in Novato and West Marin  
18 was down compared to December 2011. He stated that Stafford Treatment Plant was not operating  
19 in December and that it will start up soon. Mr. DeGabriele said that Stafford Lake full and that with  
20 the early rain both Lake Mendocino and Lake Sonoma are at excellent storage levels. Mr.  
21 DeGabriele advised that freeboards at the Oceana Marin treatment and storage ponds were in good  
22 shape. He noted that the District has gone 353 days without a lost time accident and that staff  
23 should be commended for the great safety performance. Mr. DeGabriele stated that in December  
24 there were ten polybutylene and two copper service lines replaced. He said that the Summary of  
25 Complaints and Service Orders for the month of December were down from last year as were the  
26 high bill complaints and that there were no water quality complaints during the month. Mr.  
27 DeGabriele advised the Board that there were 252 customer service questionnaires sent out during  
28 the quarter and only 11% were returned, although 99% of those returned agreed the District was  
29 doing a good job responding to the customers concerns.

30 Mr. Bentley informed the Board that the Monthly Report of Investments shows that the cash  
31 balance decreased by \$548,000 during December, to \$8.4M. He stated that the cash balance is  
32 down \$2.1M to date for this fiscal year due to money loaned to the Recycled Water System  
33 expansion. Mr. Bentley noted that the District is waiting on \$6.5M grant and loan money for the

1 Recycled Water System expansion and that the District's investment portfolio is earning 0.42%  
2 interest.

3 **CONSENT CALENDAR**

4 At the request of Director Baker, Item Number 6, Request Out-of-State Travel for Stacie  
5 Goodpaster, was removed from the Consent Calendar for further discussion.

6 On motion of Director Petterle, seconded by Director Rodoni and unanimously carried by  
7 those Directors present the Agenda Items Numbered 7 through 9, were approved on the Consent  
8 Calendar.

9 **REQUEST OUT-OF-STATE TRAVEL FOR STACIE GOODPASTER**

10 This item was removed from the Consent Calendar at the request of Director Baker.

11 Director Baker asked if sending Mr. Ramudo's assistant was a good idea and if the  
12 conference was meant for agency's on a bigger scale.

13 Mr. DeGabriele stated that Stacie Goodpaster has been a member of the America Water  
14 Works Association (AWWA) California Nevada section Water Quality Analyst Certification  
15 Committee for over 5 years and is currently the chair of said committee. He continued to state that  
16 the District encourages staff to be involved in AWWA and that Ms. Goodpaster meets with other  
17 members of the committee for regular teleconferences and is responsible for developing laboratory  
18 analyst's tests for certification.

19 Director Baker asked how many people were on the committee. Mr. DeGabriele responded  
20 eleven and that Drew McIntyre was also a chair of the Pipeline Rehabilitation Committee for AWWA  
21 and would be attending the conference.

22 On motion of Director Petterle, seconded by Director Baker, and unanimously carried by  
23 those Directors present, the Board authorized Stacie Goodpaster to travel out of state to attend the  
24 AWWA spring conference.

25 **REGULATION 5 UPDATE**

26 Regulation 5, Temporary Service was amended to revise the refundable security deposit to  
27 reflect the current replacement cost of a hydrant meter (\$850) used for temporary water service. The  
28 cost for temporary service through a hydrant meter will now be \$950, of which \$100 is a non-  
29 refundable charge for administration, installing and removing the meter. A new one-sentence  
30 section has been added to the end of Regulation 5 to clarify that a bimonthly service charge and  
31 water quantity charge applies to use the hydrant meter.

32

1 **EXTENSION OF HALF MOON TANK LICENSE AGREEMENT FOR NSD ANTENNA**

2 Novato Sanitary District currently has a ten year license agreement with the District allowing  
3 use of the Half Moon tank site to place an antenna, and 24" x 30" equipment box. The current  
4 license runs through January 31, 2013 with a provision to extend the term of the agreement for an  
5 additional ten years.

6 The Novato Sanitary District has requested an extension according to the agreement terms  
7 and the extension for a ten year term from February 1, 2013 to January 31, 2023.

8 **PROPOSED FY13/14 BUDGET REVIEW SCHEDULE**

9 The Board approved the proposed FY 13/14 Budget Review schedule.

10 **ACTION CALENDAR**

11 **ADDITIONAL BILL ADJUSTMENT- BANGART**

12 Mr. Bentley informed the Board that Theresa Bangart from Red Hawk Road received her bill  
13 at the end of November for \$299. He stated that her normal bill was in the \$35 range. He noted that  
14 Ms. Bangart called the District to check for leaks and requested a Water Smart Home Survey, which  
15 found no leaks. Mr. Bentley said that Ms. Bangart received a bill adjustment of \$148 reducing her bill  
16 to \$150. He said that Ms. Bangart has been a resident in Novato for 16 years and pays her bill on  
17 time. Mr. Bentley advised the Board that there are two options; they could let the bill stand as  
18 adjusted or the Board could grant Ms. Bangart her request of a full adjustment reducing her  
19 November bill to the same consumption as November 2011, equal to \$37.

20 Theresa Bangart expressed her gratitude towards the Board for considering her appeal. She  
21 expressed her frustration regarding the denial of her adjustment stating that she never used the  
22 water that was mentioned on her bill. She informed the Board she had called the District to try and  
23 help solve the issue of the unused water and that the District stated to her that there were no leaks,  
24 no running toilets, no overflows, no minor flood, no broken pipes, and no outside watering. Ms.  
25 Bangart informed the Board that she recently received information unbeknownst to her, on  
26 November 3<sup>rd</sup> there was a large leak that occurred at 226 Red Hawk Rd and there was water  
27 running out onto the street. She stated that her neighbor contacted Wakefield/Sharp, the  
28 Homeowner's Association manager, and they did not get a plumber to fix the pipe until November  
29 6<sup>th</sup>. Ms. Bangart noted that Tarentino plumbing company came out to fix the pipeline that was broken  
30 and that her meter was the only meter affected.

31 Director Rodoni suggested she contact Wakefield/Sharp regarding the charges since it took  
32 them over 72 hours to turn off the meter. Director Rodoni informed Ms. Bangart that since the main

1 break was on the consumer side of the meter the District is not responsible for the repairs, the  
2 consumer is.

3 Mr. DeGabriele stated that the he will contact Mark Sharp from Wakefield/Sharp and  
4 advocate for Ms. Bangart, letting him know that the District private service lines beyond the meter  
5 need more prompt action should there be a leak, and the District be notified right away so we can  
6 properly turn the meter off. He noted that he will request Wakefield/Sharp to pay the requested bill  
7 adjustment for Ms. Bangart.

8 Director Petterle suggested that the Board decide on an amount that Ms. Bangart shall pay if  
9 Wakefield/Sharp would not pay the entire bill. Director Rodoni stated that if the property manager  
10 does not pay the bill the Board will adjust Ms. Bangart's bill to \$75, which she will pay.

11 Director Baker opined that the District should not be responsible for the leak and that Ms.  
12 Bangart already received an adjustment and they should not support further adjustment.

13 On motion of Director Petterle, seconded by Director Rodoni and carried by the following  
14 vote, the Board authorized the General Manager to approach the property manager, Mark Sharp, to  
15 request they pay Ms. Bangart's requested bill adjustment; if they deny this request, Ms. Bangart's bill  
16 will be reduced to \$75.

17 AYES: Directors Fraites, Petterle, Rodoni

18 NOES: Baker

19 ABSTAIN: None

20 ABSENT: Director Schoonover

21 Ms. Bangart and Mr. Goerl left the meeting.

22 **RECYCLED WATER NORTH/SOUTH SERVICE AREA- ON-SITE RETROFIT CONSTRUCTION**  
23 **PROJECT (GROUP 2)- APPROVE BID ADVERTISEMENT**

24 Mr. McIntyre informed the Board that staff is ready to move forward with additional onsite  
25 retrofits for the Recycled Water North/South Service Area and are requesting bid advertisement  
26 approval. He stated that the project consists of on-site retrofits to convert seventeen (17) customers'  
27 sites from current potable water use for irrigation to recycled water use. He stated that with the  
28 completion of the Group 2 retrofit project, all sites in the respective North and South Service Area  
29 will be completed except for five sites. Mr. McIntyre stated that the estimated engineering  
30 construction cost for the project is \$315,000 and will be District funded. He stated that project will be  
31 advertised starting on January 25, 2013, with the estimated completion date set for June 30, 2013.

1 Director Petterle asked staff if the Meadow Park Homeowner's Association was notified that  
2 there was an agenda item tonight regarding this item. Mr. McIntyre stated that they were not notified  
3 of tonight's agenda items but they are aware that the District is doing the retrofits. Director Petterle  
4 requested that the Meadow Park Homeowner's Association be notified on any item of interest to  
5 them so they are aware of what is going on. Mr. McIntyre said that he will add the Homeowners  
6 Association to the agenda distribution list and also to request Data Instincts include them on their  
7 project notification list.

8 On motion of Director Petterle, seconded by Director Baker, and unanimously carried by  
9 those Directors present the Board authorized bid advertisement of the Recycled Water North/South  
10 Service Areas- On-Site Retrofit Construction Project (Group 2).

11 **CHANGE ORDER NO. 5- ENVIRONMENTAL SCIENCE ASSOCIATES FOR PERMITTING AND**  
12 **MITIGATION MONITORING SERVICES (RECYCLED WATER EXPANSION)**

13 Mr. McIntyre reminded the Board of the various change orders with Environmental Science  
14 Association (ESA) approved at past meetings regarding the Recycled Water Expansion Project. He  
15 stated in August 2012, Change Order No. 4 was approved to ESA for South Area Phase 1a and 1b,  
16 construction monitoring services. Mr. McIntyre noted that there was additional monitoring services  
17 needed that were not authorized back in August. Mr. McIntyre stated that Change Order No. 5 was  
18 the final change order for ESA on the project and that it was for three year revegetation monitoring  
19 service for Phase 1a, CA Fish and Game Stream Bed Alteration Agreement extension, and  
20 miscellaneous onsite retrofit services. He noted that the total cost for Change Order No. 5 would be  
21 \$36,600.

22 On motion of Director Rodoni, seconded by Director Petterle, and unanimously carried by  
23 those Directors present the Board authorized the General Manager to execute Change Order No. 5  
24 to ESA to perform additional Recycled Water Expansion CEQA permitting and mitigation monitoring  
25 services in the amount of \$36,600.

26 **NOTICE OF COMPLETION FOR RECYCLED WATER EXPANSION SOUTH SERVICE AREA**  
27 **PHASE 1A PROJECT (MAGGIORA AND GHILOTTI, INC.)**

28 Mr. McIntyre informed the Board that the Recycled Water Expansion South Service Area  
29 Phase 1a project completed by Maggiora and Ghilotti, Inc. and the contractor has fulfilled their  
30 obligations under the contract. He stated that the project consisted of installation of pipe from the  
31 Las Gallinas Valley Sanitary District Treatment Plant north to Bolling Circle in Novato. Mr. McIntyre  
32 stated that he would file the Notice of Completion with the county and after 30 days if no claims have  
33 been filed the final payment will be released in the amount of \$66,685. He noted that the final  
34 payment amount includes \$4,000 which shall be held until proof of payment is received for Davis-



1 Bacon Wage rate issues. Mr. McIntyre stated that the final cost of the project was \$3,700 less than  
2 the original contract amount and that there were minimal change orders.

3 On motion of Director Rodoni, seconded by Director Petterle, and unanimously carried by  
4 those Directors present the Board authorized the General Manager to execute and file a Notice of  
5 Completion for the Recycled Water South Service Area- Phase 1a project.

6 **INFORMATION ITEMS**

7 **BAY AREA INTEGRATED REGIONAL WATER MANAGEMENT PLAN UPDATE**

8 Mr. DeGabriele informed the Board that the Gallagher Well and Pipeline Project was not  
9 included in the Round 2 applications for Proposition 84 funding.

10 **NORTH BAY WATER REUSE AUTHORITY BOARD MEETING- NOVEMBER 19, 2012**

11 Mr. McIntyre provided the Board with a recap of the November 19, 2012 North Bay Water  
12 Reuse Authority (NBWRA) meeting. He stated that Marin Municipal along with City of Petaluma  
13 have decided to move forward and join NBWRA as Phase 2 participants. He advised the Board that  
14 there were some changes in the budget for the 2012/13 fiscal year resulting in the District's share to  
15 decrease from \$102,541 to \$94,969. Mr. McIntyre stated that the WaterSmart Construction Grant  
16 application is moving forward, and that the District will be requesting FY 2015/16 WaterSmart grant  
17 funds totaling \$1.5M.

18 **MARIN SONOMA NARROWS (MSN) AND NMWD'S AEEP REACH E AQUEDUCT**

19 **CONSTRUCTION PHASE- OUTSOURCING INSPECTION SERVICES**

20 Mr. McIntyre informed the Board that the Aqueduct Energy Efficiency Project (AEEP) has  
21 been divided into five pipeline segments. He stated that the first phase of the aqueduct relocation  
22 and upsizing will extend from Redwood Landfill in the south to the south end of San Antonio Road.  
23 He noted that construction is expected to start in the Spring of this year and construction bids show  
24 a significant reduction in the estimated cost of upsizing the aqueduct from 30" to 42". Mr. McIntyre  
25 stated that the District will move forward and request proposals for pipeline inspection services  
26 related to the project. He informed the Board that staff will come back in approximately two months  
27 with recommendation prior to the pipeline installation.

28 Director Baker asked if Transportation Authority of Marin (TAM) knows that the District is  
29 dealing with CalTrans. Mr. McIntyre informed Director Baker that both CalTrans and TAM are  
30 connected and are involved in the contract.

1 **STP STRAW PROJECT UPDATE**

2 Robert Clark reported to the Board that the Students and Teachers Restoring a Watershed  
3 (STRAW) Project at Stafford Lake was completed in December 2012. He stated that this year  
4 STRAW concentrated on the east end of the lake. Mr. Clark said that the participants included 12  
5 5th grade students from Good Sheppard School in Novato, six adult volunteers and with five Point  
6 Reyes Bird Observatory (STRAW) staff.

7 Mr. Clark informed the Board that the project included installation of straw waddles and  
8 plants below the Solar Arrays at the fence line along with plantings of Coyote brush, Coffeeberry,  
9 and Toyon. He stated that the objective of the project was to revegetate with native species, control  
10 erosion and screen the site from the golf course while maintaining access to facilities.

11 **NBWA MEETING- JANUARY 4, 2013**

12 Mr. DeGabriele stated that he and Director Fraites attended the January 4, 2013 North Bay  
13 Water Association Meeting and Jennifer Krebs from San Francisco Estuary gave an excellent  
14 presentation on the Relationship Between Water and Land Use. He noted that Harry Seraydarian  
15 provided a presentation on the Estimated Economic Benefits of Environmental Projects and that it  
16 was very informative.

17 **TAC MEETING- JANUARY 7, 2013**

18 Mr. DeGabriele provided the Board with a summary of the January 7th meeting. He stated  
19 that Sonoma-Marin Saving Water Partnership Annual report was provided to the Board and is being  
20 circulated to other elected officials, the State Board, and the Department of Water Resources,

21 Mr. DeGabriele noted that the Technical Advisory Committee and adopted the list of potential  
22 projects for further evaluation for recommendation to the Water Advisory Committee.

23 **MISCELLANEOUS**

24 The Board received the following miscellaneous items: Disbursements, FY 13/14 CalPERS  
25 Employer Rate, Self-Insured Workers' Comp- 2<sup>nd</sup> Quarter Status Report, Annual Sick Leave Buy-  
26 Back Information, Information-Renewal of Oceana Marin Liability Insurance, NFPD Thank You  
27 Letter, and a Press Release from Rep. Thompson on the Russian River as the CA Habitat Focus  
28 Area.

29 The Board also received the following news articles: Rail work to start in Marin in 2013, Tito  
30 Sasaki Takes the Reins as President of Sonoma County Farm Bureau, Enrollment now open for the  
31 2013 Fish Friendly Farming Environmental Certification Program, Supes toss vacancy appointment

1 back to Las Gallinas Valley sewer board, NID Board selects a New General Manager, and Landman  
2 elected unanimously as Cotati's mayor.

3 **CLOSED SESSION**

4 President Fraites adjourned the Board into closed session for: Conference with Real  
5 Property Negotiator (Chris DeGabriele & Drew McIntyre) regarding terms of Interconnection  
6 Agreement between North Marin Water District and Marin Municipal Water District in accordance  
7 with Government Code Section 54956.8.

8 **OPEN SESSION**

9 Upon returning to regular session at 9:06 p.m., President Fraites stated that during the  
10 closed session the Board had discussed the issues and no reportable action had been taken.

11 **ADJOURNMENT**

12 President Fraites adjourned the meeting at 9:07 p.m.

13 Submitted by

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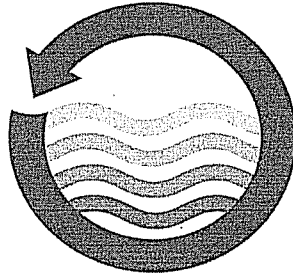
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Katie Young  
District Secretary

# **NORTH MARIN WATER DISTRICT**



## **FINANCIAL STATEMENT FISCAL YEAR 2012-13**

**December 2012**

**NORTH MARIN WATER DISTRICT  
FINANCIAL STATEMENTS  
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**MEMORANDUM**

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Information – FY12/13 December Financial Statement  
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February 1, 2013

**FISCAL YEAR-TO-DATE PERFORMANCE COMPARED TO THE ANNUAL BUDGET**

**CONSOLIDATED SUMMARY**

<b>Actual vs. Budget</b>	<b>Dec-12</b>	<b>FY12/13 YTD Actual</b>	<b>FY12/13 Budget</b>	<b>FYTD / Budget %</b>
Operating Revenue	\$1,109,041	\$9,795,199	\$16,678,000	59%
Operating Expense	\$1,232,736	\$8,396,554	\$15,403,000	55%
Non-Operating Revenue/(Expense)	(\$6,081)	(\$230,889)	(\$409,000)	56%
Net Income/(Loss)	(\$129,776)	\$1,167,756	\$866,000	135%
Other Sources/(Uses) <sup>1</sup>	(\$422,958)	(\$3,280,826)	(\$497,000)	660%
Cash Increase/(Decrease)	(\$552,734)	(\$2,113,069)	\$369,000	-

<sup>1</sup> See Page 8.

For the first half of the fiscal year the District generated a net income of \$1,167,756 and saw a net cash decrease of \$2,113,069. Operating Revenue, at 59%, came 3% more than budget, and Operating Expense, at 55%, came in 2% more than budget, seasonally adjusted. 53% of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's total cash balance decreased \$548,234 during the month. The December cash decrease was due primarily to payments for the Recycled Water expansion project (\$346,893) and STP Rehab SRF loan payment (\$574,461), offset by reduction in consumer receivables (\$310,029).

**SUMMARY INCOME STATEMENTS BY SERVICE AREA  
 PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS**

**NOVATO WATER**

<b>Year over Year Comparison</b>	<b>Dec-12</b>	<b>FYTD 12/13</b>	<b>FYTD 11/12</b>	<b>FY13 vs 12 Up/(Down)</b>
Operating Revenue	\$1,054,902	\$9,153,741	\$8,001,976	14%
Operating Expense	\$1,142,760	\$7,846,763	\$7,197,423	9%
Other Income / (Expense)	(\$20,185)	(\$98,374)	(\$130,168)	(24%)
Net Income / (Loss)	(\$108,043)	\$1,208,604	\$674,385	79%
Active Accounts	20,492	20,492	20,474	0%
Consumption (MG)	174	1,665	1,600	4%
Average Commodity Rate/1,000 gal	\$4.19	\$4.35	\$4.08	7%
Income / (Loss) / Active Account	(\$5.27)	\$58.98	\$32.94	79%
Income / (Loss) / 1,000 Gal	(\$0.62)	\$0.73	\$0.42	72%
Connection Fee Revenue	\$0	\$156,450	\$911,880	(83%)
Developer 'In-Kind' Contributions	\$13,238	\$155,868	\$330,750	(53%)

Consumption for the period was 4% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 14% (\$1,151,765) primarily due to the 11% rate increase commencing June 1, 2012 and increased consumption. Total operating expense was 9% (\$649,340) more than last year same period, primarily due to increase in purchased water cost (\$665,931).

The Stafford Treatment Plant operated from July 3 to November 30 and produced 355 MG at a cost of \$2,705/MG<sup>1</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budget for Stafford is 750 MG at a cost of \$2,717/MG.

Salary and benefit cost charged to Novato operations was 3% less than last year same period. Staff time (hours) charged to Novato operations was 8% less than last year. Salary and benefit cost is \$2,595,572 this year-to-date, which is 49% of the \$5,336,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$1,208,604 compares to a budgeted net income for the year of \$787,000 and to a net income of \$674,385 for the prior year same period. A22\$506,801 (16%) of the Novato Water Capital Improvement Project Budget was spent versus \$631,749 (15%) for the prior year. \$156,450 in connection fees have been collected this fiscal year-to-date. A29The Novato cash balance decreased \$386,496 during the month, and stood at \$7,279,924 at month end, compared to a budgeted projection of \$10,400,000 at June 30, 2013.

<b>NOVATO RECYCLED</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<u>Dec-12</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$1,005	\$145,900	\$133,433	9%
Operating Expense	\$29,090	\$182,305	\$157,198	16%
Other Income / (Expense)	<u>(\$26,104)</u>	<u>(\$165,780)</u>	<u>(\$11,275)</u>	1370%
Net Income / (Loss)	<u>(\$54,189)</u>	<u>(\$202,186)</u>	<u>(\$35,040)</u>	477%
Active Accounts	4	4	2	100%
Consumption (MG)	0.0	34.9	34.2	2%
Average Commodity Rate/1,000 gal	\$4.11	\$4.11	\$3.85	7%

The 0.5 MGD Deer Island Recycled Water Facility delivered 34.9 MG to consumers this fiscal year-to-date. A30Operating revenue was up 9% due primarily to the 7% rate increase coupled with the 2% consumption increase. Total operating expense was 16% more than last year. The recycled water was produced at a cost of \$5,701/MG<sup>2</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budgeted production cost of recycled water is \$6,981/MG.

The fiscal year-to-date net loss of \$202,186 compares to a budgeted net loss for the year of \$256,000 and a net loss of \$35,040 for the prior year same period. \$4,288,251 (78%) of the Improvement Project Budget was expended this fiscal year-to-date.

To date, \$12,712,029 has been expended on the North/South Area Expansion Projects. \$6,524,081 has been borrowed from Novato Water for the expansion pending receipt of Grant (\$1,671,388 received to date) & SRF Loan funds (\$2,916,335 received to date).

<sup>1</sup> Stafford production cost = op expense (\$522,962) + SRF loan interest (\$174,957) + plant depreciation (\$262,515) / 355 MG produced

<sup>2</sup> Recycled Water production cost = op expense (\$100,294) + SRF loan interest (\$41,289) + plant depreciaton (\$57,960) / 35 MG produced

<sup>3</sup> Cost of SCWA production per MG is comprised of O&M charge (\$1,727) + debt service charge (\$194) + Russian River conservation charge (\$221) + Russian River projects charge (\$61)

<b>WEST MARIN WATER</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<u>Dec-12</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$39,968	\$416,562	\$364,098	14%
Operating Expense	\$45,371	\$266,320	\$266,829	(0%)
Other Income / (Expense)	\$18,547	\$9,501	\$27,193	(65%)
<b>Net Income / (Loss)</b>	<u>\$13,144</u>	<u>\$159,743</u>	<u>\$124,462</u>	28%
Active Accounts	776	776	774	0%
Consumption (MG)	3.5	43.6	41.6	5%
Average Commodity Rate/1,000 gal	\$7.61	\$7.80	\$7.23	8%
Income/ (Loss) / Active Account	\$16.94	\$205.85	\$160.80	28%
Income / (Loss) / 1,000 Gal (Potable)	\$3.76	\$3.67	\$2.99	23%
Connection Fee Revenue	\$0	\$4,900	\$8,900	(45%)
Developer 'In-Kind' Contributions	\$0	(\$1,451)	\$24,381	-

Potable water consumption was 43.6 MG this fiscal year, up 5% from the previous year same period. Operating revenue of \$416,562 was \$52,464 (14%) more than last year due primarily to the 9% rate increase effective 8/1/12 and the consumption increase. West Marin water was produced at a marginal cost of \$591/MG.<sup>4</sup> The budgeted cost is \$1,082.

Operating expenditures were \$266,320, about the same as the previous year same period. The fiscal year-to-date net income of \$159,743 compares to a budgeted annual income of \$123,000 and to a net income of \$124,462 for the prior year same period. \$110,136 (16%) of the Capital Improvement Project Budget was spent this fiscal year, and \$4,900 in connection fees were collected (\$46,000 is budgeted). The Solids Handling Facility project (\$160,420 expended to-date) is funded by a Bank of Marin loan (75%) and FRC Funds (25%). West Marin Water ended the period with a cash balance of \$914,582, compared to a budgeted projection of \$420,000 at June 30, 2013.

<b>OCEANA MARIN SEWER</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<u>Dec-12</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$13,166	\$78,996	\$78,315	1%
Operating Expense	\$13,851	\$101,165	\$93,967	8%
Other Income / (Expense)	\$21,661	\$23,764	\$24,481	(3%)
<b>Net Income / (Loss)</b>	<u>\$20,976</u>	<u>\$1,595</u>	<u>\$8,830</u>	(82%)
Active Accounts	227	227	227	0%
Monthly Sewer Service Charge	\$58	\$58	\$58	0%
Income / (Loss) / Active Account	\$92.41	\$7.03	\$38.90	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$78,996 was about the same as the previous year same period. Operating expenditures were \$7,200 (8%) more than last year same period due primarily to replacement of the disposal field flow meter (\$4,239). The fiscal year-to-date net income of \$1,595 compares to a budgeted annual income of \$36,000 and to a net income of \$8,830 for the prior year same period. \$173,237 (54%) of the Capital Improvement Project Budget was expended.

No connection fees have been collected fiscal year-to-date. Oceana Marin ended the period with a cash balance of \$206,118, compared to a budgeted projection of \$108,000 for June 30, 2013.

<sup>4</sup>Marginal Cost of West Marin production = water treatment expense (\$22,674) + debt service charge (\$250) + plant depreciation (\$2,862) / 43.6 MG produced



**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

	NOVATO				WEST MARIN		OCEANA	
	TOTAL	WATER	RECYCLED	WATER	WATER	MARIN	SEWER	
<b>ASSETS</b>								
<b>Cash &amp; Investments</b>								
Unrestricted/Undesignated Cash	\$143,853	\$0	\$0	\$0	\$0	\$0	\$143,853	
<b>Restricted Cash</b> (Note 1)								
Connection Fee Fund	\$349,972	\$136,084	\$0	\$213,888			\$0	
Wohler Pipeline Financing Fund	355,615	355,615	0	0			0	
Collector #6 Financing Fund	1,617,898	1,617,898	0	0			0	
Revenue Bond Redemption Fund	30,000	0	0	30,000			0	
Bank of Marin Project Fund	2,353,672	1,690,441	0	663,231			0	
Retiree Medical Benefits Fund	3,112,879	3,112,879	0	0			0	
RWF Replacement Fund	0	0	0	0			0	
Tax Receipts Held in Marin Co Treasury	3,163	0	0	3,162			1	
STP SRF Loan Fund-Marlin Co Treasury	367,007	367,007	0	0			0	
RWS North/South SRF Payment Fund	0	0	0	0			0	
<b>Designated Cash</b> (Note 2)								
Liability Contingency Fund	0	0	0	0			0	
Self-Insured Workers' Compensation Fund	2,265	0	0	0			2,265	
Drought Contingency Fund	0	0	0	0			0	
Maintenance Accrual Fund	0	0	0	0			0	
Conservation Incentive Rate Fund	0	0	0	0			0	
Operating Reserve Fund	60,000	0	0	0			60,000	
<b>Total Cash</b>	<b>\$8,396,324</b>	<b>\$7,279,924</b>	<b>\$0</b>	<b>\$910,281</b>			<b>\$206,119</b>	
Gain/(Loss) on MV of Investments	12,209	12,209	0	0			0	
<b>Market Value of Cash &amp; Investments</b>	<b>\$8,408,533</b>	<b>\$7,292,133</b>	<b>\$0</b>	<b>\$910,281</b>			<b>\$206,119</b>	
<b>Current Assets</b>								
Net Receivables - Consumers	\$1,668,237	\$1,520,281	\$52,041	\$103,815			(\$7,900)	
Accounts Receivable - Other	983,989	256,575	640,578	3,795			83,040	
State Revolving Fund Receivable	5,950,783	0	5,950,783	0			0	
Provision for Pension Related Debt (Note 13)	2,221,577	2,221,577	0	0			0	
Prepaid Expense	69,362	69,362	0	0			0	
Interest Receivable	11,427	11,427	0	0			0	
Inventories	581,467	581,467	0	0			0	
Loan Origination Fee	86,578	75,496	0	11,082			0	
Deposits Receivable	22,539	22,539	0	0			0	
<b>Total Current Assets</b>	<b>\$11,606,424</b>	<b>\$4,765,929</b>	<b>\$6,643,402</b>	<b>\$121,952</b>			<b>\$75,141</b>	

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>Loans Receivable</b>					
Employee Loans (Note 3)	\$1,445,238	\$1,445,238	\$0	\$0	\$0
Housing Loan Impairment (Note 3)	(390,000)	(390,000)	0	0	0
Due From Other Funds	7,653,073	7,653,073	0	0	0
Other Long Term Receivables	2,333,983	0	2,333,983	0	0
<b>Loans Receivable</b>	<b>\$11,040,833</b>	<b>\$8,708,311</b>	<b>\$2,333,983</b>	<b>\$0</b>	<b>\$0</b>
<b>Property and Plant</b>					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,027,081	4,797,638	0	229,444	0
Treatment Facilities	20,865,798	17,374,033	2,666,198	319,913	505,655
Storage Facilities	18,109,617	16,196,307	43,014	1,870,296	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	61,035,393	54,675,530	2,271,602	4,088,261	0
Sewer Mains, Pumps, & Laterals	876,050	0	0	0	876,050
<b>Sub-Total</b>	<b>\$112,876,861</b>	<b>\$99,779,886</b>	<b>\$4,980,813</b>	<b>\$6,733,648</b>	<b>\$1,382,514</b>
Less Accumulated Depreciation (Note 5)	(37,026,201)	(32,663,832)	(830,646)	(2,782,368)	(749,356)
<b>Net Property and Plant</b>	<b>\$75,850,659</b>	<b>\$67,116,054</b>	<b>\$4,150,167</b>	<b>\$3,951,280</b>	<b>\$633,158</b>
<b>Buildings and Equipment</b>					
Buildings	\$1,785,605	\$1,785,605	\$0	\$0	\$0
Office Equipment	795,063	795,063	0	0	0
Laboratory Equipment	304,815	304,815	0	0	0
Trucks & Automobiles	1,151,490	1,151,490	0	0	0
Construction Equipment	760,135	743,757	16,378	0	0
Tools, Shop Equipment	218,586	218,586	0	0	0
<b>Sub-Total</b>	<b>\$5,015,695</b>	<b>\$4,999,317</b>	<b>\$16,378</b>	<b>\$0</b>	<b>\$0</b>
Less Accumulated Depreciation	(3,472,204)	(3,466,472)	(5,732)	0	0
<b>Net Buildings and Equipment</b>	<b>\$1,543,491</b>	<b>\$1,532,845</b>	<b>\$10,646</b>	<b>\$0</b>	<b>\$0</b>
<b>Construction In Progress</b>					
Developer District	\$998,372	\$998,372	\$0	\$0	\$0
	15,290,122	2,279,819	12,406,174	368,205	235,924
<b>Total Construction in Progress</b>	<b>\$16,288,493</b>	<b>\$3,278,191</b>	<b>\$12,406,174</b>	<b>\$368,205</b>	<b>\$235,924</b>
<b>Net Utility Plant</b>	<b>\$93,682,643</b>	<b>\$71,927,090</b>	<b>\$16,566,987</b>	<b>\$4,319,485</b>	<b>\$869,082</b>
<b>TOTAL ASSETS</b>	<b>\$124,739,894</b>	<b>\$92,693,463</b>	<b>\$25,544,372</b>	<b>\$5,351,718</b>	<b>\$1,150,341</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Trade Accounts Payable	\$847,738	\$775,967	\$51,563	\$1,800	\$18,408
Reimbursement Prog. Unclaimed Funds	10,150	8,200	0	1,950	0
Bond Debt Principal Payable-Current	21,731	0	0	21,731	0
Loan Debt Principal Payable-Current	553,121	367,313	183,663	2,145	0
Bank of Marin Principal Payable-Current	295,184	257,400	0	37,784	0
Bond/Loan Debt Interest Payable-Current	3,416	1,992	0	1,424	0
Accrued Interest Payable-SRF Loan	75,526	1,426	74,099	0	0
Deposits/Performance Bonds	144,812	120,903	0	22,409	1,500
Unemployment Insurance Reserve (Note 8)	24,846	24,846	0	0	0
Workers' Comp Future Claims Payable	21,985	20,820	242	682	242
Payroll Benefits (Note 9)	738,851	697,668	8,184	24,356	8,643
Due To Other Funds	7,653,073	0	7,653,073	0	0
Deferred Revenue	78,996	0	0	0	78,996
<b>Total Current Liabilities</b>	<b>\$10,469,429</b>	<b>\$2,276,537</b>	<b>\$7,970,824</b>	<b>\$114,280</b>	<b>\$107,788</b>
<b>Restricted Liabilities</b>					
Construction Advances	\$56,139	\$56,139	\$0	\$0	\$0
<b>Total Restricted Liabilities</b>	<b>\$56,139</b>	<b>\$56,139</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long Term Liabilities (Note 7)</b>					
Bonds Outstanding - PR6 (FmHA)	\$84,000	\$0	\$0	\$84,000	\$0
Bonds Outstanding - OL2 (NIMWD)	3,921	0	0	3,921	0
Bonds Outstanding - PRE1 (FmHA)	82,000	0	0	82,000	0
Drought Loan (EDA)	74,491	65,435	0	9,056	0
STP Rehab SRF Loan	13,819,824	13,819,824	0	0	0
RWF SRF Loan	3,218,157	0	3,218,157	0	0
RWS North/South Expansion SRF Loan	8,020,121	0	8,020,121	0	0
Bank of Marin Loan	7,372,935	6,429,132	0	943,803	0
Pension Related Debt (Note 13)	2,221,577	2,221,577	0	0	0
Retiree Health Benefits Payable	514,358	514,358	0	0	0
<b>Total Long Term Liabilities</b>	<b>\$35,411,384</b>	<b>\$23,050,326</b>	<b>\$11,238,278</b>	<b>\$1,122,779</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$45,936,952</b>	<b>\$25,383,002</b>	<b>\$19,209,103</b>	<b>\$1,237,060</b>	<b>\$107,788</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING DECEMBER 31, 2012**

	TOTAL	NOVATO		NOVATO RECYCLED	WEST MARIN		OCEANA	
		WATER	WATER		WATER	MARIN SEWER		
<b>Net Assets</b>								
<b>Invested in Capital Assets</b>								
Contributions in Aid of Construction	\$62,118,513	\$55,247,500	\$4,104,370	\$2,096,967	\$669,676			
Grants in Aid of Construction	4,766,140	114,420	3,268,506	1,383,215	0			
Connection Fees (Note 15)	28,518,856	25,365,653	1,671,388	1,068,635	413,180			
<b>Total Investment</b>	<b>\$95,403,509</b>	<b>\$80,727,572</b>	<b>\$9,044,264</b>	<b>\$4,548,817</b>	<b>\$1,082,856</b>			
<b>Restricted Reserves</b>								
Connection Fee Fund	\$386,634	\$136,084	\$0	\$250,551	\$0			
Wohler Pipeline Financing Fund	355,615	355,615	0	0	0			
Collector #6 Financing Fund	1,617,898	1,617,898	0	0	0			
Revenue Bond Redemption Fund	30,000	0	0	30,000	0			
Bank of Marin Project Fund	6,712,670	6,049,439	0	663,231	0			
Retiree Medical Insurance Fund	2,598,522	2,598,522	0	0	0			
RWF Replacement Fund	161,661	0	161,661	0	0			
RWS North/South SRF Payment Fund	622,735	0	622,735	0	0			
<b>Designated Reserves</b>								
Liability Contingency Fund	414,700	331,815	0	82,885	0			
Maintenance Accrual Fund	3,865,681	3,865,681	0	0	0			
Self-Insured Workers' Compensation Fund	169,765	159,840	2,026	5,876	2,023			
Conservation Incentive Rate Fund	61,621	0	0	61,621	0			
Operating Reserve Fund	120,000	0	60,000	0	60,000			
Earned Surplus - Prior Yrs	(34,546,400)	(30,301,499)	(2,358,751)	(1,784,342)	(101,809)			
Net Income/(Loss)	1,167,756	1,208,604	(202,186)	159,743	1,595			
Transfer (To)/From Reserves (see below)	(339,426)	560,890	(994,480)	96,276	(2,112)			
<b>Total Restricted &amp; Designated</b>	<b>(\$16,600,567)</b>	<b>(\$13,417,111)</b>	<b>(\$2,708,995)</b>	<b>(\$434,159)</b>	<b>(\$40,302)</b>			
<b>TOTAL NET ASSETS</b>	<b>\$78,802,942</b>	<b>\$67,310,461</b>	<b>\$6,335,269</b>	<b>\$4,114,659</b>	<b>\$1,042,553</b>			
<b>Transfer (To)/From Reserves</b>								
Wohler Pipeline Financing	\$44,207	\$44,207	\$0	\$0	\$0			
Collector #6 Financing	116,243	116,243	0	0	0			
Connection Fee	(20,408)	362,542	(369,719)	(13,142)	(89)			
Maintenance Reserve	(50,000)	(50,000)	0	0	0			
Retiree Medical Insurance Fund	(7,502)	(7,502)	0	0	0			
(Gain)/Loss Self-Insured WC Fund	(63,298)	(53,373)	(2,026)	(5,876)	(2,023)			
Bank of Marin Project Fund	270,062	148,773	0	121,289	0			
RWS North/South SRF Payment Fund	(622,735)	0	(622,735)	0	0			
Conservation Incentive Rate Fund	(5,994)	0	0	(5,994)	0			
<b>Total Transfer</b>	<b>(\$339,426)</b>	<b>\$560,890</b>	<b>(\$994,480)</b>	<b>\$96,276</b>	<b>(\$2,112)</b>			

**NORTH MARIN WATER DISTRICT  
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED  
FOR PERIOD ENDING DECEMBER 31, 2012**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
<b>OPERATING REVENUE</b>				
Water Sales	\$7,726,630	\$12,442,000	62%	\$6,957,183
Bimonthly Service Charge	1,790,380	3,630,000	49%	1,434,018
Sewer Service Charge	78,996	158,000	50%	78,315
Wheeling & Misc Service Charges	199,192	448,000	44%	108,305
<b>TOTAL OPERATING REVENUE</b>	<b>\$9,795,199</b>	<b>\$16,678,000</b>	<b>59%</b>	<b>\$8,577,821</b>
<b>OPERATING EXPENDITURES</b>				
Source of Supply	\$3,092,187	\$4,557,000	68%	\$2,424,787
Pumping	197,486	378,000	52%	171,665
Operations	342,366	575,000	60%	352,805
Water Treatment	928,318	1,925,000	48%	1,074,472
Sewer Service	68,904	108,000	64%	61,287
Transmission & Distribution	1,172,447	2,668,000	44%	1,227,219
Consumer Accounting	277,362	570,000	49%	288,893
Water Conservation	127,691	404,000	32%	136,815
General & Administrative	837,802	1,499,000	56%	633,739
Depreciation Expense	1,351,992	2,719,000	50%	1,342,835
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$8,396,554</b>	<b>\$15,403,000</b>	<b>55%</b>	<b>\$7,714,517</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,398,645</b>	<b>\$1,275,000</b>	<b>110%</b>	<b>\$863,304</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
Tax Proceeds	\$47,739	\$95,000	50%	\$54,942
Interest Revenue	51,208	128,000	40%	56,246
Miscellaneous Revenue	101,015	137,000	74%	89,702
Bond & Loan Interest Expense	(385,853)	(828,000)	47%	(413,321)
Miscellaneous Expense	(44,997)	(20,000)	225%	(8,223)
<b>TOTAL NON-OP REVENUE/(EXPENSE)</b>	<b>(\$230,889)</b>	<b>(\$488,000)</b>	<b>47%</b>	<b>(\$220,654)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$1,167,756</b>	<b>\$787,000</b>	<b>148%</b>	<b>\$642,650</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>				
Connection Fees	\$161,350	\$921,000	18%	\$920,780
Loan Proceeds	811,294	4,819,000	17%	8,000,000
Grant Proceeds	1,258,030	2,041,000	62%	531,352
Stone Tree RWF Loan Principal	95,356	192,000	50%	93,099
Add Depreciation Expense	1,351,992	2,719,000	50%	1,342,835
Capital Equipment Expenditures	(85,374)	(233,000)	37%	(67,898)
Capital Improvement Projects	(5,078,425)	(9,622,000)	53%	(3,189,506)
Bond & Loan Principal Payments	(569,471)	(1,334,000)	43%	(426,459)
Change in Working Capital	(1,225,578)	0	-	229,005
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>(\$3,280,826)</b>	<b>(\$497,000)</b>	<b>660%</b>	<b>\$7,433,209</b>
<b>CASH INCREASE/(DECREASE)</b>	<b>(\$2,113,069)</b>	<b>\$290,000</b>	<b>-</b>	<b>\$8,075,859</b>

**NORTH MARIN WATER DISTRICT  
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA  
FOR PERIOD ENDING DECEMBER 31, 2012**

<u><b>SUMMARY INCOME STATEMENT</b></u>	<b>TOTAL</b>	<b>NOVATO WATER</b>	<b>NOVATO RECYCLED</b>	<b>WEST MARIN WATER</b>	<b>OCEANA MARIN SEWER</b>
Operating Revenue	\$9,795,199	\$9,153,741	\$145,900	\$416,562	\$78,996
Operating Expense	8,396,554	7,846,763	182,305	266,320	101,165
<b>OPERATING INCOME/(LOSS)</b>	<b>\$1,398,645</b>	<b>\$1,306,978</b>	<b>(\$36,405)</b>	<b>\$150,242</b>	<b>(\$22,169)</b>
Non-Operating Revenue/(Expense)	(\$230,889)	(\$98,374)	(\$165,780)	\$9,501	\$23,764
<b>NET INCOME/(LOSS)</b>	<b>\$1,167,756</b>	<b>\$1,208,604</b>	<b>(\$202,186)</b>	<b>\$159,743</b>	<b>\$1,595</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Developer In-Kind Contributions	\$154,416	\$155,868	\$0	(\$1,451)	\$0
Connection Fees	161,350	156,450	0	4,900	0
Capital Grants	1,258,030	0	1,258,030	0	0
<b>CAPITAL CONTRIBUTIONS</b>	<b>\$1,573,796</b>	<b>\$312,318</b>	<b>\$1,258,030</b>	<b>\$3,449</b>	<b>\$0</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$2,741,552</b>	<b>\$1,520,921</b>	<b>\$1,055,844</b>	<b>\$163,192</b>	<b>\$1,595</b>
Net Assets July 1, 2012	76,061,390	65,789,541	5,279,425	3,951,466	1,040,958
Net Assets December 31, 2012	<b>\$78,802,942</b>	<b>\$67,310,462</b>	<b>\$6,335,269</b>	<b>\$4,114,658</b>	<b>\$1,042,553</b>

**CASH FLOW STATEMENT**

Net Income/(Loss)	\$1,167,756	\$1,208,604	(\$202,186)	\$159,743	\$1,595
Add Depreciation	1,351,992	1,175,076	82,011	74,177	20,728
<b>Cash Generated From Operations</b>	<b>\$2,519,749</b>	<b>\$2,383,679</b>	<b>(\$120,174)</b>	<b>\$233,920</b>	<b>\$22,323</b>
<b>Other Sources (Uses) of Funds</b>					
Consumer Receivables Decr (Incr)	\$1,411,285	\$1,305,594	\$84,979	\$10,058	\$10,653
Capital Assets Acquisition	(5,163,798)	(592,175)	(4,288,251)	(110,136)	(173,237)
Construction Advances (Decr) Incr	(24,859)	(8,664)	0	(16,194)	0
Other Assets/Liabilities Decr (Incr)	(303,335)	686,934	(982,937)	(7,156)	(175)
Trade Accounts Payable (Decr) Incr	(2,308,669)	(761,405)	(1,550,446)	0	3,182
Loan Proceeds	811,294	(0)	811,294	0	0
Grant Proceeds	1,258,030	0	1,258,030	0	0
Connection Fee Revenue	161,350	156,450	0	4,900	0
Connection Fee Transfers	0	(369,719)	369,719	0	0
Stone Tree RWF Loan Principal Pmts	95,356	0	95,356	0	0
Principal Paid on Debt	(569,471)	(487,891)	(43,574)	(38,006)	0
Interdistrict Loan Due To (From)	0	(4,366,004)	4,366,004	0	0
<b>Total Other Sources (Uses)</b>	<b>(\$4,632,818)</b>	<b>(\$4,436,879)</b>	<b>\$120,174</b>	<b>(\$156,535)</b>	<b>(\$159,577)</b>
<b>Net Cash Provided (Used)</b>	<b>(\$2,113,068)</b>	<b>(\$2,053,200)</b>	<b>\$0</b>	<b>\$77,385</b>	<b>(\$137,254)</b>
<b>Cash Balance July 1, 2012</b>	<b>10,509,392</b>	<b>9,333,125</b>	<b>0</b>	<b>832,895</b>	<b>343,372</b>
<b>Cash Balance December 31, 2012</b>	<b>\$8,396,324</b>	<b>\$7,279,924</b>	<b>\$0</b>	<b>\$910,281</b>	<b>\$206,118</b>

**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$738,495	\$7,312,018	63%	\$6,560,078
Bill Adjustments	(9,810)	(68,339)	-	(35,047)
Bimonthly Service Charges	285,594	1,713,561	49%	1,370,850
Account Turn-on Charges	5,615	37,433	51%	35,875
New Account Charges	685	4,975	55%	4,830
Returned Check Charges	72	756	38%	855
Hydrant Meter Up/Down Charges	0	1,900	48%	2,560
Backflow Service Charges	7,977	50,394	51%	37,326
Lab Service-Outside Clients	803	16,220	-	0
Wheeling Charges - MMWD	25,472	84,823	34%	24,649
Regulation 15 Forfeiture	0	0	0%	0
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,054,902</b>	<b>\$9,153,741</b>	<b>59%</b>	<b>\$8,001,976</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Supervision & Engineering	\$435	\$4,057	27%	\$5,530
Operating Expense - Source	227	2,999	27%	4,498
Maint/Monitoring of Dam	743	14,671	52%	11,166
Maint of Lake & Intakes	0	658	5%	7,986
Maint of Structures	4	0	0%	0
Maint of Watershed	4	1,695	7%	114
Water Quality Surveillance	518	7,476	62%	10,734
Fishery Maint	1	100	3%	1,864
Erosion Control	902	17,183	286%	7,358
Purchased Water (Note 4)	333,719	3,026,521	70%	2,360,590
<b>SOURCE OF SUPPLY</b>	<b>\$336,552</b>	<b>\$3,075,361</b>	<b>69%</b>	<b>\$2,409,840</b>
<b>PUMPING</b>				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	4,822	15,238	41%	18,511
Maint of Pumping Equipment	9,164	15,817	26%	21,165
Electric Power	14,284	153,308	66%	121,012
<b>PUMPING</b>	<b>\$28,270</b>	<b>\$184,363</b>	<b>55%</b>	<b>\$160,688</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$16,628	\$92,102	64%	\$84,374
Operating Expense - Operations	20,501	134,743	68%	127,343
Maintenance Expense	5,459	45,575	50%	51,681
Telemetry Equipment/Controls Maint	3,096	15,140	22%	40,451
Leased Lines	1,412	8,892	42%	10,013
<b>OPERATIONS</b>	<b>\$47,096</b>	<b>\$296,452</b>	<b>57%</b>	<b>\$313,863</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$9,511	\$52,856	77%	\$56,872
Operating Expense - Water Treatment	8,782	143,279	52%	194,261
Purification Chemicals	0	191,169	45%	229,502
Sludge Disposal	9,114	42,371	51%	77,173
Maint of Structures & Grounds	9,182	23,329	28%	30,085
Maint of Purification Equipment	20,766	59,115	45%	29,367
Electric Power	42	40,842	38%	92,122
Water Quality Programs	7,658	45,340	105%	45,614
Laboratory Direct Labor	27,494	154,286	47%	163,532
Lab Service-Outside Clients	3,117	17,341	124%	0
Water Quality Supervision	4,192	29,270	35%	30,365
Laboratory Supplies & Expense	3,554	30,934	53%	27,545
Customer Water Quality	2,565	19,507	33%	20,705
Lab Cost Distributed	(1,711)	(14,117)	61%	(14,211)
<b>WATER TREATMENT</b>	<b>\$104,266</b>	<b>\$835,523</b>	<b>48%</b>	<b>\$982,929</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$31,317	\$211,547	43%	\$214,547
Maps & Records	4,491	56,695	43%	43,372
Operation of T&D System	12,570	82,590	64%	81,363
Facilities Location	5,502	34,174	98%	37,327
Safety: Construction & Engineering	4,830	10,668	18%	21,436
Customer Service Expense	12,996	85,462	52%	81,128
Flushing	4	639	3%	3,214
Storage Facilities Expense	4,377	36,671	26%	67,884
Cathodic Protection	4,052	8,765	63%	10,733
Maint of Valves/Regulators	15,131	54,748	21%	32,963
Maint of Mains	8,668	45,386	29%	26,036
Backflow Prevention Program	7,701	48,590	55%	46,137
Maint of Copper Services	12,215	73,274	36%	110,724
Maint of PB Service Lines	30,654	286,069	76%	302,181
Single Service Installations	(4,103)	916	-	4,931
Maint of Meters	4,808	40,071	25%	59,900
Detector Check Assembly Maint	34	4,300	7%	12,740
Maint of Hydrants	6,940	11,228	19%	9,638
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$162,186</b>	<b>\$1,091,793</b>	<b>43%</b>	<b>\$1,166,253</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$11,812	\$74,381	55%	\$69,145
Collection Expense - Labor	2,002	14,853	50%	14,213
Collection Expense - Agency	95	1,126	56%	731
Billing & Consumer Accounting	18,575	124,844	46%	140,336
Contract Billing	1,563	9,941	52%	9,212
Stationery, Supplies & Postage	4,804	31,411	47%	32,423
Uncollectable Accounts	1,997	10,390	37%	13,216
Office Equipment Expense	628	5,354	89%	4,190
Distributed to West Marin (4.2%)	(1,169)	(7,865)	52%	(7,742)
<b>CONSUMER ACCOUNTING</b>	<b>\$40,308</b>	<b>\$264,434</b>	<b>49%</b>	<b>\$275,722</b>



**NOVATO WATER**  
**DETAIL INCOME STATEMENT**  
**FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER CONSERVATION</b>				
Residential	\$13,716	\$109,654	37%	\$105,155
Commercial	0	87	0%	853
Public Outreach/Information	1,234	11,948	24%	21,200
Large Landscape	753	5,894	22%	9,347
<b>TOTAL WATER CONSERVATION</b>	<b>\$15,704</b>	<b>\$127,583</b>	<b>32%</b>	<b>\$136,555</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Directors Fees	\$1,300	\$7,500	50%	\$6,500
Legal Fees	0	2,857	26%	2,802
Human Resources	7,332	15,949	55%	10,124
Auditing Fees	0	11,100	53%	28,900
Consultants	14,751	35,298	80%	9,778
General Office Salaries	92,403	616,284	52%	593,040
Safety: General District Wide	1,304	4,861	35%	2,528
Office Supplies	4,370	13,774	28%	11,693
Employee Events	55	5,464	68%	5,546
Other Administrative Expense	1,852	9,340	58%	8,764
Dues & Subscriptions	16,660	40,139	80%	42,817
Vehicle Expense	627	4,056	51%	4,056
Meetings, Conferences & Training	16,694	51,648	34%	39,349
Recruitment Expense	0	444	22%	570
Gas & Electricity	1,818	14,272	55%	12,102
Telephone	303	1,665	42%	1,645
Water	299	913	91%	725
Buildings & Grounds Maint	3,569	21,712	64%	17,445
Office Equipment Expense	4,427	35,508	41%	37,131
Insurance Premiums & Claims	6,058	38,564	38%	55,529
Retiree Medical Benefits	13,761	82,830	48%	82,011
Expensed Equipment Purchases	0	0	-	2,380
(Gain)/Loss on Self-Ins Workers' Comp	(10,679)	(62,729)	125%	(53,777)
(Gain)/Loss on Overhead Charges	64,913	62,956	-42%	(123,240)
G&A Applied to Other Operations (6.3%)	(8,152)	(40,271)	45%	(49,526)
G&A Applied to Construction	(22,048)	(177,956)	54%	(162,720)
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$211,619</b>	<b>\$796,179</b>	<b>57%</b>	<b>\$586,173</b>
<b>Depreciation</b> (Note 5)	<b>196,759</b>	<b>1,175,076</b>	<b>50%</b>	<b>1,165,400</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,142,760</b>	<b>\$7,846,763</b>	<b>55%</b>	<b>\$7,197,423</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$87,858)</b>	<b>\$1,306,978</b>	<b>101%</b>	<b>\$804,553</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
General Funds	\$0	\$0	0%	\$5,075
Facility Reserve Charge Fund	116	1,209	30%	2,832
Wohler Pipeline Financing Fund	133	915	46%	1,582
Collector #6 Financing Fund	604	4,064	58%	6,583
Retiree Medical Insurance Fund	1,188	7,538	63%	5,715
Self-Insured Workers' Comp Fund	0	0	-	33
Aqueduct Energy Efficiency Proj Fund	724	5,056	21%	0
Recycled Water Advance (Note 10)	17,633	86,622	1083%	0
West Marin Water Advance (Note 10)	0	0	0%	1,324
<b>Total Interest Revenue</b>	<b>\$20,397</b>	<b>\$105,404</b>	<b>176%</b>	<b>\$23,144</b>
Rents & Leases	5,812	43,666	66%	42,162
Other Non-Operating Revenue	472	50,695	76%	26,158
Gain/(Loss) on MV of Investments	2,618	248	-	17,090
<b>NON-OPERATING REVENUE</b>	<b>\$29,299</b>	<b>\$200,013</b>	<b>104%</b>	<b>\$108,553</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin AEEP Loan Interest Exp	\$19,448	\$115,095	50%	\$45,618
STP SRF Loan Interest Expense	29,476	174,957	50%	183,211
Drought Loan Interest Expense	332	1,992	40%	2,336
Other Non-Operating Expense	228	6,343	32%	7,556
<b>NON-OPERATING EXPENSE</b>	<b>\$49,484</b>	<b>\$298,386</b>	<b>50%</b>	<b>\$238,721</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$108,043)</b>	<b>\$1,208,604</b>	<b>136%</b>	<b>\$674,385</b>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	(108,043)	1,208,604		674,385
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	13,238	155,868	-	330,750
Connection Fees	0	156,450	27%	911,880
<b>ENDING FUND EQUITY</b>		<b>\$67,310,462</b>		<b>\$67,375,821</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Recycled Water Sales	\$9	\$143,252	56%	\$131,564
Bimonthly Service Charges	912	2,396	40%	1,668
Backflow Service Charges	84	252	-	201
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,005</b>	<b>\$145,900</b>	<b>56%</b>	<b>\$133,433</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Purchased Water - NSD	\$0	\$0	0%	\$0
Purchased Water - LGVSD	0	0	0%	0
<b>SOURCE OF SUPPLY</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>
<b>PUMPING</b>				
Maint of Structures & Grounds	\$0	\$0	-	\$555
Maint of Pumping Equipment	0	99	5%	218
<b>PUMPING</b>	<b>\$0</b>	<b>\$99</b>	<b>5%</b>	<b>\$773</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$29	\$12,157	304%	\$3,603
Operating Expense - Operations	36	4,705	78%	4,974
Potable Water Consumed	14,561	16,290	-	12,435
Maintenance Expense	0	0	0%	353
Telemetry Equipment/Controls Maint	703	703	8%	3,290
<b>OPERATIONS</b>	<b>\$15,328</b>	<b>\$33,855</b>	<b>154%</b>	<b>\$24,655</b>
<b>WATER TREATMENT</b>				
Purification Chemicals	\$0	\$18,611	62%	\$13,381
Maint of Structures & Grounds	0	0	-	342
Maint of Purification Equipment	3	361	9%	357
Electric Power	0	4,530	113%	4,920
Laboratory Direct Labor	2	12,143	40%	14,433
Lab Expense Distributed from Novato	(144)	6,558	50%	7,268
<b>WATER TREATMENT</b>	<b>(\$138)</b>	<b>\$42,203</b>	<b>52%</b>	<b>\$40,701</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$219	\$2,001	13%	\$218
Operation of T&D System	0	6,304	630%	57
Storage Facilities Expense	20	7,588	-	0
Backflow Prevention Program	0	0	0%	0
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$239</b>	<b>\$15,893</b>	<b>59%</b>	<b>\$275</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$0	\$8,243	46%	\$9,313
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$0</b>	<b>\$8,243</b>	<b>46%</b>	<b>\$9,313</b>
Depreciation (Note 5)	13,660	82,011	50%	81,483
<b>TOTAL OPERATING EXPENSE</b>	<b>\$29,090</b>	<b>\$182,305</b>	<b>49%</b>	<b>\$157,198</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$28,084)</b>	<b>(\$36,405)</b>	<b>(32%)</b>	<b>(\$23,765)</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
RWF Replacement Fund	\$0	\$0	-	\$90
Stone Tree RWF Loan	4,925	29,930	51%	32,187
<b>Total Interest Revenue</b>	<u>\$4,925</u>	<u>\$29,930</u>	51%	<u>\$32,277</u>
<b>NON-OPERATING REVENUE</b>	<u>\$4,925</u>	<u>\$29,930</u>	51%	<u>\$32,277</u>
<b>NON-OPERATING EXPENSE</b>				
RWF SRF Loan Interest Expense	\$6,956	\$41,289	50%	\$43,552
Expansion SRF Loan Interest Expense	6,440	29,752	25%	0
Other Non-Operating Expense	0	38,047	-	0
Interest-Advance from Novato (Note 10)	17,633	86,622	-	0
<b>NON-OPERATING EXPENSE</b>	<u>\$31,029</u>	<u>\$195,710</u>	97%	<u>\$43,552</u>
<b>NET INCOME/(LOSS)</b>	<u>(\$54,189)</u>	<u>(\$202,186)</u>	(79%)	<u>(\$35,040)</u>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	(54,189)	(202,186)		(35,040)
State Prop 50 Grant	0	0	0%	0
IRWMP Prop 84 Grant	5,207	470,929	242%	0
Water Smart Grant	80,049	727,765	111%	0
Federal ARRA Grant	0	59,337	5%	531,352
<b>ENDING FUND EQUITY</b>		<u>\$6,335,268</u>		<u>\$5,548,229</u>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$28,173	\$347,415	64%	\$306,223
Bill Adjustments	(1,548)	(7,715)	-	(5,634)
Bimonthly Service Charges	12,404	74,424	65%	61,500
Account Turn-on Charges	226	456	51%	430
New Account Charges	45	130	65%	105
Returned Check Charges	0	18	-	36
Backflow Service Charges	667	1,835	47%	1,438
<b>TOTAL OPERATING REVENUE</b>	<b>\$39,968</b>	<b>\$416,562</b>	<b>63%</b>	<b>\$364,098</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Operating Expense	\$3,118	\$9,301	186%	\$7,004
Operating Supplies & Expense	0	0	-	1,500
Maint of Structures	0	7,525	24%	7,475
Water Quality Surveillance	0	0	0%	0
<b>SOURCE OF SUPPLY</b>	<b>\$3,118</b>	<b>\$16,826</b>	<b>45%</b>	<b>\$15,979</b>
<b>PUMPING</b>				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	5	1,644	15%	735
Maint of Pumping Equip	125	2,771	23%	1,467
Electric Power	732	8,609	57%	8,002
<b>PUMPING</b>	<b>\$862</b>	<b>\$13,023</b>	<b>33%</b>	<b>\$10,204</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$453	\$1,976	66%	\$1,424
Operating Expense	2,426	7,069	118%	4,187
Maint of Telemetry Equipment	447	593	4%	6,262
Leased Lines	410	2,422	48%	2,414
<b>OPERATIONS</b>	<b>\$3,737</b>	<b>\$12,059</b>	<b>40%</b>	<b>\$14,287</b>
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$472	\$2,520	42%	\$2,871
Operating Expense	64	1,477	11%	3,354
Purification Chemicals	0	100	2%	3,916
Maint of Structures & Grounds	0	0	0%	0
Maint of Purification Equipment	1,077	3,760	22%	1,587
Electric Power	1,590	14,816	57%	11,825
Laboratory Direct Labor	3,663	14,133	64%	13,224
Laboratory Services	0	1,981	50%	2,075
Water Quality Supervision	755	2,211	74%	2,340
Customer Water Quality	1,327	2,035	41%	2,990
Lab Expense Distributed from Novato	1,855	7,559	76%	6,659
<b>WATER TREATMENT</b>	<b>\$10,803</b>	<b>\$50,592</b>	<b>45%</b>	<b>\$50,842</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	<u>DECEMBER 2012</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$1,408	\$8,414	60%	\$6,168
Maps & Records	5	3,167	106%	61
Operating Expense	0	0	-	186
Facilities Location - USA	80	885	22%	773
Customer Service Expense	1,479	6,534	36%	7,351
Flushing	0	0	0%	0
Storage Facilities Expense	1,545	6,803	43%	21,264
Cathodic Protection	642	1,020	-	1,628
Maint of Valves	0	0	0%	657
Valve Operation Program	0	115	2%	0
Maint of Mains	5	384	8%	0
Water Quality Maintenance	10	725	-	99
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	0	503	8%	3,024
Maint of Copper Services	1,417	6,931	139%	2,516
Maint of PB Service Lines	45	26,847	244%	12,186
Maint of Meters	0	771	39%	180
Detector Check Assembly Maint	0	0	0%	1,040
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	0	1,660	-	3,539
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<u>\$6,636</u>	<u>\$64,760</u>	62%	<u>\$60,670</u>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$1,953	\$4,027	37%	\$4,066
Collection Expense - Labor	111	568	28%	544
Uncollectable Accounts	0	126	-	478
Distributed from Novato (3.6%)	925	6,204	48%	6,670
<b>CONSUMER ACCOUNTING</b>	<u>\$2,989</u>	<u>\$10,926</u>	42%	<u>\$11,759</u>
<b>WATER CONSERVATION</b>				
Water Conservation Program	\$0	\$108	3%	\$260
<b>TOTAL WATER CONSERVATION</b>	<u>\$0</u>	<u>\$108</u>	3%	<u>\$260</u>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (3.1%)	\$4,828	\$23,848	45%	\$27,418
<b>GENERAL &amp; ADMINISTRATIVE</b>	<u>\$4,828</u>	<u>\$23,848</u>	45%	<u>\$27,418</u>
Depreciation (Note 5)	12,400	74,177	48%	75,410
<b>TOTAL OPERATING EXPENSE</b>	<u>\$45,371</u>	<u>\$266,320</u>	48%	<u>\$266,829</u>
<b>OPERATING INCOME/(LOSS)</b>	<u><u>(\$5,403)</u></u>	<u><u>\$150,242</u></u>	140%	<u><u>\$97,269</u></u>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest - Bank of Marin Project Fund	\$310	\$1,982	33%	\$0
Rents & Leases	0	3,917	98%	3,424
Tax Proceeds - PR-3 G.O. Bond	(26)	239	-	7,554
Tax Proceeds - OL-2 G.O. Bond	1,727	2,802	70%	2,175
Tax Proceeds - PR-2 Tax Allocation	20,602	21,638	48%	21,888
Conservation Incentive Rate Fund	0	1	-	0
Other Non-Operating Revenue	0	1,984	-	150
<b>NON-OPERATING REVENUE</b>	<b>\$22,614</b>	<b>\$32,564</b>	<b>55%</b>	<b>\$35,191</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin Loan Interest Expense	\$2,855	\$17,260	52%	\$0
PR-3 G.O. Bond Interest Expense	59	350	50%	675
OL-2 G.O. Bond Interest Expense	47	280	56%	365
PRE-1 Revenue Bond Interest Exp	383	2,299	51%	2,525
PR-6 Revenue Bond Interest Exp	383	2,300	49%	2,500
Drought Loan Interest Expense	47	279	47%	330
Interest-Advance from Novato (Note 10)	0	0	-	1,324
Other Non-Operating Expense	294	294	29%	279
<b>NON-OPERATING EXPENSE</b>	<b>\$4,067</b>	<b>\$23,063</b>	<b>51%</b>	<b>\$7,998</b>
<b>NET INCOME/(LOSS)</b>	<b>\$13,144</b>	<b>\$159,743</b>	<b>132%</b>	<b>\$124,462</b>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	13,144	159,743		124,462
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	0	(1,451)		24,381
Connection Fees	0	4,900	11%	8,900
<b>ENDING FUND EQUITY</b>		<b>\$4,114,658</b>		<b>\$4,093,911</b>

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	DECEMBER 2012	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Sewer Service Charges	\$13,166	\$78,996	50%	\$78,315
<b>TOTAL OPERATING REVENUE</b>	<b>\$13,166</b>	<b>\$78,996</b>	<b>50%</b>	<b>\$78,315</b>
<b>OPERATING EXPENSE</b>				
<b>SEWAGE COLLECTION</b>				
Supervision & Engineering	\$923	\$3,731	53%	\$2,796
Inspection	0	72	-	0
Operating Expense	70	698	35%	798
Facilities Location	0	211	21%	435
Maint of Lift Stations	419	2,912	291%	1,266
Electric Power	704	4,666	47%	4,982
<b>SEWAGE COLLECTION</b>	<b>\$2,116</b>	<b>\$12,291</b>	<b>59%</b>	<b>\$10,277</b>
<b>SEWAGE TREATMENT</b>				
Operating Expense	\$0	\$13,233	95%	\$13,101
Maint of Structures	0	277	-	1,213
Maint of Equipment	8	1,993	-	314
Laboratory Direct Labor	0	0	-	566
Lab Expense Distributed from Novato	0	0	-	285
Electric Power	599	3,951	66%	3,869
<b>SEWAGE TREATMENT</b>	<b>\$607</b>	<b>\$19,455</b>	<b>97%</b>	<b>\$19,348</b>
<b>SEWAGE DISPOSAL</b>				
Maint of Pump Stations	\$4	\$5,065	253%	\$837
Maint of Storage Ponds	0	966	-	0
Maint of Irrigation Field	0	0	-	218
<b>SEWAGE DISPOSAL</b>	<b>\$4</b>	<b>\$6,031</b>	<b>302%</b>	<b>\$1,054</b>
<b>CONTRACT OPERATIONS</b>				
Contract Operations	\$5,188	\$31,128	49%	\$30,607
Equipment Replacements/Upgrades	0	0	0%	0
<b>CONTRACT OPERATIONS</b>	<b>\$5,188</b>	<b>\$31,128</b>	<b>48%</b>	<b>\$30,607</b>
<b>CONSUMER ACCOUNTING</b>				
Collection Expense - County of Marin	\$341	\$341	-	\$341
Distributed from Novato (1.1%)	\$244	\$1,661	83%	\$1,072
<b>CONSUMER ACCOUNTING</b>	<b>\$584</b>	<b>\$2,001</b>	<b>100%</b>	<b>\$1,413</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,656	\$8,180	45%	\$9,260
Liability Insurance	225	1,352	45%	1,466
<b>GENERAL AND ADMINISTRATIVE</b>	<b>\$1,881</b>	<b>\$9,532</b>	<b>45%</b>	<b>\$10,726</b>
<b>Depreciation</b> (Note 5)	<b>3,470</b>	<b>20,728</b>	<b>51%</b>	<b>20,542</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$13,851</b>	<b>\$101,165</b>	<b>59%</b>	<b>\$93,967</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$685)</b>	<b>(\$22,169)</b>	<b>158%</b>	<b>(\$15,652)</b>



**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING DECEMBER 31, 2012**

	<u>DECEMBER 2012</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b><u>NON-OPERATING REVENUE</u></b>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	0	89	-	276
Interest - General Funds	17	420	14%	549
Interest - Self Insured WC Fund	1	5	-	0
Tax Proceeds - OM-1/OM-3 Tax Alloc	21,956	23,060	50%	23,326
Other Non-Operating Revenue	0	4	-	218
<b>NON-OPERATING REVENUE</b>	<u>\$21,974</u>	<u>\$24,078</u>	48%	<u>\$24,869</u>
<b><u>NON-OPERATING EXPENSE</u></b>				
Other Non-Operating Expense	\$313	\$313	-	\$388
<b>NON-OPERATING EXPENSE</b>	<u>\$313</u>	<u>\$313</u>	-	<u>\$388</u>
<b>NET INCOME/(LOSS)</b>	<u>\$20,976</u>	<u>\$1,595</u>	4%	<u>\$8,830</u>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	20,976	\$1,040,958		\$1,039,762
CONTRIBUTED CAPITAL		1,595		8,830
Connection Fees	0	0	0%	0
<b>ENDING FUND EQUITY</b>		<u>\$1,042,553</u>		<u>\$1,048,592</u>

**NORTH MARIN WATER DISTRICT  
EQUIPMENT EXPENDITURES  
PERIOD ENDING DECEMBER 31, 2012**

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	DECEMBER 2012	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	Notes
<b>1 INFORMATION SYSTEMS</b>					
<b>Administration</b>					
a. Server Software Upgrade		\$0	\$8,900	\$8,900	c,1
	\$0	\$0	\$8,900	\$8,900	
<b>2 ADMINISTRATION</b>					
a. Photocopier		\$0	\$25,000	\$25,000	c,1
b. Meter Reading Devices & Software		0	20,000	20,000	c,1
	\$0	\$0	\$45,000	\$45,000	
<b>3 ENGINEERING</b>					
a. Multi-Function Wide-Carriage Copier (Used)		\$0	\$9,000	\$9,000	c,1
	\$0	\$0	\$9,000	\$9,000	
<b>4 CONSTRUCTION</b>					
a. 1" Potable Water Hose & Fittings (300')		\$4,599	\$8,600	\$4,001	c
	\$0	\$4,599	\$8,600	\$4,001	
<b>5 CONSTRUCTION</b>					
a. Chlorine Dioxide Analyzer		\$0	\$6,500	\$6,500	c,1
	\$0	\$0	\$6,500	\$6,500	
<b>6 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>					
a. Portable Air Compressor		\$21,286	\$20,000	(\$1,286)	c,1
b. 800 Gallon Portable Vac Trailer		0	65,000	65,000	c,1
c. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	796	29,438	35,000	5,562	c,1
d. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	1,410	30,051	35,000	4,949	c,1
	\$2,206	\$80,775	\$155,000	\$74,225	
<b>TOTAL EQUIPMENT EXPENDITURES</b>	<b>\$2,206</b>	<b>\$85,374</b>	<b>\$233,000</b>	<b>\$147,626</b>	

Notes:

- (c) Capitalized  
(1) Replacement item.

**NORTH MARIN WATER DISTRICT  
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS  
FOR PERIOD ENDING DECEMBER 31, 2012**

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<b><u>WORKERS' COMPENSATION FUND</u></b>					
<b>WC Cash Balance 7/1/12</b>	\$1,593	\$0	\$0	\$1,593	\$0
Less: Projected Prior FY Claims Liability	21,783	20,440	800	271	272
Add: Funds borrowed to subsidize operations	126,657	120,341	4,714	0	1,602
<b>WC Reserve Balance 7/1/12</b>	\$106,467	\$99,901	\$3,914	\$1,322	\$1,330
Add: WC Expense Charged to Operations FYTD	93,918	88,940	2,911	1,033	1,033
Interest Earned	5	0	0	5	0
Subtotal	\$200,390	\$188,841	\$6,825	\$2,360	\$2,363
Less: Claims Expense Paid	744	705	23	8	8
Excess Insurance Premium	23,881	22,615	740	263	263
Administration Fees	6,000	5,682	186	66	66
<b>WC Reserve Balance 12/31/12</b>	\$169,764	\$159,839	\$5,876	\$2,023	\$2,026
Add: Projected Claims Liability	21,985	20,820	682	242	242
Funds borrowed to subsidize operations	(189,484)	(180,658)	(6,558)	0	(2,268)
<b>WC CASH BALANCE 12/31/12</b>	<u>\$2,265</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,265</u>	<u>\$0</u>
<b><u>CONNECTION FEE FUND</u></b>					
<b>Connection Fee Cash Balance 7/1/12</b>	\$807,417	\$757,461	\$0	\$49,956	
Add: funds borrowed to subsidize operations	255,365	0	255,365	0	
<b>Connection Fee Reserve Balance 7/1/12</b>	\$1,062,782	\$757,461	\$255,365	\$49,956	
Add: Connection Fees Collected FYTD	161,350	156,450	4,900	0	
Repayment Prior Year Loan from RWF	0	0	0	0	
Interest Earned	1,297	1,209	0	89	
Subtotal	\$1,225,429	\$915,120	\$260,265	\$50,045	
Less: Fees Expended FYTD	469,076	409,317	9,714	50,045	
Fees transferred to RWS FYTD (Note 15)	369,719	369,719	0	0	
<b>Connection Fee Reserve Balance 12/31/12</b>	\$386,633	\$136,083	\$250,551	(\$0)	
Less: Funds borrowed to subsidize operations	36,663	0	36,663	0	
<b>CONNECTION FEE CASH BALANCE 12/31/12</b>	<u>\$349,971</u>	<u>\$136,083</u>	<u>\$213,888</u>	<u>\$0</u>	
<b><u>CONSERVATION INCENTIVE RATE FUND</u></b>					
<b>CIR Cash Balance 7/1/12</b>	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	55,627	0	55,627		
<b>CIR Reserve Balance 7/1/12</b>	\$55,627	\$0	\$55,627		
Add: CIR Charges Billed FYTD	62,667	54,254	8,413		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	1	0	1		
Subtotal	\$118,295	\$54,254	\$64,041		
Less: CIR Funds Expended FYTD <sup>1</sup>	36,953	36,845	108		
Bill Adjustments	19,721	17,409	2,312		
<b>CIR Reserve Balance 12/31/12</b>	61,621	\$0	\$61,621		
Less funds borrowed to subsidize operations	61,621	0	61,621		
<b>CIR CASH BALANCE 12/31/12</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		

<sup>1</sup> On September 1, 2009 the Board authorized water conservation expenditures to be charged against the Conservation Incentive Rate Fund

**NORTH MARIN WATER DISTRICT  
OVERHEAD ACCOUNT ANALYSIS  
FOR PERIOD ENDING DECEMBER 31, 2012**

	<u>YEAR TO DATE ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>YTD/ BUDGET %</u>
<b><u>Material Handling</u></b>			
Material Overhead Recovered (15%)	\$36,145	\$125,000	29%
Labor	\$46,152	\$114,000	40%
Materials, Supplies & Expense	4,940	6,000	82%
Correction to Inventory Counts	7,753	0	-
Depr on Warehouse Equipment	2,395	5,000	48%
	<u>\$61,240</u>	<u>\$125,000</u>	49%
Net Gain / (Loss)	<u>(\$25,096)</u>	<u>\$0</u>	-
<b><u>Construction Supplies</u></b>			
Const Supplies Overhead Recovered (10%)	\$109,617	\$348,000	31%
Labor	\$44,570	\$76,000	59%
Materials, Supplies & Expense	38,279	72,000	53%
Small Tools	6,728	19,000	35%
Depreciation	2,238	4,000	56%
	<u>\$91,816</u>	<u>\$171,000</u>	54%
Net Gain / (Loss)	<u>\$17,802</u>	<u>\$177,000</u>	10%
<b><u>Vehicle &amp; Equipment</u></b>			
Vehicle & Equipment Recovered <sup>1</sup>	\$178,195	\$332,000	54%
Labor	\$46,888	\$97,000	48%
Materials, Supplies & Expense	21,718	61,000	36%
Fuel	55,081	120,000	46%
Depreciation	54,360	118,000	46%
	<u>\$178,047</u>	<u>\$396,000</u>	45%
Net Gain / (Loss)	<u>\$148</u>	<u>(\$64,000)</u>	-

<sup>1</sup> Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/07 the recovery rate for vehicles 3/4-ton and under is \$6/hr and the recovery rate for vehicles 1-ton and over is \$11/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

**NORTH MARIN WATER DISTRICT  
EXPENDITURES BY CATEGORY  
FOR PERIOD ENDING DECEMBER 31, 2012**

	Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
<b>OPERATING EXPENSE</b>									
1 Salaries & Benefits	\$2,595,572	\$30,375	\$79,605	\$7,432	\$2,712,983	\$5,571,000	49%	\$2,746,078	-1%
2 Water Purchases	3,026,521	0	0	0	3,026,521	4,399,000	69%	2,491,474	21%
3 Depreciation	1,175,076	82,011	74,177	20,728	1,351,992	2,719,000	50%	1,342,835	1%
4 Materials, Services & Supplies	520,960	30,219	37,883	52,397	641,459	1,413,000	45%	553,194	16%
5 Chemicals	191,169	18,611	100	0	209,880	460,000	46%	246,799	-15%
6 Electric Power	194,151	4,530	23,425	8,618	230,724	399,000	58%	246,732	-6%
7 Tools & Supplies (Distrib)	75,324	1,245	5,377	374	82,320	255,000	37%	112,252	-27%
8 Vehicles and Equipment (Distrib)	110,930	513	8,142	424	120,009	231,000	52%	126,667	-5%
9 Retiree Medical Expenses	82,830	0	0	0	82,830	172,000	48%	82,011	1%
10 Office Supplies & Postage	45,185	0	0	0	45,185	109,000	41%	44,116	2%
11 Water Conservation Rebates	30,464	0	0	0	30,464	104,000	29%	27,950	9%
12 Insurance & Claims	38,564	0	0	1,352	39,916	104,000	38%	56,996	-30%
13 Overhead Charges (Gain)/Loss	227	0	0	0	227	(202,000)	0%	(180,553)	-100%
14 Distributed Costs	(240,209)	14,801	37,612	9,841	(177,956)	(331,000)	54%	(163,005)	9%
15 <b>Total Operating Expense</b>	<b>\$7,846,763</b>	<b>\$182,305</b>	<b>\$266,320</b>	<b>\$101,165</b>	<b>\$8,396,554</b>	<b>\$15,403,000</b>	<b>55%</b>	<b>\$7,715,417</b>	<b>9%</b>
16 Interest Expense & Other*	298,386	195,710	23,063	313	517,472	848,000	61%	420,968	23%
17 <b>Total Expense</b>	<b>\$8,145,149</b>	<b>\$378,015</b>	<b>\$289,382</b>	<b>\$101,479</b>	<b>\$8,914,026</b>	<b>\$16,251,000</b>	<b>55%</b>	<b>\$8,136,385</b>	<b>10%</b>
<b>Warehouse, Shop &amp; Yard</b>									
18 Salaries & Benefits	\$123,969	\$0	\$0	\$0	\$123,969	\$286,000	43%	\$107,553	15%
19 Materials, Services & Supplies	205,707	819	0	0	206,526	281,000	73%	191,268	8%
20 Distributed Costs	(329,676)	(819)	0	0	(330,495)	(567,000)	58%	(298,821)	11%
21 <b>Total W/H, Shop &amp; Yard</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>
<b>District Capital Outlay</b>									
22 Salaries & Benefits	\$122,401	\$228,983	\$33,037	\$20,092	\$404,513	\$665,000	61%	\$359,436	13%
23 Equipment	83,901	0	0	0	83,901	233,000	36%	67,898	24%
24 Debt Principal Payments	135,018	7,872	34,277	0	177,166	1,334,000	13%	359,754	-51%
25 Materials, Services & Supplies	382,500	4,059,268	77,099	153,144	4,672,011	8,957,000	52%	3,021,792	55%
26 <b>Total District Capital Outlay</b>	<b>\$723,819</b>	<b>\$4,296,123</b>	<b>\$144,413</b>	<b>\$173,237</b>	<b>\$5,337,592</b>	<b>\$11,189,000</b>	<b>48%</b>	<b>\$3,808,880</b>	<b>40%</b>
<b>Developer Funded Projects</b>									
27 Salaries & Benefits	\$77,429	\$0	\$928	\$0	\$78,357	\$265,000	30%	\$114,024	-31%
28 Materials, Services & Supplies	103,460	0	4,689	0	108,150	355,000	30%	162,706	-34%
29 <b>Total Developer Projects</b>	<b>\$180,889</b>	<b>\$0</b>	<b>\$5,618</b>	<b>\$0</b>	<b>\$186,507</b>	<b>\$620,000</b>	<b>30%</b>	<b>\$276,730</b>	<b>-33%</b>
30 <b>Total</b>	<b>\$9,049,858</b>	<b>\$4,674,138</b>	<b>\$439,413</b>	<b>\$274,715</b>	<b>\$14,438,124</b>	<b>\$28,060,000</b>	<b>51%</b>	<b>\$12,221,994</b>	<b>18%</b>

\*Includes Interfund Interest

**NORTH MARIN WATER DISTRICT  
VEHICLE FLEET ANALYSIS  
FOR PERIOD ENDING DECEMBER 31, 2012**

Year	Description	Veh#	Assigned	Fiscal Year to Date			Life to Date	Vehicle Cost per Mile			
				Mileage	Expense <sup>1</sup>	Recovery <sup>2</sup>		Gain/(Loss)	FYTD	FY12	FY11
1	1993 Ford F250 4x4	29	Cilia	2,344	\$4,441	\$2,448	(\$1,993)	135,754	\$1.89	\$0.79	\$1.42
2	1994 GMC C1500	30	STP	212	\$381	\$384	\$3	134,278	\$1.80	\$0.94	\$0.81
3	1999 Dodge Ram 1500	32	Engineering	4,193	\$2,296	\$2,151	(\$145)	69,206	\$0.55	\$0.54	\$0.49
4	1999 Ford F250	36	Pool	2,268	\$2,180	\$2,283	\$103	182,224	\$0.96	\$0.90	\$0.97
5	2000 Dodge Dakota	40	Pool	864	\$288	\$537	\$249	103,018	\$0.46	\$0.98	\$0.70
6	2001 Dodge Ram 1500	41	On-Call	5,859	\$2,889	\$2,850	(\$38)	110,005	\$0.53	\$0.55	\$0.62
7	2001 Dodge Dakota	42	Bynum	4,704	\$3,380	\$5,294	\$1,914	115,395	\$0.72	\$0.45	\$0.95
8	2002 Dodge Dakota	45	Pool	0	\$50	\$0	(\$50)	124,955	\$0.00	\$0.83	\$0.79
9	2002 Chev K1500 4x4	47	Engineering	2,405	\$1,273	\$1,407	\$134	102,746	\$0.53	\$0.56	\$0.72
10	2003 Dodge Dakota 4x4	49	Stompe	3,206	\$1,662	\$1,628	(\$34)	73,331	\$0.40	\$0.74	\$0.46
11	2003 Chev C1500	51	Pool	1,805	\$696	\$675	(\$21)	98,087	\$0.35	\$0.56	\$0.52
12	2004 Chev C1500	53	Kurfirst	3,997	\$3,291	\$5,118	\$1,827	93,727	\$0.41	\$0.69	\$0.45
13	2004 Chev C1500 Xtra Cab	54	Mello	2,043	\$1,312	\$696	(\$616)	73,222	\$0.38	\$0.80	\$0.46
14	2005 Honda Civic Hybrid	56	Lab	5,355	\$876	\$2,446	\$1,570	54,063	\$0.22	\$0.30	\$0.26
15	2005 Honda Civic Hybrid	57	Engineering	1,455	\$179	\$962	\$783	36,709	\$0.21	\$0.36	\$0.41
16	2005 Ford Ranger	58	Roberto	4,005	\$2,651	\$4,496	\$1,844	88,650	\$0.42	\$0.64	\$0.52
17	2005 Ford Ranger	59	Venegas	5,780	\$2,728	\$4,652	\$1,923	82,480	\$0.42	\$0.49	\$0.52
18	2006 Chev Colorado	501	Moore	7,756	\$3,313	\$6,016	\$2,703	94,379	\$0.36	\$0.39	\$0.46
19	2007 Chev K2500 4x4	502	Corda, Joe	4,329	\$1,974	\$8,576	\$6,602	55,762	\$0.46	\$0.85	\$0.53
20	2007 Chev Colorado	504	Grisso	1,860	\$469	\$2,662	\$2,193	26,556	\$0.40	\$0.39	\$0.58
21	2008 Ford F250 4x4	505	Arendell	5,324	\$3,153	\$8,342	\$5,189	55,399	\$0.66	\$0.69	\$0.63
22	2008 Ford F250 4x4	506	STP	2,254	\$2,087	\$2,208	\$120	31,741	\$0.87	\$0.90	\$0.58
23	2008 Chev Colorado 4x4	509	Lemos	6,297	\$2,032	\$2,424	\$392	53,827	\$0.32	\$0.30	\$0.36
24	2009 Toyota Prius Hybrid	510	Clark	7,289	\$1,865	\$3,249	\$1,384	58,918	\$0.18	\$0.18	\$0.21
25	2010 Ford F150 4x4	511	STP	5,039	\$1,132	\$4,136	\$3,004	28,289	\$0.41	\$0.22	\$0.58
26	2010 Ford F150	512	Ortiz	6,291	\$2,792	\$2,703	(\$89)	42,679	\$0.46	\$0.44	\$0.37
27	2010 Ford F150	513	LeBrun	2,264	\$1,116	\$2,365	\$1,249	20,459	\$0.47	\$0.49	\$0.48
28	2012 Ford F250	515	Reed	612	\$1,193	\$1,048	(\$145)	612	\$1.95	-	-
29	2012 Ford F250	516	Castellucci	1,082	\$1,555	\$2,074	\$518	1,082	\$1.44	-	-
<b>Total 3/4 Ton &amp; Under</b>				<b>100,892</b>	<b>\$3,256</b>	<b>\$3,827</b>	<b>\$0,571</b>	<b>2,147,553</b>	<b>\$0.53</b>	<b>\$0.55</b>	<b>\$0.54</b>
1	1999 Ford F350 W/Svc Body	19	Pool	665	\$2,948	\$1,375	(\$1,573)	127,604	\$0.73	\$1.40	\$2.58
2	2002 Int'l 5 Yd Dump	44	Rupp	3,809	\$4,373	\$8,234	\$3,860	70,931	\$1.53	\$2.02	\$1.83
3	2002 Chev 1 Ton Crew	46	Castellucci	3,399	\$3,507	\$7,167	\$3,659	113,915	\$0.91	\$0.73	\$1.02
4	1999 Ford F550 3-Yd Dump <sup>3</sup>	52	Crew	1,789	\$2,876	\$3,820	\$943	72,558	\$0.93	\$5.46	\$1.41
5	1999 Int'l 5 Yd Dump <sup>4</sup>	55	Crew	2,402	\$3,960	\$6,795	\$2,836	65,035	\$1.28	\$2.20	\$1.52
6	2006 Int'l 4300 Crew	503	Reed	2,132	\$2,993	\$10,197	\$7,204	21,635	\$2.04	\$1.82	\$2.32
7	2008 Ford F350 4x4	507	Latanyzyn	5,649	\$5,038	\$7,742	\$2,704	54,651	\$0.87	\$1.15	\$0.82
8	2009 Peterbilt 335 Crew	508	Kehoe	1,585	\$2,501	\$9,856	\$7,355	15,171	\$2.05	\$2.81	\$1.88
9	2012 Int'l 5 Yd Dump	514	Sioblom	2,833	\$4,572	\$8,253	\$3,680	5,321	\$1.61	\$2.50	-
<b>Total 1 Ton &amp; Over</b>				<b>24,263</b>	<b>\$32,769</b>	<b>\$63,437</b>	<b>\$30,668</b>	<b>546,821</b>	<b>\$1.35</b>	<b>\$1.84</b>	<b>\$1.35</b>

<sup>1</sup> Expense amount shown excludes depreciation (approximately \$75,000 for FY13).

<sup>2</sup> Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/07 the recovery rate for vehicles 3/4-ton and under is \$6/hr and the recovery rate for vehicles 1-ton and over is \$11/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

<sup>3</sup> Purchased used in 2004 with 33,500 miles. Mileage shown is total incurred since District purchase.

<sup>4</sup> Purchased used in 2008 with 30,708 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT  
WATER CONSERVATION PROGRAM DETAIL  
FOR PERIOD ENDING DECEMBER 31, 2012**

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Description	COST THRU		DECEMBER 2012	FYTD TOTAL	FY 12/13 BUDGET	(OVER)		TOTAL COST
	JUNE 2012	DECEMBER 2012				UNDER	EXCESS	
<b>NOVATO</b>								
a. Residential								
1-7700-01	1	Cash for Grass	\$216,961	\$417	\$4,305	\$24,000	\$19,695	\$221,266
1-7700-02	2	Landscape Efficiency Rebates	25,693	33	2,704	7,500	4,796	28,396
1-7700-03	3	Fixtures Purchases	32,086	0	0	5,000	5,000	32,086
1-7700-06	4	Washing Machine Rebates	290,692	1,169	8,016	20,000	11,984	298,708
1-7700-07	5	Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6	Toilet Rebate SF	839,411	875	12,138	34,000	21,862	851,550
1-7700-12	7	Toilet Rebate MF	18,081	0	0	4,000	4,000	18,081
1-7700-13	8	Residential Audits	168,585	2,357	24,829	40,000	15,171	193,414
1-7700-16	9	Water Waste Ordinance Monitoring	29,922	0	0	20,000	20,000	29,922
1-7700-17	10	Swimming Pool Cover Rebate	226	0	0	0	0	226
1-7700-19	11	ET Controller Rebate	15,185	490	6,190	5,000	(1,190)	21,375
1-7700-08	12	Administration	821,727	7,088	47,403	125,000	77,597	869,130
1-7700-20	13	New Development Wtr Cons Program	31,340	1,271	3,852	8,000	4,148	35,192
1-7700-21	14	Demand Offset Rebate Program	978	16	217	5,000	4,783	1,195
b. Commercial								
1-7701-02	1	Toilet Rebate Program	64,027	0	0	10,000	10,000	64,027
1-7701-03	2	Commercial Audits	5,987	0	87	15,000	14,913	6,074
c. Public Outreach/Information								
1-8672-16	1	Fall Newsletter	31,788	0	6,296	8,000	1,704	38,084
1-8672-17	2	Spring Newsletter	44,421	0	0	12,000	12,000	44,421
1-8672-18	3	Summer Newsletter	5,139	0	0	4,000	4,000	5,139
1-7700-04	4	Public Outreach / H <sub>2</sub> O Fair	84,000	11	11	10,000	9,989	84,011
1-7700-05	5	Marketing	101,566	1,223	5,641	16,000	10,359	107,207
1-7700-22	6	Public Outreach/Leadership Novato	9,309	0	0	0	0	9,309
d. Large Landscape								
1-8653-02	1	Large Landscape Audits	70,618	0	11	10,000	9,989	70,629
1-7702-01	2	Large Landscape Budgets	22,586	163	965	3,000	2,035	23,551
1-7702-02	3	Large Landscape Irrig Efficiency Rebates	11,376	0	0	5,000	5,000	11,376
1-8653-01	4	CIMIS Station Maintenance	18,653	23	132	2,000	1,868	18,785
1-7702-03	6	Administration-Large Landscape	14,180	567	4,786	7,000	2,214	18,967
<b>TOTAL NOVATO WATER CONSERVATION</b>			<b>\$3,028,915</b>	<b>\$15,704</b>	<b>\$127,583</b>	<b>\$400,000</b>	<b>\$272,417</b>	<b>\$3,156,497</b>
<b>WEST MARIN</b>								
2-5166-00	a.	Water Conservation Program	\$37,391	\$0	\$108	\$4,000	\$3,892	\$37,499
<b>TOTAL WATER CONSERVATION EXPENDITURES</b>			<b>\$3,066,306</b>	<b>\$15,704</b>	<b>\$127,691</b>	<b>\$404,000</b>	<b>\$276,309</b>	<b>\$3,193,996</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2012**

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Description	COST THRU		DECEMBER 2012	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
	JUNE 2012						
<b>1 PIPELINE REPLACEMENTS/ADDITIONS</b>							
a. Main/Pipeline Replacements							
1-7130-00	1	STP 18" Transmission Line Assess/Repair (13,200')	\$0	\$873	\$160,000	\$159,127	\$873
1-7131-00	2	Center Rd Pipeline-Conflict with Private Property	44,221	0	0	(581)	44,802
b. Main/Pipeline Additions							
1-7134-00	1	Digital to Leveroni Looping (12"@600')	0	830	130,000	124,684	5,316
1-7135-00	2	DeLong to Cain Looping (8"@400')	0	0	100,000	100,000	0
c. PB Service Line Replacements							
1-7123-10	1	Center Rd/Garner/Oak Forest/Simmons/3rd St	32,966	739	0	(21,844)	54,810
1-7123-11	2	Pacheco Valle (42 Svcs)	0	0	84,000	81,167	2,833
1-7123-12	3	Loma Verde (78 Svcs)	0	15,404	0	(23,565)	23,565
1-7138-00	4	Repl PB in Sync w/City Paving (45 Svcs)	0	0	90,000	90,000	0
1-7139-00	5	Sunset Parkway/Cambridge 12" @ 600'	0	4,194	0	(6,073)	6,073
	6	PB Repl-City Measure A, Group 5	0	222	0	(1,640)	1,640
c. Relocations to Sync w/City & County C.I.P.							
	1	Other Relocations	0	0	80,000	0	80,000
d. Aqueduct Replacements & Enhancements							
1-7118-01	1	MSN Aqueduct Caltrans Reimb-Segment B1	118,166	298	0	(1,196)	119,362
1-7118-02	2	MSN Aqueduct Caltrans Reimb-Segment B2	24,587	834	0	(6,323)	30,910
1-7118-03	3	MSN Aqueduct Caltrans Reimb-Segment B3	86,625	7,280	0	(18,352)	104,977
1-7118-04	4	AEEP Permitting & Design	582,748	2,320	1,300,000	1,246,852	635,895
1-7118-05	5	AEEP Legal Challenge/Litigation	10,679	0	0	0	10,679
1-7118-06	6	AEEP Loan Procurement	0	0	0	0	0
1-7118-07	7	AEEP- B1 Construction	98	734	0	(72,683)	72,781
1-7118-08	8	AEEP- B2 Construction	0	0	0	0	0
1-7118-09	9	AEEP- B3 Construction	0	0	0	0	0
<b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>			<b>\$900,089</b>	<b>\$33,729</b>	<b>\$1,944,000</b>	<b>\$1,649,572</b>	<b>\$1,114,518</b>
<b>2 SYSTEM IMPROVEMENTS</b>							
a. RTU Upgrades							
1-7008-09			\$0	\$0	\$10,000	\$9,928	\$72
1-7007-07	b.	Detector Check Assembly Upgrade/Repl(~14/yr)	0	1,905	150,000	142,987	7,013
1-7090-03	c.	Anode Installations (150/yr)	0	0	30,000	30,000	0
1-7132-00	d.	Radio Expansion Telemetry Upgrades	14,046	0	15,000	10,855	18,191
1-8650-19	e.	Sampling Stations (6 biennially)	0	1,973	24,000	20,636	3,364
1-7054-03	f.	Inaccurate Meter Replacement	0	31	16,000	13,919	2,081
1-7135-00	g.	Facilities Security Enhancements	0	0	25,000	25,000	0
1-7137-00	h.	Backflow Device Upgrade-BMK (14 Svcs)	0	0	30,000	30,000	0
<b>TOTAL SYSTEM IMPROVEMENTS</b>			<b>\$14,046</b>	<b>\$3,909</b>	<b>\$300,000</b>	<b>\$283,325</b>	<b>\$30,721</b>



**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2012**

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Description	COST THRU		DECEMBER	FYTD	FY 12/13	(OVER)/UNDER	TOTAL
	JUNE 2012	2012	2012	TOTAL	BUDGET	BUDGET	COST
<b>3 BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>							
a. Administration Building							
1-6501-43	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0
	0	0	0	0	25,000	25,000	0
1-6501-35	27,048	0	0	2,767	0	(2,767)	29,815
1-4040-00	0	0	0	1,901	0	(1,901)	1,901
b. Corp Yard/Warehouse/Construction Office							
1-6502-46	0	0	0	223	58,000	57,777	223
	0	0	0	0	15,000	15,000	0
1-6502-44	6,710	77	77	60,963	0	(60,963)	67,673
c. Stafford Treatment Plant							
1-6600-70	9,000	16,001	16,001	25,154	25,000	(154)	34,154
1-6600-60	50,684	1,994	1,994	97,102	145,000	47,898	147,786
1-6600-69	87,397	202	202	22,379	50,000	27,621	109,776
1-6600-54	8,165	0	0	0	200,000	200,000	8,165
1-6600-77	13,602	0	0	29,379	0	(29,379)	42,982
1-6600-78	3,173	2	2	6,827	0	(6,827)	10,000
1-6600-79	11,448	0	0	12,645	0	(12,645)	24,094
	<b>\$217,228</b>	<b>\$18,277</b>	<b>\$18,277</b>	<b>\$259,342</b>	<b>\$568,000</b>	<b>\$308,658</b>	<b>\$476,570</b>
<b>4 STORAGE TANKS &amp; PUMP STATIONS</b>							
a. Lynwood Pump Station Motor Control Center							
1-6112-24	\$36,416	\$0	\$0	\$0	\$265,000	\$265,000	\$36,416
1-6217-20	70,691	1,227	1,227	16,356	30,000	13,644	87,047
	<b>\$107,107</b>	<b>\$1,227</b>	<b>\$1,227</b>	<b>\$16,356</b>	<b>\$295,000</b>	<b>\$278,644</b>	<b>\$123,463</b>
<b>5 RECYCLED WATER</b>							
a. NBWRA Grant Program Administration							
5-7127-00	\$556,658	\$857	\$857	\$310,839	\$325,000	\$14,161	\$867,496
5-6055-01	66,918	526	526	41,401	0	(\$41,401)	108,320
5-6055-11	817,769	0	0	1,852	1,000,000	998,148	819,621
5-6055-12	1,587,533	17,128	17,128	807,204	0	(807,204)	2,394,737
5-6055-13	1,972,813	2,193	2,193	4,825	0	(4,825)	1,977,638
5-6055-14	599,264	33	33	13,000	0	(13,000)	612,263
5-6055-20	111,482	1,286	1,286	5,659	0	(5,659)	117,141
5-6055-21	32,397	62	62	1,948	0	(1,948)	34,345
5-6055-22	8,692	3,929	3,929	214,409	0	(214,409)	223,101
5-6056-01	1,309	0	0	416	0	(416)	1,725
5-6056-11	855,728	12,283	12,283	526,202	4,200,000	3,673,798	1,381,931
5-6056-12	1,481,933	299,599	299,599	2,028,084	0	(2,028,084)	3,510,017
5-6056-13	172,450	13,894	13,894	58,451	0	(58,451)	230,902

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2012**

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Description	COST THRU		DECEMBER		FYTD TOTAL	FY 12/13		(OVER)/UNDER		TOTAL COST
	JUNE 2012	0	2012	2012		BUDGET	BUDGET	BUDGET	BUDGET	
5-6056-14 n. Expansion to South Svc Area-Boiling Circle PS		0	1,931	1,931	1,931	0	0	(1,931)	1,931	
5-6056-20 o. RW Expansion S Svc Area-Retrofit-Private Property <sup>2,4</sup>	107,325		5,461	198,920	198,920	0	0	(198,920)	306,245	
5-6056-21 p. RW Expansion S Svc Area-Retrofit-Gov't Property <sup>2</sup>	51,507		20,139	73,110	73,110	0	0	(73,110)	124,617	
<b>TOTAL RECYCLED WATER</b>	<b>\$8,423,778</b>		<b>\$379,320</b>	<b>\$4,288,251</b>	<b>\$4,288,251</b>	<b>\$5,525,000</b>	<b>\$5,525,000</b>	<b>\$1,236,749</b>	<b>\$12,712,029</b>	

**6 WEST MARIN WATER SYSTEM**

System Improvements:

2-6601-32 a. TP Solids Handling & Land Acquisition <sup>7</sup>	\$109,655		\$4,601	\$50,765	\$50,765	\$400,000	\$400,000	\$349,235	\$160,420
2-6603-20 b. Pt. Reyes Well #3 Replacement	77,657		1,218	50,952	50,952	165,000	165,000	114,048	128,609
2-5156-00 e. Water Rights-Legal/Staff Time	128,554		0	0	0	0	0	0	128,554
2-6603-21 c. Pt. Reyes Well #3 Rehab	15,415		0	0	0	0	0	0	15,415
2-6603-22 d. Pt. Reyes Well #3 Destruction	956		0	251	251	0	0	(251)	1,207
2-6601-35 e. Treatment Plant Control Valve Replacement	0		0	0	0	75,000	75,000	75,000	0
2-6604-20 f. Gallagher Auxiliary Stream Gauge	0		0	0	0	30,000	30,000	30,000	0
2-6257-20 g. Tank Seismic Upgrades	6,647		0	3,921	3,921	0	0	(3,921)	10,568
2-6601-34 h. TP RTU Upgrade	0		1,225	4,247	4,247	0	0	(4,247)	4,247
2-7123-13 i. PB Rpl-County Paving-Balboa,Portola,Mesa, 2nd St	0		0	0	0	0	0	0	0
<b>TOTAL WEST MARIN WATER SYSTEM</b>	<b>\$338,884</b>		<b>\$7,045</b>	<b>\$110,136</b>	<b>\$110,136</b>	<b>\$670,000</b>	<b>\$670,000</b>	<b>\$559,864</b>	<b>\$449,020</b>

**7 OCEANA MARIN SEWER SYSTEM**

8-6672-26 a. Infiltration Repair-FY13	\$0		\$0	\$982	\$982	\$15,000	\$15,000	\$14,018	\$982
8-7085-01 b. Tahiti Way Lift Pumps Rebuild	15,691		0	0	0	20,000	20,000	20,000	15,691
8-6001-20 c. Cross Country Sewer Line Rehab	33,181		1,111	172,255	172,255	275,000	275,000	102,745	205,436
8-6607-21 d. Treatment Pond Algae Control Device	0		0	0	0	10,000	10,000	10,000	0
<b>TOTAL OCEANA MARIN SEWER SYSTEM</b>	<b>\$48,873</b>		<b>\$1,111</b>	<b>\$173,237</b>	<b>\$173,237</b>	<b>\$320,000</b>	<b>\$320,000</b>	<b>\$146,763</b>	<b>\$222,110</b>

**TOTAL PROJECT EXPENDITURES \$10,050,006 \$444,618 \$5,078,425 \$9,622,000 \$4,463,576 \$15,128,431**

**8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS**

(Accrued)/Deferred

a. RW Expansion - North Service Area Grant <sup>2</sup>	(\$377,574)		\$0	(\$121,932)	(\$121,932)	\$479,000	\$479,000	\$600,932	(\$499,506)
b. RW - North Service Area Loan <sup>1</sup>	(1,625,949)		(14,515)	193,811	193,811	1,438,000	1,438,000	1,244,189	(1,432,138)
c. RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(309,088)		(85,255)	(547,455)	(547,455)	(64,000)	(64,000)	483,455	(856,543)
d. RW - South Service Area Loan <sup>1</sup>	(1,882,584)		(225,996)	(1,853,310)	(1,853,310)	(193,000)	(193,000)	1,660,310	(3,735,894)
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	(229,378)		(8,413)	(25,789)	(25,789)	0	0	25,789	(255,167)
f. AEEP Segment B1-B3 <sup>5</sup>	6,406,573		(2,320)	(52,195)	(52,195)	(1,300,000)	(1,300,000)	(1,247,805)	6,354,378
g. AEEP- B1 Construction <sup>6</sup>	0		25,850	(99,267)	(99,267)	0	0	99,267	(99,267)
h. AEEP- B2 Construction <sup>6</sup>	0		0	0	0	0	0	0	0
i. AEEP- B3 Construction <sup>6</sup>	0		0	0	0	0	0	0	0
j. TP Solids Handling & Land Acquisition <sup>7</sup>	699,323		(3,451)	(38,074)	(38,074)	(400,000)	(400,000)	(361,926)	661,249
<b>FUNDING BY OTHERS (ACCRUED)/DEFERRED</b>	<b>\$2,681,323</b>		<b>(\$314,100)</b>	<b>(\$2,544,211)</b>	<b>(\$2,544,211)</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>	<b>\$2,504,211</b>	<b>\$137,112</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING DECEMBER 31, 2012**

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Description	COST THRU		DECEMBER 2012	FYTD TOTAL	FY 12/13		(OVER)UNDER BUDGET	TOTAL COST
	JUNE 2012				BUDGET	BUDGET		
<b>Received</b>								
a. RW Expansion - North Service Area Grant <sup>2</sup>	(\$838,088)	\$0		(\$222,166)	(\$735,000)	(\$512,834)	(\$1,060,254)	
b. RW - North Service Area Loan <sup>1</sup>	(2,105,041)	0		(811,294)	(2,182,000)	(1,370,706)	(2,916,335)	
c. RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(244,656)	0		(366,478)	(1,306,000)	(939,522)	(611,134)	
d. RW - South Service Area Loan <sup>1</sup>	0	0		0	(2,637,000)	(2,637,000)	0	
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	0	0		0	0	0	0	
f. AEEP Segment B1-B3 <sup>6</sup>	(7,000,000)	0		0	0	0	(7,000,000)	
g. AEEP- B1 Construction <sup>6</sup>	0	(26,584)		(26,584)	0	26,584	(26,584)	
h. AEEP- B2 Construction <sup>6</sup>	0	0		0	0	0	0	
i. AEEP- B3 Construction <sup>6</sup>	0	0		0	0	0	0	
j. TP Solids Handling & Land Acquisition <sup>7</sup>	(781,564)	0		0	0	0	(781,564)	
<b>FUNDING BY OTHERS RECEIVED</b>	<b>(\$10,969,349)</b>	<b>(\$26,584)</b>		<b>(\$1,426,522)</b>	<b>(\$6,860,000)</b>	<b>(\$5,433,478)</b>	<b>(\$12,395,870)</b>	
<b>NET PROJECT EXPENDITURES</b>	<b>\$1,761,980</b>	<b>\$103,934</b>		<b>\$1,107,692</b>	<b>\$2,722,000</b>	<b>\$1,534,309</b>	<b>\$2,869,672</b>	

CIP SUMMARY-GROSS EXPENDITURES:	Current		FY 12/13		FYTD/	
	Month	FYTD Total	Budget	Budget	Budget%	Budget%
Novato Water Capital Projects	\$57,142	\$506,801	\$3,107,000		16%	
Novato Recycled Water Capital Projects	379,320	4,288,251	5,525,000		78%	
West Marin Water Capital Projects	7,045	110,136	670,000		16%	
Oceana Marin Sewer Capital Projects	1,111	173,237	320,000		54%	
<b>Gross Capital Improvement Project Outlays</b>	<b>\$444,618</b>	<b>\$5,078,425</b>	<b>\$9,622,000</b>		<b>53%</b>	

CIP SUMMARY-NET EXPENDITURES:	Current		FY 12/13		FYTD/	
	Month	FYTD Total	Budget	Budget	Budget%	Budget%
Novato Water Capital Projects	\$45,675	\$302,967	\$1,807,000		17%	
Novato Recycled Water Capital Projects	53,554	559,427	325,000		172%	
West Marin Water Capital Projects	3,594	72,062	270,000		27%	
Oceana Marin Sewer Capital Projects	1,111	173,237	320,000		54%	
<b>Net Capital Improvement Project Outlays</b>	<b>\$103,934</b>	<b>\$1,107,692</b>	<b>\$2,722,000</b>		<b>41%</b>	

**Notes to Capital Improvement Projects Schedule:**

- (1) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan equal to 75% of the project cost, less 25% of the overhead.
- (2) The District will receive ARRA Federal Grant Funding equal to 25% of the project cost less overhead.
- (3) The District will receive Watersmart Federal Grant Funding equal to 25% of the project cost, less overhead.
- (4) The District will receive State Prop 84 Grant Funding equal to project cost less overhead.
- (5) The District anticipates receiving reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03.
- (6) The District anticipates receiving partial reimbursement from Caltrans for costs charged to jobs 1.7118.07-1.7118.09.
- (7) Funding provided 75% by Bank of Marin Loan & 25% by connection fees.

## North Marin Water District Financial Statement Notes

### Note 1 - Restricted Cash

**Connection Fee Fund:** Cash available from collection of Connection Fees. The fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the water or sewer facilities within the service area where the development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures are incurred to increase system capacity to serve new development. The fund balance accrues interest monthly.

**Wohler Pipeline Financing Fund:** In December 2002 the Sonoma County Water Agency sold \$6.8 million (par) of 30-year revenue bonds to finance the Wohler to Forestville Pipeline. NMWD's share of the debt is \$844,050 ( $\$6,800,000 \times 11.2 / 90.4$ ). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$844,050 of FRC money into the fund. The Wohler Pipeline Financing Fund is credited with interest monthly, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

**Collector #6 Financing Fund:** The Sonoma County Water Agency received a \$15.8 million State Revolving Fund loan commitment at an interest rate of 2.8% repayable over 20 years for construction of Collector #6. NMWD's share of Collector #6 is \$1,950,000 ( $\$15,800,000 \times 11.2 / 90.4$ ). In January 2003 the District established this designated cash and corresponding reserve account and transferred \$1,950,000 of FRC money into the fund. The Collector #6 Financing Fund is credited with interest monthly, and is used to pay the revenue bond debt component of the monthly SCWA invoice for water delivery commencing July 2003.

**Revenue Bond Redemption Fund:** Comprised of one year of debt service as required by West Marin revenue bond covenants. These funds are restricted for payment of bond principal, interest and administration fees. The fund balance does not accrue interest.

**Bank of Marin Project Fund:** The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/31. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

**Retiree Medical Benefits Fund:** The District pays the cost of health insurance for retiree (age 55 to 65) and spouse under any group plan offered by PERS. The District's contribution toward the chosen plan is capped in the same manner as all other District employees in the same class. Coverage terminates when the retiree or spouse becomes eligible for Medicare. The retiree must be at least 55 and have a minimum of 12 years of service at the date of retirement. When the retiree or spouse becomes eligible for Medicare, the District pays up to the couple annuitant rate for the rest of the retiree and spouse's lives. In August 2003 the Board directed staff to transfer \$2.55M (\$2.3M for current retirees plus \$250,000 for future retirees) from unrestricted cash to fund this liability. In 2010 an Actuarial Analysis calculated the District's liability at \$3.5 million. At that time the Board directed staff to add \$1,500 per employee annually as a payroll cost overhead to be accrued to amortize this liability. This reserve fund accrues interest monthly. Accounting Standards require that the \$3.5M reserve be fully funded in 20 years.

**RWF Replacement Fund:** The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the water recycling facilities. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was \$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

**West Marin Tax Proceeds – Marin County Treasury:** Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) and Point Reyes (PR-3) general obligation bond debt. The County credits interest to these funds quarterly.

**STP SRF Loan Fund – Marin County Treasury:** The Stafford Treatment Plant State Revolving Fund (SRF) loan agreement requires the District to build a Reserve Fund equal to one year of payments (\$1,044,474) in the Marin County Treasury during the first ten years of the 20-year repayment period. Every January 1 and July 1 the District deposits with the County 10% of the semi-annual SRF payment. The County credits the fund with interest quarterly, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

## **Note 2 - Designated Cash**

**Liability Contingency Fund:** Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is rented to an employee who provides after-hours presence in the community to respond to emergencies. In 2006, \$8,885 was added from the sale of surplus property in West Marin. In August 2008 \$500,000 was transferred to this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. The fund balance does not accrue interest

**Self-Insured Workers' Compensation Fund:** Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$750,000. See schedule on page 22.

**Drought Contingency (Rate Stabilization) Fund:** In August 2008, the Board directed staff to establish this reserve with \$135,000 from the Self-Insured Workers' Compensation Fund for the Novato district to draw upon during dry years. A threshold of 3.2 billion gallons of potable consumption was established as a benchmark for 'normal' years. During any fiscal year that water sales volume exceeds 3.2BG, the incremental revenue generated is deposited into the Drought Contingency Reserve. In those years when sales volume falls below the benchmark, funds are withdrawn from the reserve to maintain the budgeted revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,000,000) of budgeted annual water sales. In FY09 \$50,335 was added to the reserve. The fund balance accrues interest monthly. The fund was fully depleted in FY10.

**Maintenance Accrual Fund:** Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY 93. In FY 94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$6.8M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

**Conservation Incentive Rate Fund:** In 2004 and 2005, a Conservation Incentive Tier Rate was enacted in Novato and West Marin respectively. Monies derived from this tier-rate charge are set aside in the Conservation Incentive Rate Reserve, and used for conservation programs designated by the Board. The fund balance accrues interest monthly.

**Operating Reserve:** This reserve, comprised of four months of budgeted operating expenditures as recommended by the District's financial advisors, serves to ensure adequate working capital for operating, capital, and unanticipated cash flow needs that arise during the year. The fund balance does not accrue interest.

**Note 3 – Employee Loans**

**Housing Loans:** The District’s Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are eight employee-housing loans currently outstanding totaling \$1,441,785: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$300,000 loan dated October 2006, a \$140,000 loan dated September 2007, a \$150,000 loan dated November 2007, a \$125,000 loan dated July 2008, a \$192,585 loan dated October 2008, and a \$245,000 loan dated June 2010.

**Housing Loan Impairment:** The Employer Assisted Housing Loans outstanding were written down by \$390,000 at June 30, 2012, representing the impairment in value of the second deeds of trust due to the decline in market value of the homes financed since the purchase date.

**Personal Computer Loans:** Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District’s Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District’s investment portfolio at the time of the loan plus one percent. Currently there are 5 employee loans outstanding totaling \$3,578.

**Note 4 – Purchased Water Capital Component**

In 2003 the Sonoma County Water Agency issued \$6.8 million in 30-year 4.75% revenue bonds to finance the Wohler to Forestville pipeline. That same year the Agency received a \$15.8 million 2.8% 20-year State Revolving Fund loan to finance construction of Collector #6. For these two projects the District pays the Agency a debt amortization surcharge incorporated into its purchased water cost. The FY13 Purchased Water Capital Cost Component is \$225,000, which is the District’s share of the annual debt service for these projects, and is paid as a \$114.83/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1 - Wohler Pipeline and Collector #6 Financing Funds).

**Note 5 – Depreciation**

Assets are assigned a useful life based on consultations with the District Chief Engineer and a survey of other water agencies. Depreciation is computed on a straight-line basis over the estimated useful life of the various classes of property as follows:

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
STP & RWS Structures.....	40
STP & RWS Mains.....	50
STP & RWS Pumping Equipment.....	25
STP & RWS Water Treatment Equipment.....	20
Storage & Transmission Facilities.....	50
Distribution Facilities.....	50
Buildings.....	35
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

**Note 6 - Capitalization Policy**

The Government Finance Officers Association *Guide for State and Local Governments* recommends that a capitalization policy incorporate a minimum threshold of \$5,000 and an estimated useful life of at least two years. It also cautions that federal grant and loan requirements prevent the use of capitalization thresholds in excess of \$5,000. Thus NMWD's capitalization threshold is \$5,000.

**Note 7 – Bond & Loan Servicing Schedule for Fiscal Year 2012-2013**

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY13		6/30/13 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$4,681	\$13,743	\$79,874
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$342,895	\$701,580	\$13,819,824
3 Novato	Bank of Marin Loan	2011	3.54%	\$7,000,000	27 <sup>th</sup> /mo	10/27/31	\$228,999	\$253,043	\$6,521,787
							<u>\$576,575</u>	<u>\$968,366</u>	<u>\$20,421,485</u>
4 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$81,833	\$191,534	\$3,218,157
5 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$700	\$14,000	\$0
6 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$562	\$3,552	\$7,652
7 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$662	\$2,041	\$11,201
8 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$4,600	\$10,000	\$83,000
9 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$4,600	\$8,000	\$84,000
10 West Marin	Bank of Marin Loan	2012	3.54%	\$1,000,000	27 <sup>th</sup> /mo	10/27/31	\$33,614	\$37,144	\$962,856
							<u>\$44,738</u>	<u>\$74,737</u>	<u>\$1,148,709</u>
						Total	<u>\$703,146</u>	<u>\$1,234,637</u>	<u>\$24,788,351</u>

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges.
3. In October 2011 Bank of Marin made a 20-year 3.54%(APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point

Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).

6. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%.
7. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
8. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
9. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
10. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

#### **Note 8 – Unemployment Insurance Reserve**

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently  $\$450 \times 52 = \$23,400$ ).

#### **Note 9 – Payroll Benefits**

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments; cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.



**Note 10 - Interest Policy on Inter-District Loans**

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an improvement district expends all of its Board Designated Fund reserves, it may receive a loan from the Novato Improvement District in an amount sufficient to meet its ongoing requirements. Restricted Funds shall not be used to finance ongoing normal operating expenses.

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.8% at 6/30/12); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

**Note 11 – Budget Augmentations**

**Note 12 – Prior Period Adjustment**

**Note 13 – Provision for Pension Related Debt (Side Fund)**

NMWD is one of 164 agencies assigned in 2003 by CalPERS to a pooled-risk group of agencies having less than 100 employees that participate in the 2.5% at 55 benefit plan. The funded ratio for this pool was 63.9% at June 30, 2010 (the most recent data available). The unfunded liability for the combined 164 agencies was \$369M. Based on NMWD's payroll as a percent of total payroll of the 164 agencies, NMWD's share of the unfunded liability was about \$4.2M.

At the time the District was assigned to the risk pool, a "side fund" was created to account for the difference between the funded status of the pool and the funded status of the District's plan. The side fund (\$2.2M of the \$4.2M unfunded liability at June 30, 2012) is credited on an annual basis with the actuarial investment return assumption, currently 7.75%. The side fund is amortized on a schedule to be paid off in 2025.

**Note 14 – Explanation of Financial Statement Components**

The District's financial statement is comprised of four components: 1) Statement of Net Assets, 2) Sources and Uses of Funds Statement – All Service Areas Combined, 3) Income Statement and Cash Flow by Service Area, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**The Statement of Net Assets** (page 4) reports the District's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to the District's creditors (liabilities). The difference between assets and liabilities is reported as *net assets*. Over time, increases or decreases in the fund balance may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**The Sources and Uses of Funds Statement – All Service Areas Combined** (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it includes capital expenditures, debt principal repayment, connection fee revenue, and cash infusions from debt issuance.

**The Income Statement and Cash Flow by Service Area** (page 9) presents the net income (loss) for the fiscal year-to-date (FYTD) period for each of the District's four service areas. The income and expenses on this report are presented in conformity with Generally Accepted Accounting Principles (GAAP) and comply with Governmental Accounting Standards Board pronouncements. Accordingly, all income and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related

cash flows. This statement measures the success of each service area's operations and can be used to determine whether the service area has successfully recovered all costs through user fees and other charges.

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for the period of each service area with the resultant change in cash balance that occurred over the same period.

**Notes to the Financial Statements** (page 31) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.

**Other Supplementary Information** includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 25), Equipment Expenditures (page 21) and Capital Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

**Note 15 –Connection Fee Transfers from Novato Water To Recycled Water**

The following Connection Fee (FRC) amounts have been transferred to the Recycled Water fund:

	<u>Expansion Local Share</u>		NBWRA	SRF	Expansion	TOTAL	Transfer
	North	South		RWF			
				Loan			Executed
FY07			\$29,725			\$29,725	
FY08			\$50,478	\$22,795		\$73,273	
FY09			\$150,455	\$22,795		\$173,250	
FY10	\$133,659		\$75,198	\$22,795		\$231,652	\$133,659
FY11			\$133,319	\$22,795		\$156,114	\$1,175,098
FY12	\$233,478	\$265,500	\$117,484	\$22,795		\$639,257	(\$7,088)
FY13			\$309,982		\$58,137	\$368,118	\$369,719
	<b>\$367,137</b>	<b>\$265,500</b>	<b>\$866,641</b>	<b>\$113,975</b>	<b>\$58,137</b>	<b>\$1,671,389</b>	<b>\$1,671,388</b>

**Note 16 –Debt Service Coverage Ratio**

Debt Service Coverage Ratio shall mean the ratio of net income/(loss) plus interest expense, depreciation, and connection fee revenue for the fiscal year to the sum of the fiscal year's principal and interest payments on the District's total debt.

	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13 Budgeted</b>
Net Income/(Loss)	(\$3,616,979)	(\$1,156,582)	(\$217,163)	\$787,000
Depreciation	\$2,659,884	\$2,660,418	\$2,726,598	\$2,719,000
Interest Expense	\$694,044	\$710,416	\$654,484	\$828,000
Connection Fees	\$1,796,028	\$387,610	\$1,005,680	\$921,000
<b>Total Available For Debt Service</b>	<b>\$1,532,977</b>	<b>\$2,601,862</b>	<b>\$4,169,599</b>	<b>\$5,255,000</b>
<b>Annual Debt Service</b>	<b>\$1,384,506</b>	<b>\$1,385,156</b>	<b>\$1,770,894</b>	<b>\$2,162,000</b>
<b>Debt Service Coverage Ratio</b>	<b>1.11</b>	<b>1.88</b>	<b>2.35</b>	<b>2.43</b>

	<b>FYTD13</b>	<b>FY13 Budgeted</b>
<b>Bank of Marin Debt Service Coverage Calculation<sup>1</sup></b>		
Change in Net Assets <sup>2</sup>	\$2,741,552	\$3,749,000
Interest Expense	\$385,853	\$828,000
Depreciation & Amortization	\$1,351,992	\$2,719,000
<b>Total Available for Debt Service</b>	<b>\$4,479,398</b>	<b>\$7,296,000</b>
<b>Bank of Marin Annual Debt Service</b>	<b>\$552,800</b>	<b>\$552,800</b>
<b>Bank of Marin Coverage Ratio</b>	<b>8.10</b>	<b>13.20</b>

<sup>1</sup>Per the October 27, 2011 Bank of Marin loan agreement, each June 30, beginning June 30, 2012, the Debt Service Coverage Ratio shall not be less than 1.2 to 1.

"Debt Service Coverage Ratio" shall mean the ratio of (i) Borrower's change in net assets plus interest, depreciation, and amortization during the fiscal-year period ending on the Determination Date to the sum of the scheduled principal and interest payments on the Loan during the twelve-month period following the Determination Date.

<sup>2</sup> See page 9

**MEMORANDUM**

To: Board of Directors

February 1, 2013

From: Chris DeGabriele, General Manager *CD*

Subject: Resolution for Regulation 5 - Temporary Service  
t:\regulations\part a\resolutions and memos\memos\bod memo re reg 5 0213.doc

At the Board meeting on January 15, 2013 the Board of Directors approved changes to Regulation 5- Temporary Service. A resolution is required to adopt regulation changes and said resolution was not included with the January 15<sup>th</sup> Board item. Attached is the resolution for the Boards approval.

**RECOMMENDATION:**

Board approve the attached resolution amending Regulation 5- Temporary Service.

Approved by GM *CD*  
Date *2/1/2013*

**DRAFT  
RESOLUTION 13-  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
AMENDING REGULATION 5-TEMPORARY SERVICE**

---

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that Regulation 5 of the North Marin Water District is amended as follows:

a. Authorization and Charges

Temporary service may be provided when water service is required for only a limited period of time. Except for subdivisions, service for a period not longer than one year may be authorized by the General Manager. Service for subdivisions and service for a period longer than one year and up to three years may be authorized by the Board of Directors if and when it determines that such longer period is reasonable and necessary. Upon authorization of a temporary service the Applicant shall pay to the District the estimated total cost of installing the connection to the District's distribution system, plus a reasonable security deposit as determined by the District. Payment of the initial charges imposed by Section c. of Regulation 1 shall not be required. Rates for service shall be in accordance with the District's normal water rates as applicable and described in Regulation 54 a., c., and e. Temporary service permits through fire hydrants may be issued as described in Parts b, c and d and subject to the following additional conditions:

- No permit shall be issued to supply water outside the District's service territory.
- Permits may be suspended by the District during a water shortage emergency.
- Permits may be revoked immediately, without notice, due to non-payment, where use violates any provision of this regulation or where access to the fire hydrant for routine or emergency purposes is impeded.
- Applicant shall not draw water from a fire hydrant in a manner which creates a cross-connection with a non-potable water source without use of a District approved backflow prevention device.

b. Construction Service Through Fire Hydrants - Installed by the District

A temporary service permit for construction purposes may be provided for up to one year through hydrant meters upon written application to the District and the payment of ~~\$950~~<sup>700</sup>, of which \$100 is a non-refundable charge for administration, installing and removing the meter. The remainder will be retained by the District to insure against damage to the meter and will be refunded (less any costs) upon termination of service. Hydrant meters will be installed and maintained by the District and shall not be removed or otherwise disturbed by the Applicant. District will relocate the meter upon request of the Applicant. Cost of each such relocation shall be \$65. The Applicant is responsible for all water used through the meter and is responsible for any damage to the meter.

c. Construction Service Through Fire Hydrants - Installed by the Applicant

A temporary service permit for construction purposes may be provided for up to 90 days through hydrant meters upon written application to the District and the payment of \$1,400, of which \$200 is a non-refundable charge for administration. The remainder will be retained by the District to insure against damage to the meter and will be refunded (less any costs) upon termination of service. The hydrant meter will be assigned to the Applicant who will be responsible for its installation, care and return. Applicant must install the hydrant meter at the location specified on the

permit. Hydrant meter shall not be relocated to a new location without advance written authorization of the District as documented by an amended temporary service permit issued by District. The Applicant is also responsible for providing the District with bimonthly recorded meter readings. Failure to obtain District authorization for relocation or to provide said bimonthly readings in a timely manner shall result in revocation of the temporary service permit. The Applicant is responsible for all water used through the meter and is responsible for any damage to the meter.

d. Service Through Fire Hydrant - For Public Agencies and Non Profits

A temporary service permit for irrigation purposes to establish landscaping on public lands or for non profit activities open to the general public may be provided for up to one year through hydrant meters upon written application to the District and the payment of a \$300 deposit, of which \$60 is a non-refundable charge for administration. The remainder will be retained by the District to insure against damage to the meter and will be refunded (less any costs) upon termination of service. The hydrant meter will be assigned to a duly authorized representative of the requesting public agency or non profit organization who will be responsible for its installation, care and return. Applicant must install the hydrant meter at the location specified on the permit. Hydrant meter shall not be relocated to a new location without advance written authorization of the District as documented by an amended temporary service permit issued by District. The assigned representative will also be responsible for providing the District with bimonthly recorded meter readings. Failure to obtain District authorization for relocation or to provide said bimonthly readings in a timely manner shall result in revocation of the temporary service permit. The Applicant is responsible for all water used through the meter and is responsible for any damage to the meter.

The status of non profit entities shall be verified through Internal Revenue Service 501(c) (3) certification, and the purpose of use shall be subject to the approval of the General Manager, prior to issuance of permit.

e. Water Rates

A bi-monthly service charge and water quantity charge shall be paid as specified in Regulation 54.

\*\*\*\*\*

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 5<sup>th</sup> day of February 2013 by the following vote:

AYES: Directors  
NOES:  
ABSENT:  
ABSTAINED:

\_\_\_\_\_  
Katie Young, District Secretary  
North Marin Water District

(SEAL)

**MEMORANDUM**

To: Board of Directors

February 1, 2013

From: Chris DeGabriele, General Manager *CD*

Subject: Request Out-of-State Travel for Drew McIntyre

R:\CHIEF ENGA\AWWA\CA-NV\Pipeline Rehab Committee\Spring Conferences\Spring 2013\DM out of state travel 2013 BOD Memo.docx

**RECOMMENDED ACTION:** Approve Out-of-State Travel for Drew McIntyre to attend AWWA spring conference.

**FINANCIAL IMPACT:** \$1500

Drew McIntyre has been a member of the AWWA California Nevada section Pipeline Rehabilitation Committee for over ten years and has served as the Chair for the past three years. He has recently accepted the position of Vice Chair for the Water Distribution Division comprised of the following committees:

- Pipeline Rehabilitation Committee
- Meters
- Materials Performance
- Backflow Programs

The annual spring conference this year is taking place in Las Vegas, Nevada from March 24<sup>th</sup> through the 28th. In addition to attending committee meetings, Drew will attend the technical programs, moderate the Pipeline Rehabilitation Committee session and co-author a presentation on "Pipe Bursting Water Mains". Drew's expenses will be covered by the current meetings, conferences and training budget.

**RECOMMENDATION**

Authorize Drew McIntyre to travel out of state to attend the AWWA spring conference.

Approved by GM *CD*

Date 2/1/2013

**MEMORANDUM**

To: Board of Directors

February 1, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Authorization to Solicit Proposals for Replacement Photocopier

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**RECOMMENDED ACTION:** Approve

**FINANCIAL IMPACT:** None at this time; \$25,000 budgeted

The District purchased a Savin photocopier in January 2005 for \$21,906 with a plan to use it for five years and obtain 1.8 million copies. The photocopier has now run 2.1 million copies, and is getting tired.

The current budget includes \$25,000 for a replacement photocopier, which will include the first year's maintenance. Technology advances since 2005 have improved copiers significantly. Photocopiers now have dual heads, increasing the speed of dual-sided copying. The high-speed scanners now have optical character recognition along with the capability to scan a document in color. New photocopiers come with an optional document management module improving the organization of documents scanned into digital storage. We will also look at the cost of color copying.


Following are the vendors we will solicit:

<u>Vendor</u>	<u>Location</u>	<u>Make</u>
Caltronics	Santa Rosa	Konica-Minolta
Discovery Office Systems	Santa Rosa	Mita
IKON Office Solutions	Petaluma	Canon
Ricoh Business Solutions	Rohnert Park	Ricoh
Scott's Office Equipment	Rohnert Park	Savin
Xerox	Santa Rosa	Xerox
Zoom Imaging Solutions	Rohnert Park	Lexmark
Simple Office Solutions	Santa Rosa	Canon
VinVantage	Novato	Canon
Smile Business Products	Petaluma	HP, Sharp
Digital Office Solutions	Santa Rosa	Konica
Vanzebo Laser	Novato	Canon/HP
Oce North America	Cotati	Canon

The members of staff who work closely with the copier have reviewed the specifications on the RFP (attached). As in the past, we will "test-drive" the top candidates in-house before returning to the Board with a purchase recommendation.

**RECOMMENDATION:**

Authorize the Auditor-Controller to request proposals for a replacement digital copier/printer/scanner from the vendors listed above.

Approved by GM 

Date 2/1/2013



## MEMORANDUM

To: Board of Directors  
From: Katie Young, District Secretary   
Subject: Pilot Program for Digital Agenda Packets  
t:\gm\admin secty\2013\ipads memo.doc

February 1, 2013

**RECOMMENDED ACTION:** Approve a pilot program to test using tablet computers for Board Agenda Packets

**FINANCIAL IMPACT:** \$1,000 initially for the pilot program (2 iPad's & Accessories)  
\$3,500 for remaining 7 iPad's & Accessories (\$4,500 total)

The Board of Director packets are prepared in hard copy (paper) format for each board meeting. The packet consists of agendas, minutes, Board reports with backup material, budget, Audited Financial reports, disbursements and other miscellaneous items. Time and material is required to print, collate and deliver this material to each Board Member.

Many cities and public agencies now provide agenda packets to their board members via the internet using an iPad. Locally this includes Sonoma County Board of Supervisors, City of Novato, Novato Fire Protection District, and Novato Sanitary District. Local agency Board and staff members rave about the benefits of the digital agenda packet.

Staff recommends purchasing two iPad2 tablets to test in a pilot program, one for a Board member and one for the District Secretary. Staff will prepare agenda packets that the Board member can download at home over the internet onto the iPad. Board members can highlight, mark up, or make notes as needed or desired on the digital version of the agenda packet.

In order to access the agenda packet, internet access is required. A wireless router will be provided and set-up for Directors that do not already have one.

We estimate that with the Board and staff use of digital agendas the District will annually save 116 reams of paper, 96 man-hours of agenda print and collating time, and 36 man-hours of delivery time, valued at \$3,800.


Should the pilot program be successful, staff will then purchase the remaining 4 iPad's for the Directors and 3 for the other District officers (Chris DeGabriele, David Bentley, and Drew McIntyre).

**RECOMMENDATION:**

- 1.) Approve the purchase of two iPad2 tablets for a pilot program for agenda packets;
- 2.) Select a "volunteer" Director for the pilot program.

## MEMORANDUM

To: Board of Directors February 1, 2013

From: Drew McIntyre, Chief Engineer 

Subject: Gallagher Well Pipeline - Resolution to Apply for a Grant From Proposition 50 Funding Program – The Water Security, Clean Drinking Water, Coast and Beach Protection Act of 2002 (Water Bond)

T:\GMP\Political\2013\Proposition 50 BOD Memo Feb 2013.doc

**RECOMMENDED ACTION:** Board adopt the resolution to apply for a grant from Proposition 50 Funding Program, the Water Security, Clean Drinking Water, Coast and Beach Protection Act of 2002 (Water Bond).

**FINANCIAL IMPACT:** None at this time.

Enclosed please find a draft resolution to apply for a grant from the Proposition 50 Water Bond (Attachment 1) for the Gallagher Well Pipeline Project.

In May 2002, the District adopted Resolution 02-17 authorizing the General Manager to work with other public agencies to support the Northern and Coastal California Water Bond Initiative Coalition (Coalition) intended to result in further State Water Bond funds to be distributed not only in Southern California, but in Northern California as well. In October 2002, the Board adopted Resolution 02-39 in support of the Proposition 50, Water Bond to favorably position the District for potential future funding.

At the February 5, 2008 meeting, the Board was apprised that the District submitted its portion of the Proposition 50 Grant Application to the State Water Resources Control Board for the Gallagher Wells and Pipeline project as part of the Tomales Bay Integrated Coastal Watershed Management Plan. At the time, the Board was updated on Leonard Charles and Associates' (LCA) work to perform the required environmental review. As part of this update, staff also reported that the original project included up to two new wells and a 12-inch pipeline to convey the full equivalent flow of 700 gallons per minute (gpm) the entire length from Gallagher Well to the Pt. Reyes Treatment Plant. Staff also advised the Board that upon further review it was apparent that only 300 gpm capacity was needed from the Gallagher site to address salinity and stand-by capacity issues. As a result, the reduced flow would enable use of the existing 6-inch pipeline from Downey Well to the Pt. Reyes Treatment Plant. Consequently, the current project encompasses a new 12-inch pipeline from the Gallagher Well site to the Downey well location (see figure in Attachment 2).

At the July 1, 2008 meeting the Board was apprised that Proposition 50 funding for the project was denied and the District would have to wait until future funds were available since the District's 760 West Marin customers could not afford to pay 100% of the Gallagher Wells and Pipeline project costs.

At the December 4, 2012 meeting, staff advised the Board that California Department of Public Health (CDPH) invited NMWD to re-submit an application for Proposition 50 funding for Gallagher Wells and Pipeline project. Proposition 50 funding is coming to an end and it is likely that this will be the last round of funding. CDPH was clear to point out that an invitation is not a guarantee of grant funding and that total available grant funds are limited. Staff advised the Board that the application is due on February 12, 2013 and the attached resolution is required as part of the application process.

Note that the project description is being modified to only address the pipeline work and no additional wells at this time. The primary reason for this change is that we do not have property rights for any additional wells (which could negatively impact the ranking of this application submittal). The project name has been changed from Gallagher Wells and Pipeline to Gallagher Well Pipeline Project.

#### RECOMMENDATION

Board adopt the resolution to apply for a grant from Proposition 50 Funding Program, the Water Security, Clean Drinking Water, Coast and Beach Protection Act of 2002 (Water Bond).

RESOLUTION 13-

RESOLUTION OF THE NORTH MARIN WATER DISTRICT  
BOARD OF DIRECTORS  
TO APPLY FOR A PROPOSITION 50 (WATER BOND) FUNDING PROGRAM GRANT

---

**WHEREAS**, the North Marin Water District has the authority to construct, operate and maintain the North Marin Water District – Pt. Reyes Water System; and

**WHEREAS**, the North Marin Water District desires to enhance the provision and protection of the drinking water supplied to the consumers of North Marin Water District – Pt. Reyes Water System, therefore;

**BE IT RESOLVED** by the North Marin Water District that, pursuant and subject to all of the terms and provisions of the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) and all amendments thereto, application be made to the State of California for funding; and

**BE IT FURTHER RESOLVED**, that the General Manager of the North Marin Water District is hereby authorized and directed to cause the necessary data to be prepared, investigations to be performed and application to be signed and filed with the State of 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 5<sup>th</sup> day of February 2013 by the following vote:

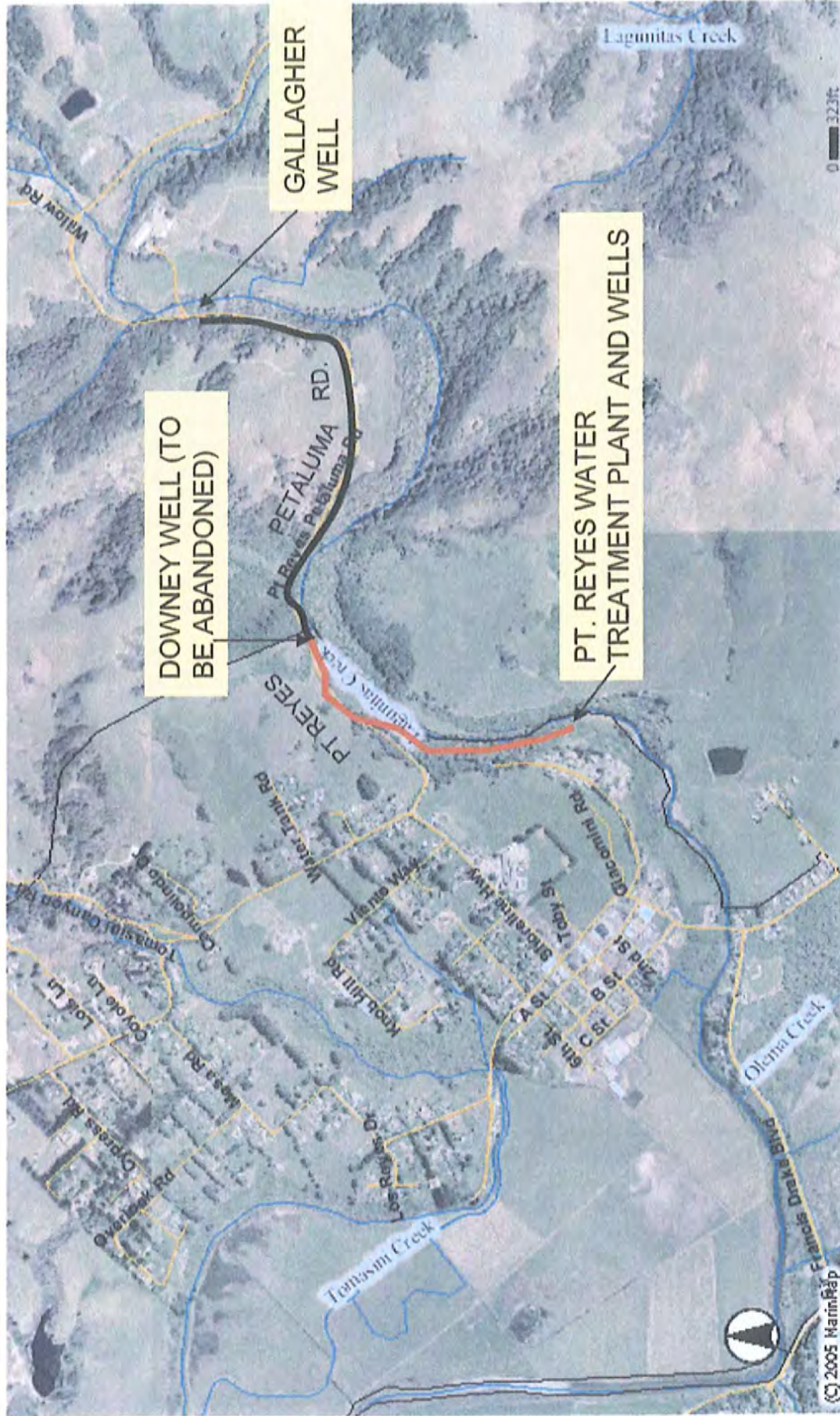
AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, Secretary  
North Marin Water District

(SEAL)

# GALLAGHER WELLS & PIPELINE PROJECT



LEGEND:  
 NEW 12" MAIN - [thick black line]  
 EX. 6" MAIN - [thin red line]

R:\Folders by Job No\7000 jobs\7087\ gallagher well and pipeline project.ppt

## MEMORANDUM

To: Board of Directors  
From: Ryan Grisso, Water Conservation Coordinator *RG*  
Subject: Water Conservation Mid-Year Update (July-December 2012)

February 1, 2013

\\Nmwdsrv1\water conservation\Memos to Board\Quarterly Reports\Mid Year Reports\Water Conservation FY 2012\_2013 MID Year Report.doc

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

### Water Conservation:

This memo provides an update on water conservation activities implemented during the first half of Fiscal Year 2012/2013 (FY 13). The District Water Conservation and Public Outreach Programs are operated according to the Water Conservation Master Plan approved in June 2008 and are currently compliant with the California Urban Water Conservation Council's Best Management Practices. Water Conservation participation numbers for the first half of the current and previous two fiscal years are summarized in Table 1 below.

**Table 1: Water Conservation Program Participation (July through December)**

Program	FY13	FY12	FY11
Water Smart Home Surveys	96	154	251
Water Smart Commercial Surveys	3	1	14
High Efficiency Toilet Rebates (Residential)	112	117	327
High Efficiency Toilet Rebates (Commercial)	0	2	50
Retrofit on Resale (Dwellings Certified)	197	126	146
High Efficiency Washing Machine Rebates	122	164	246
Cash for Grass Rebates	18 <sup>1</sup>	27	25
Water Smart Landscape Rebates	2	4	10
Smart Irrigation Controller Rebates (Residential)	0	2	0
Smart Irrigation Controller Replacement (Non-Residential)	9	0	0
New Development Sign-offs (Residential Units)	72	5	15
New Development Sign-offs (Commercial Units)	12	8	9
Large Landscape Audits (Number of accounts)	4	0	1
Large Landscape Budgets (Number of accounts)	435	435	435

<sup>1</sup> Cash for Grass participants removed 11,825 square feet of turf.

Water Conservation program participation has remained fairly steady when compared to last fiscal year, however, overall participation numbers continue to remain lower than past fiscal years, with the exception of the retrofit on resale certificates. Economic factors in combination with rebate level reduction, has likely caused the continued drop in participation.

### **Water Conservation Programs**

Water Smart Home Survey (WSHS) Program: This program provides the customer with an in-depth analysis of both their indoor and outdoor water use. The WSHS Program not only allows conservation staff to gain access to the home to perform a water use analysis and make water efficient recommendations for customers to implement, but also provides staff with an opportunity to present applicable rebate programs to which the participating customer may be eligible for Cash for Grass and Smart Controller Rebate Programs. WSHS participation has dipped, with 96 WSHS completed during this half of FY 13, compared to 154 and 251 completed in the first half of the previous years. This decrease is related partly to a staff transition between in house and Sonoma County Water Agency (SCWA) assistance, during this period and there was not a big marketing push for the surveys as a result. In the second half of FY 13, we expect staff assistance from SCWA to perform WSHS's through our current Cooperative Agreement with SCWA, and participation levels should increase.

Water Conservation Fixture Distribution: Staff continues to distribute water conserving fixtures at the front counter of the District Administration Building, on service calls and WSHS, and at various public outreach events (e.g. Novato Farmer's Market). Fixtures include 2.0 gallon per minute (GPM) showerheads, 1.0 and 0.5 GPM sink aerators, hose nozzles (when available) and other related items. The District also offers commercial establishments installation of 0.5 GPM sink aerators on all hand-washing sinks when conducting a Water Smart Commercial Survey.

High Efficiency Toilet (HET) Replacement Program: The District provides \$100 rebates for residential customers and \$100 for commercial customers, for purchase and installation of qualified HETs. During the first half of FY 13, the District rebated 112 residential HETs and no commercial HETs. Rebate volume was expected to increase this fiscal year with the rebate increase from \$75 to \$100, however, participation levels have remained as low as last fiscal year. Future rebate level adjustments may be necessary to retain higher levels of participation. For commercial HET rebate participation, staff is planning some direct marketing to applicable commercial customers during the second half of the fiscal year.

Retrofit on Resale: The District currently requires toilets, showerheads, and bathroom sinks to be retrofitted to meet current water conservation standards by the seller before the close of escrow of any property sold in the District service area. HET rebates are available (although HETs are

not required) and fixtures (showerheads and sink aerators) are free to customers to help ease any potential financial hardships from the requirement. In the first half of FY 13, the District received certificates for 197 dwellings, which is an increase in participation compared to the previous two fiscal years.

High Efficiency Clothes Washer Rebate Program: The District currently offers rebates for qualified high efficiency clothes washing machines through the Sonoma-Marín High Efficiency Clothes Washer Program (with rebates paid directly by the District). During the first half of FY 13 the District rebated 122 clothes washing machines through the program.

Cash for Grass Rebate Program: The District's has been rebating customers for removing irrigated turf and replacing with low water use landscaping, since 1989 and has the longest active Cash for Grass Program in existence. Participation has decreased in the first half of FY 13 compared to FY 12, with the District rebating 18 Cash for Grass projects for a total of 11,825 square feet of turf removed (compared to 18,860 square feet at this time last year). Hopefully the District will see a surge of customer participation in the second half of the fiscal year, however, future rebate level adjustments may be necessary if the District wishes to realize participation levels of past years. Staff will look at rebate level options for next fiscal year if participation numbers remain low this fiscal year.

Water Smart Landscape Rebate Program: The District currently rebates a percentage of equipment costs (up to \$100) for landscape efficiency upgrade projects such as spray to drip irrigation conversions, and high volume spray head to low volume multi-stream rotating spray head conversions. In the first half of FY 13, the District rebated 2 large projects; one at Village Marin Meadows HOA and one at Western Oaks Village HOA.

Water Smart Irrigation Controller Rebate Program: Rebates are available for purchase, installation and activation of District approved Smart Irrigation Controllers (Smart Controllers) at a minimum level of \$200, or \$25 per active station, up to \$1,000. This program has historically attracted little customer interest; however, this year with the Prop 84 Grant funding and an increase in the per irrigation station rebate from \$25 to \$30, participation levels have increased with irrigation customers (primarily common area landscaping for home owners associations). The District rebated 9 controllers in the first half of FY 13.

Large Landscape Water Conservation Program: The Large Landscape Water Conservation Program consists of the Large Landscape Audit Program, the Large Landscape Budget Program, Water Smart Controller Rebate Program (previously covered in the Water Smart Irrigation Controller Rebate Program section) and the Large Landscape Water Smart Landscape Efficiency Rebate Program. All programs are aimed at assisting large landscape accounts (dedicated irrigation and large mixed use meters) to become more water use efficient in their landscape water management prac-



tices. The large landscape activities of FY 13 through the mid-year focused heavily on gaining support and acceptance for conversion to recycled water, with continued maintenance of the water budget program. During the first half of FY 13, staff completed 4 large landscape audits, primarily in conjunction with coverage testing for retrofitted recycled water sites.

Commercial Water Conservation Program: The Commercial Water Conservation Program currently offers the HET Rebate Program (previously covered in the High Efficiency Toilet Replacement Program), Water Smart Commercial Survey (WSCS), and a High Efficiency Washing Machine Rebate. In the first half of FY 13, staff completed 3 WSCS.

Public Outreach and Conservation Marketing

In the Water Conservation Master Plan 2008, the District committed to continuing a comprehensive outreach program aimed at alerting customers to water supply issues and water conservation programs. In the first half of FY 13, the District produced the fall issue of “*Water Line*”, and the District staffed some Farmer’s Market Events. Staff continued to update the District website and Facebook page with the latest information on water conservation and other District related public information. Staff is also working on a series of videos to be posted on a District YouTube page. The first video, “District Overview”, was completed last fiscal year, with the second, “Water Treatment” to be completed in the near future. Staff also continues to work extensively on the public relations aspect of the Recycled Water Program.


Budget

Table 2 summarizes the mid-year expenditures between the last three fiscal years (July-December). The drop in expenditures in FY13 and FY12 compared to FY11 is directly related to the decrease in program participation and rebate value reduction initiated in July 2011.

**Table 2: Water Conservation and Public Outreach Expenditures (July-December)**

	FY 13	FY 12	FY 11
Total Budget	\$400,000	\$400,000	\$500,000
July-December Expenditures	\$127,582	\$136,555	\$196,325

## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer   
Subject: Mid-Year Progress Report – Engineering Department  
R:\CHIEF ENGIN\CINTYRE\BUDGETS\FY12-13 Budget\eng dept perf recap-2nd Qtr 12-13.doc

Date: February 1, 2013

The purpose of this memo is to provide a mid-year status report to the Board on the District's performance in completing budgeted FY12-13 Capital Improvements Projects (CIP) with a primary emphasis on planned (i.e., baseline) versus actual performance. The following information supplements the progress report summary provided to the Board each month.

### SUMMARY

<u>Service Areas</u>	<u>Project Costs (\$)</u>		<u>% Complete</u>		<u>Earned Value (\$)</u>	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato Water	3,107,000	2,070,000	52	39	1,306,470	627,150
Novato Recycled	5,525,000	6,000,000	67	70	3,262,500	4,375,000
West Marin	990,000	719,000	52	45	691,250	465,550
TOTAL	9,622,000	8,789,000	57	51	5,260,220	5,467,700

The above table summarizes the detailed tabulation of CIPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. The above tabulation shows that year-end Novato CIP expenditures are forecast to be approximately \$1,037,000 below and \$475,000 above the respective approved FY12-13 budgets for water and recycled water. The year-end forecast for all service areas combined above represents approximately 91% of combined budgets (versus a forecast of 94% at this time last year). For the Novato Water system, actual District performance in completing CIP projects (i.e., 39%) is slightly below planned performance (i.e., 52%). Actual performance for the Novato Recycled Water system is above (i.e., 70%) planned performance for project completion (i.e., 67%). With respect to West Marin (including Oceana Marin), year-end CIP expenditures of \$719,000 are forecast to be below (i.e., 73%) the approved FY12-13 budget value (versus a forecast of 48% at this time last year). Planned performance through mid-year for West Marin was projected to be 52% and actual completion performance is at 45%. Overall, for the Novato Water, Novato Recycled Water and West Marin water systems, combined actual performance is slightly below (i.e., 51%) planned performance (i.e., 57%).

### Performance Status for Improvement Projects

A detailed milestone schedule update is provided in Attachment B. As shown on the following table (Page 3), a total of 34 projects (versus 37 in FY 11-12) were originally budgeted in FY 12-13 for the Novato, West Marin and Oceana Marin service areas. Five projects have been added, seven have been carried over from FY11-12, and one project has been deferred resulting in a new

total of 45 projects. Of the 45 Capital Improvement Projects budgeted, 27 (versus 18 in FY 11-12) are under the lead responsibility of the Engineering Department for completion (22 in Novato and 5 in West Marin). The remaining 18 (versus 21 in FY 11-12) CIP projects are under the responsibility of the other departments (i.e., 7 – Maintenance, 6 – Operations, 1 – Construction, 2 – Administration, and 2 – General Manager) (Refer to the tabulation in Attachment A for a complete line item listing).

#### Novato Service Area Project Costs Variances

As shown in Attachment A, the vast majority (i.e., 89%) of FY12-13 Novato CIPs are currently projected to be completed at or below original budget. Note that four project overruns are being predicted, two of which are for the already discussed Recycled Water North and South Service Area projects. It is important to note that the FY11-12 "Carry-Over" projects, (1) PB Replacement - Center Rd/Garner/Oak Forest/Simmons/3<sup>rd</sup> St., ADA Access Phase 1, Solar Panel Build, STP Portable Generator Connection and STP Potable Water Feed Pipeline Rehab represent a combined addition of \$75,000 to the current Novato CIP budget.

Four new projects have been added to date: Loma Verde PB Replacements (14 services), Sunset Parkway & Cambridge Old Cast Iron Replacement (12"@600'), PB Replacement: City Measure A, Group 5 (83 services), and Gustafson Ct. House Acquisition. When combined, these new projects represent an addition of \$775,000 to the current Novato CIP Budget.

#### Novato Recycled Water Service Area Project Costs Variances

As shown in Attachment A, expenses for two of the three FY12-13 Novato Recycled Water CIPs are currently projected to be above original budget. Actual expenses for the Recycled Water North and South Service Area projects are above budget due to the accelerated schedule and higher overall costs. No recycled water projects have been added or deferred during the second quarter.

#### West Marin Service Area (including Oceana Marin) Project Costs Variances

All of the FY12-13 West Marin project expenditures are currently projected to be within the original budget. Two projects were carried over from FY11-12: Tank Seismic Upgrades and Pt. Reyes Treatment Plant RTU Upgrade. One new project has been added, PB Replacement: Balboa, Portala, Mesa, 2<sup>nd</sup> St (26 services).

#### Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY12-13 labor budget for

Developer Projects and District Projects is 1,313 (9% of total) and 3,855 (26% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY12-13 is provided in Attachment C. At the end of the second quarter, actual engineering labor hours expended for Developer work was 14% (186 hours) versus 25% (328 hours) budgeted. With respect to District Projects, 2,725 engineering labor hours (71% of budget) has been expended on Capital Improvement Projects when compared against a second quarter estimate of 1,928 hours (50% of budget). The higher rate is primarily attributed to in-house work on recycled water retrofit projects.

FY 12-13  
 CAPITAL IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	NOVATO SERVICE AREA	WEST MARIN/ OCEANA MARIN	TOTAL
Original Budget	26	8	34
Added	4	1	5
FY 11-12 Carryover	5	2	7
Deferred/Dropped	1	0	1
Adjusted Budget	34	11	45

**FY11-12 CARRYOVER**

**Date Brought to Board**

Novato

PB Replacement – Center Rd/Garner/Oak Forest/Simmons/3<sup>rd</sup> St  
 ADA Access Phase 1  
 Solar Panel Build  
 STP Portable Generator Connection  
 STP Potable Water Feed Pipeline Rehab

First Quarter Report  
 Second Quarter Report  
 First Quarter Report  
 First Quarter Report  
 First Quarter Report

West Marin

Tank Seismic Upgrades  
 PRTP RTU Upgrade

First Quarter Report  
 First Quarter Report

**DEFERRED/DROPPED**

Novato

Start-Up Flushing Connection

Second Quarter Report

West Marin

None

**PROJECTS ADDED**

Novato

Loma Verde PB Replacements (78 services)  
 Sunset Parkway & Cambridge (12" @600')  
 PB Replacement: City Measure A, Group 5 (83 services)  
 Gustafson Ct House Acquisition

First Quarter Report  
 First Quarter Report  
 First Quarter Report  
 Second Quarter Report

West Marin

PB Replacement: Balboa, Portola, Mesa, 2nd St (26 services)

Second Quarter Report

NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY12-13  
AS OF DECEMBER 31, 2012

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				<b>1. PIPELINE REPLACEMENTS/ADDITIONS</b>						
PC	Eng	1	1.a.1	STP 18" Transmission Line Assess/Repair	\$160,000	\$50,000	34	10	\$54,400	\$5,000
PC	Eng	2	1.b.1	Digital to Leveroni Looping (12"@600')	\$130,000	\$130,000	28	10	\$36,400	\$13,000
PC	Eng	3	1.b.2	Delong to Cain Looping (8"@400')	\$100,000	\$100,000	43	10	\$43,000	\$10,000
C	Eng	4	1.c.1	PB Repl - Center Rd/Garner/Oak Forest/Simmons/3rd St	\$0	\$22,000	100	100	\$0	\$22,000
PC	Eng	5	1.c.2	PB Repl - Pacheco Valle (42)	\$84,000	\$3,000	44	10	\$36,960	\$300
C	Eng	6	1.c.3	PB Repl - Loma Verde (14)	\$0	\$25,000	100	100	\$0	\$25,000
Eng	Eng	7	1.c.4	Repl PB in Sync w/City Paving (45)	\$90,000	\$0	0	0	\$0	\$0
Eng	Eng	8	1.c.5	Sunset Parkway & Cambridge (12"@600')	\$0	\$170,000	0	0	\$0	\$0
Eng	Eng	9	1.c.6	PB Repl City Meas. A, Group 5 (83)	\$0	\$250,000	0	0	\$0	\$0
Eng	Eng	10	1.c.1	Other Relocations	\$80,000	\$0	0	0	\$0	\$0
PC	Eng	11	1.d.1-9	AEEP - Hwy 101 Widening	\$1,300,000	\$350,000	50	50	\$650,000	\$175,000
				SubTotal	\$1,944,000	\$1,100,000			\$820,760	\$250,300
				<b>2. SYSTEM IMPROVEMENTS</b>						
Maint		12	2.a	RTU Upgrades	\$10,000	\$10,000	25	0	\$2,500	\$0
Eng		13	2.b	DCA Repair/Replace	\$150,000	\$100,000	34	34	\$51,000	\$34,000
Eng		14	2.c	Anode Installations	\$30,000	\$30,000	0	0	\$0	\$0
PC	Maint	15	2.d	Radio Telemetry	\$15,000	\$15,000	50	30	\$7,500	\$4,500
PC	Eng	16	2.e	Sampling Stations	\$24,000	\$24,000	43	20	\$10,320	\$4,800
PC	Eng	17	2.f	Inaccurate Meter Replacement	\$16,000	\$6,000	34	30	\$5,440	\$1,800
Maint		18	2.g	Facilities Security Enhancements	\$25,000	\$25,000	78	0	\$19,500	\$0
Maint		19	2.h	Backflow Device Upgrade - BMK (14)	\$30,000	\$30,000	14	0	\$4,200	\$0
				SubTotal	\$300,000	\$240,000			\$100,460	\$45,100
				<b>3. BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>						
Admin		20	3.a.1	Electronic Document Management System	\$50,000	\$0	50	0	\$25,000	\$0
Maint		21	3.a.2	Misc Admin Bldg Improvements Phs 1	\$25,000	\$0	0	0	\$0	\$0
Maint		22	3.a.3	ADA Access Phase 1	\$0	\$3,000	100	100	\$0	\$3,000
Admin		23	3.a.4	Gustafson Ct House Acquisition	\$0	\$330,000	0	0	\$0	\$0
GM		24	3.b.1	SMART Crossing Upgrade	\$58,000	\$0	50	0	\$29,000	\$0
Eng		25	3.b.2	Corp Yard Paving	\$15,000	\$80,000	100	100	\$15,000	\$80,000
C	Ops	26	3.c.1	Watershed Erosion Control	\$25,000	\$27,000	100	100	\$25,000	\$27,000
C	Eng	27	3.c.2	Leveroni Creek Bank Repair	\$145,000	\$110,000	100	100	\$145,000	\$110,000
C	Const	28	3.c.3	Dam Concrete Apron Repairs	\$50,000	\$25,000	100	100	\$50,000	\$25,000
C	Ops	29	3.c.4	Start Up Flushing Connection - DEFERRED	\$200,000	\$0	0	0	\$0	\$0
C	Ops	30	3.c.5	Solar Panel Build	\$0	\$30,000	100	100	\$0	\$30,000
C	Ops	30	3.c.6	STP Portable Generator Connection	\$0	\$7,000	100	100	\$0	\$7,000
C	Eng	31	3.c.7	STP Potable Water Feed Pipeline Rehab	\$0	\$13,000	100	100	\$0	\$13,000
				SubTotal	\$568,000	\$625,000			\$289,000	\$295,000
				Novato Water Total	\$3,107,000	\$2,070,000	52	39	\$1,306,470	\$627,150
				<b>4. STORAGE TANKS &amp; PUMP STATIONS</b>						
PC	Maint	32	4.a	Lynwood PS Motor Control Center	\$265,000	\$75,000	25	25	\$66,250	\$18,750
PC	Eng	33	4.b	Pacheco Tank C-12 Mixing System (1st Yr)	\$30,000	\$30,000	100	60	\$30,000	\$18,000
				SubTotal	\$295,000	\$105,000			\$96,250	\$36,750
				Novato Water Total	\$3,107,000	\$2,070,000	52	39	\$1,306,470	\$627,150
				<b>5. RECYCLED WATER FACILITY</b>						
PC	Eng	34	5.a	NBWR Grant Program Administration	\$325,000	\$325,000	50	50	\$162,500	\$162,500
PC	Eng	35	5.b	Expansion to North Service Area	\$1,000,000	\$1,200,000	100	90	\$1,000,000	\$1,080,000
PC	Eng	36	5.j-p	Expansion to South Service Area	\$4,200,000	\$4,475,000	50	70	\$2,100,000	\$3,132,500
				Novato Recycled Total	\$5,525,000	\$6,000,000	67	70	\$3,262,500	\$4,375,000
				Total Novato	\$8,632,000	\$6,070,000	59	55	\$4,568,970	\$5,002,150
				<b>PROJECT FORECAST REVISED</b>						
				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				Prior year projects carried over indicated in italics						

WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY12-13  
AS OF DECEMBER 31, 2012

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				<b>6. West Marin Water System</b>						
				<b>System Improvements</b>						
PC	Eng	37		6.a TP Solids Handling	\$400,000	\$100,000	50	50	\$200,000	\$50,000
PC	Eng	38		6.b-d PRE Well #3 Repl/Rehab/Destruction	\$165,000	\$165,000	100	95	\$165,000	\$156,750
PC	Eng	39		6.e TP Control Valve Replacement	\$75,000	\$50,000	25	5	\$18,750	\$2,500
	GM	40		6.f Gallagher Auxiliary Stream Gauge	\$30,000	\$0	50	0	\$15,000	\$0
PC	Eng	41		6.g Tank Seismic Upgrades	\$0	\$4,000	50	20	\$0	\$800
PC	Ops	42		6.h TP RTU Upgrade	\$0	\$25,000	50	80	\$0	\$20,000
	Eng	43		6.i PB Repl: Balboa, Portola, Mesa, 2nd St (26)	\$0	\$100,000	0	0	\$0	\$0
					\$670,000	\$444,000			\$398,750	\$230,050
				<b>7. Oceana Marin Sewer System</b>						
PC	Ops	44		7.a Infiltration Study & Repair	\$15,000	\$15,000	50	50	\$7,500	\$7,500
	Maint	45		7.b Tahiti Way Lift Pumps Rebuild	\$20,000	\$20,000	0	0	\$0	\$0
PC	Eng	46		7.c Cross Country Sewer Line Rehab	\$275,000	\$240,000	100	95	\$275,000	\$226,000
C	Ops	47		7.d TP Pond Algae Control Device	\$10,000	\$0	100	100	\$10,000	\$0
				SubTotal	\$320,000	\$275,000			\$292,500	\$235,500
				Total West Marin	\$990,000	\$719,000	52	45	\$691,250	\$465,550
				FY12-13 TOTAL	\$9,622,000	\$8,789,000	57	51	\$5,260,220	\$5,467,700
PC - Completed				PROJECT FORECAST REVISED						
PC - Partially completed				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in <i>strikeout</i> )						
				New projects added (indicated in <b>bold</b> )						
				<i>Prior year projects carried over indicated in italics</i>						

FY12\_13 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2013			Qtr 2, 2013			Qtr 3, 2013			Qtr 4, 2013		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	1A PIPELINE REPLACEMENTS/ADDITIONS	Mon 7/2/12	Fri 6/28/13	0%													
2	1A1 STP 16" Transmission Line Repair (Inspection)	Tue 1/1/13	Fri 6/28/13	10%	ENG / DJ												
3	1B MAINPIPELINE ADDITIONS	Sun 7/1/12	Fri 6/28/13	5%													
4	1B1 Digital to Leveroni Looping (12" @600')	Thu 11/1/12	Fri 6/28/13	10%	ENG / CC												
5	1B2 DeLong to Cain Looping (8" @400')	Mon 10/1/12	Fri 6/28/13	25%	ENG / CC												
6	1C PB SERVICE LINE REPLACEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
7	1C1 Center Rd/Garner/Oak Forest/Simmons/3rd St (20)	Mon 7/2/12	Sun 12/30/12	100%	ENG / JK												
8	1C4 Pacheco Valle (42)	Tue 1/1/13	Fri 6/28/13	10%	ENG / JK												
9	1E AQUEDUCT REPLACEMENTS/ENHANCEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
10	1E1 Aqueduct Energy Efficiency Project	Mon 7/2/12	Fri 6/28/13	50%	ENG / DM												
11	2 SYSTEM IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	0%													
12	2A RTU Upgrades	Tue 1/1/13	Fri 6/28/13	10%	MAINT/RC												
13	2C DCA Repair/Replace (14/yr)	Mon 10/1/12	Fri 6/28/13	34%	ENG / JK												
14	2D Anode Installations (150/yr)	Tue 1/1/13	Fri 6/28/13	0%	ENG / JM												
15	2E Radio Telemetry	Mon 7/2/12	Fri 6/28/13	30%	MAINT/RC												
16	2F Sampling Stations	Sun 12/30/12	Tue 4/30/13	20%	ENG / JM												
17	2G Inaccurate Meter Replacement	Mon 10/1/12	Fri 6/28/13	30%	ENG / CC												
18	2H Facilities Security Enhancements	Fri 2/1/13	Fri 6/28/13	0%	MAINT/RC												
19	2I Backflow Device Upgrade - BMK (14)	Mon 12/3/12	Fri 6/28/13	0%	MAINT/RC												
20	3 BUILDING, YARD, STP IMPROVEMENTS	Mon 7/2/12	Fri 6/28/13	8%													
21	3A ADMIN BUILDING	Mon 7/2/12	Fri 6/28/13	0%													
22	3A1 Electronic Document Management System	Mon 7/2/12	Fri 6/28/13	0%	ACCT/DB												
23	3A3 ADA Access Phase 1	Mon 7/2/12	Sun 6/30/13	100%	OPS / RC												
24	3B CORP YARD/WAREHOUSE/CONSTRUCTION OFFICE	Mon 7/2/12	Fri 6/28/13	0%													
25	3B1 SMART Crossing Upgrade (@Golden Gate Pl)	Mon 7/2/12	Fri 6/28/13	0%	GM												
26	3B3 Yard Paving	Mon 7/2/12	Mon 12/31/12	100%	ENG / JK												
27	3C STAFFORD TREATMENT PLANT	Mon 7/2/12	Fri 6/28/13	16%													
28	3C1 Watershed Erosion Control	Mon 7/2/12	Thu 11/15/12	100%	OPS / RC												
29	3C2 Leveroni Creek Bank Repair	Mon 7/2/12	Mon 12/31/12	100%	ENG / CC												

Current  
 Baseline  
 Inactive Task  
 Inactive Milestone  
 Manual Summary  
 Manual Task  
 Duration-only  
 Manual Summary Rollup  
 Manual Summary  
 Start-only  
 Finish-only  
 Progress



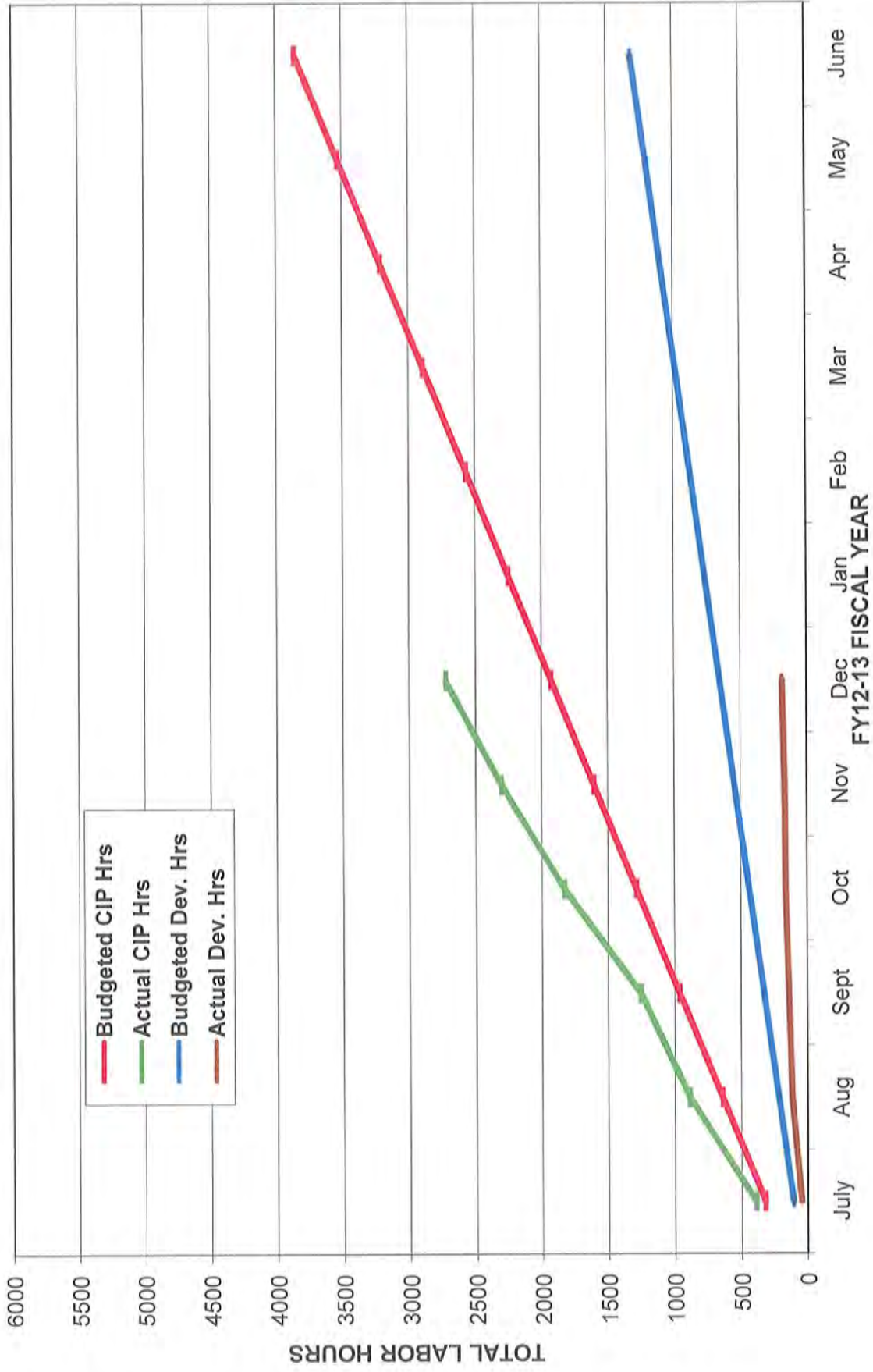
FY12\_13 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2013			Qtr 2, 2013			Qtr 3, 2013			Qtr 4, 2013		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
30	3C4 Dam Concrete Apron Repairs	Mon 11/5/12	Sun 12/30/12	100%	CONST/DM												
31	3C4 Start Up Flushing Connection DEFERRED	Mon 7/2/12	Mon 7/2/12	0%	ENG / CC												
32	3C5 Solar Panel Build	Mon 7/2/12	Fri 11/30/12	100%	MAINT / RC												
33	3C6 STP Portable Generator Connection	Mon 7/2/12	Fri 11/30/12	100%	MAINT / RC												
34	3C7 STP Potable Water Feed Pipeline Rehab	Mon 7/2/12	Fri 11/30/12	100%	MAINT / RC												
35	<b>4 STORAGE TANKS/PUMP STATIONS</b>	Mon 7/2/12	Fri 6/28/13	16%													
36	4D Lynwood Pump Station Motor Control Center	Thu 11/1/12	Fri 6/28/13	25%	MAINT/RC												
37	4E Pacheco Tank C12 Mixing System	Mon 7/2/12	Thu 2/28/13	60%	ENG / DJ												
38	<b>5 RECYCLED WATER</b>	Mon 7/2/12	Fri 6/28/13	30%													
39	5A NBWRA Grant Program Administration	Mon 7/2/12	Fri 6/28/13	50%	ENG / DM												
40	5B RW Expansion to North Service Area	Mon 7/2/12	Fri 6/28/13	90%	ENG / CC												
41	5C RW Expansion to South Service Area	Mon 7/2/12	Fri 6/28/13	70%	ENG / DJ												
42	<b>6 WEST MARIN WATER SYSTEM IMPROVEMENTS</b>	Mon 7/2/12	Fri 6/28/13	4%													
43	<b>SYSTEM IMPROVEMENTS</b>	Mon 7/2/12	Fri 6/28/13	4%													
44	6A PRTP Solids Handling	Mon 7/2/12	Fri 6/28/13	50%	ENG / DJ												
45	6B PR Well #3 Repl/Destruction/Construction	Mon 7/2/12	Mon 12/31/12	95%	ENG / DM												
46	6E PRTP Control Valve Replacement	Thu 11/1/12	Fri 6/28/13	5%	OPS / RC												
47	6F Gallagher Auxiliary Stream Gauge	Mon 7/2/12	Fri 6/28/13	0%	GM												
48	6G Tank Seismic Upgrades	Tue 1/1/13	Fri 6/28/13	20%	ENG / JK												
49	6H TP RTU Upgrade	Mon 7/2/12	Thu 2/28/13	80%	MAINT / RC												
50	<b>7 OCEANA MARIN SEWER SYSTEM</b>	Mon 7/2/12	Fri 6/28/13	0%													
51	7A Infiltration Study & Repair	Mon 7/2/12	Fri 6/28/13	50%	OPS / RC												
52	7B Tahiti Way Lift Pumps Rebuild	Tue 1/1/13	Thu 1/31/13	0%	MAINT/RC												
53	7C Cross Country Sewer Line Rehab	Mon 7/2/12	Thu 1/31/13	95%	ENG / JK												
54	7E Treatment Pond Algae Control Device	Mon 7/2/12	Sun 9/30/12	100%	OPS / RC												



Current Inactive Milestone Manual Summary Rollup Progress  
Baseline Inactive Summary Manual Summary  
Inactive Task Manual Task Start-only Finish-only  
Inactive Task Duration-only

ENGR. DEPT DEVELOPER & DISTRICT CAPITAL IMPROVEMENT PROJECTS (CIPs)



MEMORANDUM

TO: Board of Directors February 1, 2013  
FROM: Drew McIntyre, Chief Engineer   
Dave Jackson, Associate Engineer   
SUBJECT: Pt. Reyes Treatment Plant Solids Handling Project – Status Update on Marin  
County Coastal Development Permit  
R:\Folders by Job No\6000 jobs\6801 32\CDP Application\Status Update on County CDP BOD memo 2-13.docx

**RECOMMENDED ACTION:** Information only  
**FINANCIAL IMPACT:** Estimated at up to \$60,000

Background

At the August 7, 2012 meeting, the Board of Directors held a public hearing on the above referenced project. Subsequently, the Board certified a Mitigated Negative Declaration (MND), approved the project, and authorized staff to file a Notice of Determination with the Marin County Clerk. This environmental review was taken so that the Pt. Reyes Solids Handling Project could be constructed to install backwash water solids holding tanks and eliminate off site discharge of backwash water. The additions include two settling/storage tanks, a recovery pump system and associated piping and controls. Since approval of the project and MND, staff has been working with the design engineer, HydroScience Engineering (HSE), in completing the final construction plans and specifications.

Marin County Coastal Development Permit

As part of the environmental review process, staff sent a draft of the Initial Study to Marin County for comment and also filed the subsequent Notice of Determination with the County. During both actions no responses were received from the County. Recognizing that the project is located within Marin County's Coastal Zone Boundary (see map in Attachment 1), staff contacted the County in Fall 2012 and was informed a Coastal Development Permit would be required for this project. A Coastal Development Permit application was submitted on October 1, 2012 and NMWD received a response letter on December 10, 2012 from Marin County Development Agency stating that NMWD's application was incomplete (see Attachment 2). Some of the requested additional information is minor and relatively easy to provide to the County. However, other requests are more significant and are summarized as follows:

- Update design drawings to include easements, flood zones, wetlands delineations and set backs.
- Perform additional surveying and mapping to show the streamside conservation area measured 100 feet from the top of bank of Lagunitas Creek.

- Prepare detailed drainage plan.
- Include additional drawings and calculations for the proposed retaining wall.
- Modify drawings to show a fire truck turnaround.
- Perform a biological site assessment prepared by a qualified biologist with expertise in spotted owl surveys.





Staff has already requested additional time to gather the requested information (the current submission deadline is now March 7, 2013). In all likelihood another extension will need to be made based upon the order of magnitude of the requested information.

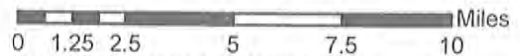
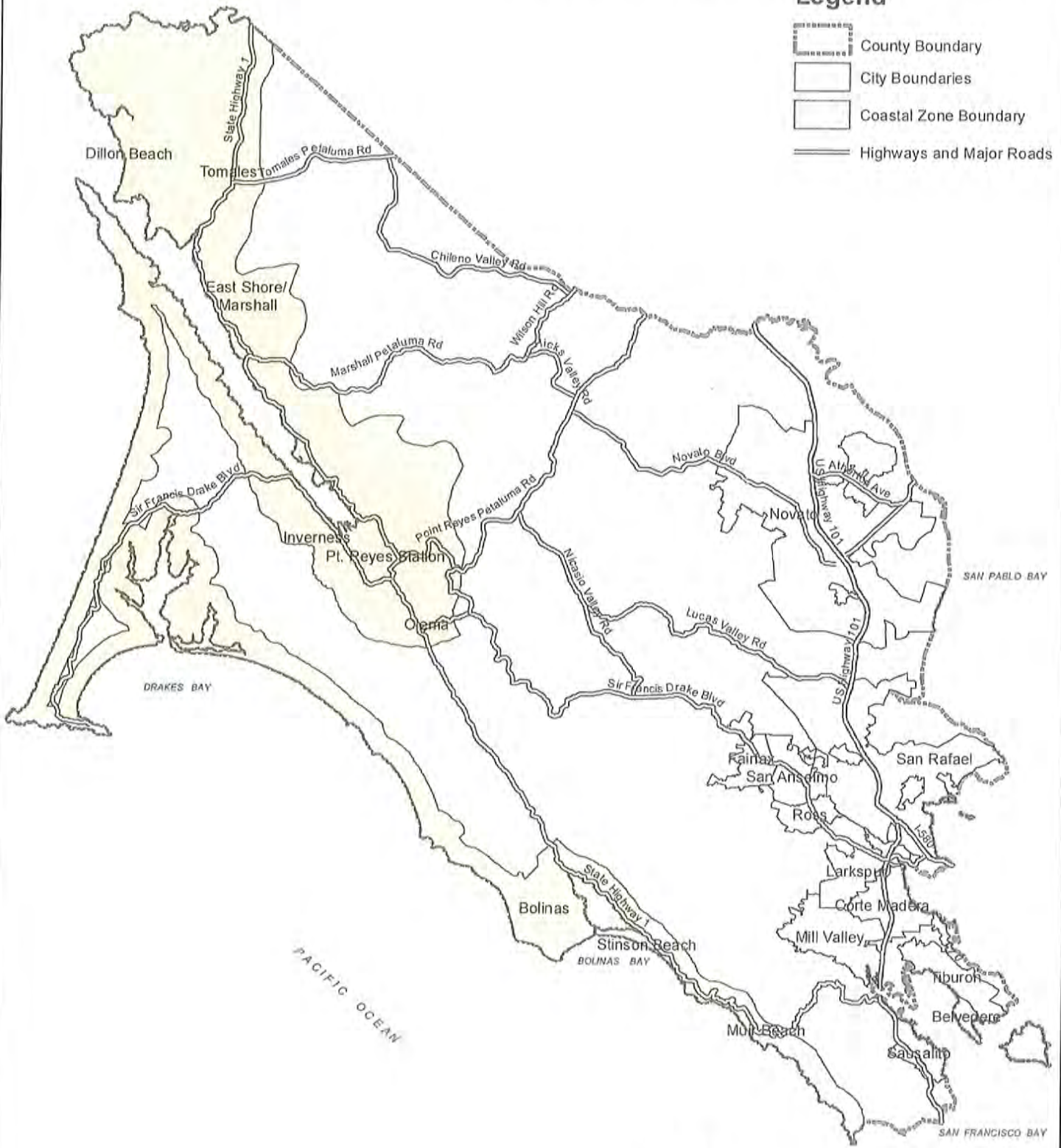
#### Path Forward to Complete Marin County Coastal Development Permit Approval

The costs for additional environmental studies by LCA as well as HSE's additional design effort are in the order of \$50,000 - \$60,000. The most significant comment presented is the issue related to the spotted owls. Staff and LCA are making outreach to meet with Marin County's Planning staff (particularly the environmental coordinator), to review the spotted owl issue. This issue in and of itself could potentially delay moving forward with the project for 1-2 years. In the near term staff will be authorizing LCA and HSE to perform additional work on this project. Staff will bring change orders to both consultants' contracts at the next available Board meeting after scopes have been finalized.

# MAP 2 MARIN COUNTY COASTAL ZONE

## Legend

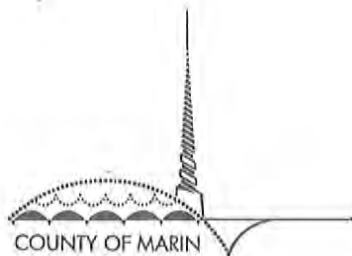
-  County Boundary
-  City Boundaries
-  Coastal Zone Boundary
-  Highways and Major Roads



THIS MAP WAS DEVELOPED FOR PLANNING PURPOSES.  
THE COUNTY OF MARIN IS NOT RESPONSIBLE OR LIABLE  
FOR USE OF THIS MAP BEYOND ITS INTENDED PURPOSE.  
THIS MAP IS REPRESENTATIONAL ONLY.  
DATA ARE NOT SURVEY ACCURATE.

Date: December 30, 2010 File: Map 2\_Marin Co





COMMUNITY DEVELOPMENT AGENCY  
PLANNING DIVISION

**NOTICE OF PROJECT STATUS**

December 7, 2012

Drew McIntyre  
North Marin Water District  
P.O. Box 146  
Novato CA 94948

RECEIVED

DEC 10 2012

North Marin Water District

**RE: North Marin Water District Coastal Permit and Design Review (Project ID: 2012-0319)  
Assessor's Parcel 119-240-61  
300 Commodore Webster Drive, Point Reyes Station**

Dear Drew:

The Community Development Agency, Planning Division, and reviewing agencies have examined your application and have determined that it is **incomplete because additional information is required**. This notification is in accordance with State law that requires that we inform you in writing of the status of your application within 30 days of its acceptance for filing.

Please submit the following within the next 30 days:

Marin County Community Development Agency, Planning Division  
(Neal Osborne, [415] 473-7173 and nosborne@marincounty.org)

1. Eight sets of revised plans drawn accurately to scale that include the following:
  - a. A current site plan based upon a land survey prepared by a licensed Land Surveyor that accurately shows the location of the existing facilities, the proposed project, and all property lines, the driveway, parking areas, utilities, and water supply wells and pipes.
  - b. A construction management plan that indicates the access routes, parking, and storage areas, and the location and design details of all erosion control and tree protection measures to be utilized during construction.
  - c. The location and quantities of all cut and fill.
  - d. Design details of the slope improvements proposed downslope of the construction site.
  - e. The location of the Streamside Conservation Area measured 100 feet from the top-of-bank, and/or 50 feet from the edge of riparian vegetation, laterally along Lagunitas Creek.
  - f. The location of the Wetlands Conservation Area measured 100 feet from any mapped wetlands along Lagunitas Creek as delineated using the one criteria method required by the California Coastal Act and the Marin County Local Coastal Program.
  - g. A detailed drainage plan that indicates the method of collection and on-site dispersal of stormwater with Best Management Practices to prevent soil erosion.

2. One set of revised plans that are reduced and printed on 11-inch by 17-inch paper.
3. A Biological Site Assessment (BSA) prepared by a qualified biologist with expertise in spotted owl surveys, and other sensitive wetlands and riparian biological resources that potentially have habitat in the vicinity and could be affected by the project. The BSA shall include an analysis of the potential effects of the project's construction activities and future uses on biological resources, and shall recommend methods to minimize adverse effects.
4. A Wetlands Delineation prepared by a qualified wetlands scientist based on the one criteria definition used by the California Coastal Commission.
5. A copy of a preliminary Title Report for the subject property (Assessor's Parcel 119-240-61) that is less than six months old, and copies of all the recorded documents listed in the Title Report. The report submitted with the application is for the adjacent parcel identified as Assessor's Parcel 119-240-39.
6. A formal written request for assignment of a situs address where no street address currently exists in Marin County records. Staff recommends assignment of 300 Commodore Webster Drive, Point Reyes Station for the subject property.
7. A basic explanation of the operational characteristics of the Solids Handling Facility including frequency and method of maintenance, number of employees on site, and information regarding the frequency and method of sludge removal and disposition.

Department of Public Works, Land Use and Water Resources Division  
(Dave Nicholson, [415] 473-6533 and [dnicholson@marincounty.org](mailto:dnicholson@marincounty.org))

8. Provide a current Title Report for the subject property.
9. Provide a plan showing the legal access to the property.
10. Clearly show on the site plan all easements that appear in the Title Report.
11. The project is in a Special Flood Hazard Area (FHA), Zone AE, as show on the Flood Insurance Rate Map (FIRM Community-Panel Number 06041C9233D revised May 4, 2009). FEMA has determined the Base Flood Elevation (BFE) to be 25-ft NAVD88. Delineate the FEMA Flood Hazard Area on the site plan.
12. Show the BFE on all elevation views of the proposed project.
13. Marin County Code (MCC) § 24.04.560 requires a minimum 20-ft setback from top-of-bank or 20-ft plus twice the channel depth measured from the toe of the near embankment, whichever is greater, for all structures. Delineate the creek top-of-bank and the 20-ft setback on the site plan.

Please carefully review the items indicated above and call the pertinent agency staff member at the number listed at the top of each heading.

Please submit all of the requested information together to the Planning Division. The review of your application may be delayed if you submit information directly to the agency that requested the information or if you only submit a portion of the information requested. In order to facilitate our review of the additional information that you submit, it is suggested that you include with the submittal package a numbered list

corresponding to the item requested which outlines the response and/or the location on the plans where the response could be found. Please note that the time period required by State law for us to review the additional information submitted in response to this Notice of Project Status will not commence until all of the information is submitted to our office.

If you require additional time to collect the information listed above, please send me a written request for an extension for a specific period, such as an additional thirty (30) days. It is important to ask for an extension if you need one because your application will expire and will be withdrawn if we do not hear from you in the next month.

If you disagree with this decision regarding completeness of your application, you may appeal it to the Planning Commission. A Petition for Appeal and a \$600.00 filing fee must be submitted in the Community Development Agency - Planning Division, Room 308, Civic Center Drive, San Rafael, no later than 4:00 P.M., December 21, 2012.

### **Preliminary Merits Comments**

The Department of Public Works staff recommend that before issuance of a Building Permit, or completion of the project, the applicant shall complete the following conditions of approval:

1. Artificial slopes steeper than 2:1 shall be engineered or retained. Provide more detail on the roadside improvements along the creek bank side of the access road shown as a 1:1 slope in the plans presented.
2. Provide all cut and fill quantities (in cubic yards) for the proposed project on the grading plan sheet. Include the specific haul destination on the grading plan for any cut surplus.
3. Provide a cross section detail for the proposed retaining wall. Include the maximum height from the bottom of the footing to the top of the wall. A separate Building Permit is required for site/driveway retaining walls with a height of 4-ft or more or 3-feet when backfill area is sloped or has a surcharge (measured from the bottom of the footing to the top of the wall). Include engineer calculations showing a minimum of a 1.5 factor-of-safety for sliding and overturning. Also, include cross section references on the site plan to the retaining wall cross section in the structural plans for the retaining walls.
4. Provide a fire truck turnaround at the end of the access road that meets the requirements pursuant to MCC § 24.04.150, or provide a letter from the County Fire Marshal if a turnaround is not required by the Fire Department.
5. Provide a plan for site retaining wall back-drains.
6. Submit Erosion and Siltation Control plans for during and post construction.
7. Provide a note on the site plan stating the following: *The design engineer/architect shall certify to the Department of Public Works in writing that all grading, drainage, and site retaining wall(s) construction was completed in accordance with the approved plans and field inspections. Also, all driveways, parking and other site improvements shall be inspected by a Department of Public Works engineer prior to building permit final.*



Please telephone call me at (415) 473-7173, or send me an e-mail at [nosborne@marincounty.org](mailto:nosborne@marincounty.org), if you have any questions about the status of your application. If I cannot take your telephone call for some reason, please leave a message on my voicemail.

Sincerely,



Neal Osborne  
Planner

I:\Cur\N Osborne\Project\_Applications\CP\North Marin Water District\_CP\_DR\_2012-0319\Project\_Status\_Inc.doc

Attachments:

- (1) Dave Nicholson, DPW memorandum, 11/27/12 (received 12/7/12)
- (2) A.C. Alegria, CDA Environmental Health Services transmittal, 11/28/12
- (3) Fact Sheet: Preparation of Biological Site Assessments

Copy (via e-mail if address known):

A.C. Alegria, CDA Environmental Health Services  
Dave Nicholson, DPW Land Use and Water Resources  
Scott Alber, Marin County Fire Department  
Laurel Kellner, California Coastal Commission  
Tomales Bay Watershed Council  
California Department of Fish and Wildlife  
Golden Gate National Recreation Area  
United States Coast Guard  
Gulf of the Farallones National Marine Sanctuary

**MEMORANDUM**

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Novato Potable Water System Financial Plan Update  
t:\ac\word\cashflow\13\update 020113.docx

February 1, 2013

**RECOMMENDED ACTION: Information**

**FINANCIAL IMPACT: None at this time**

Attached is the "dashboard" which summarizes the District's financial plan for the next five years. This annual update now forecasts the District's financial position through FY18.

This update brings good news! Several factors have combined to increase the projected reserve balance going forward. Last year at this time we forecast a cash reserve of \$10.2 million at the close of FY17. Using the same assumptions, the updated forecast, with new information garnered over the past year, projects a cash reserve at the close of FY17 of \$14.7 million, and \$17.8 million at the close of FY18. Where did the additional \$4.5 million in FY17 come from?

- |   |                |
|---|----------------|
| 1) Reduction in the projected District outlay for the Highway 101 Aqueduct Energy Efficiency Project  | \$1.6M         |
| 2) Gallons sold in both FY12 and projected in FY13 exceed the 2.7 BG financial plan forecast  | \$1.5M         |
| 3) Correction of Dashboard error - \$225,000 of SCWA debt service erroneously double-counted (included in both water cost and NMWD debt service)  | \$1.3M         |
| 4) Net reduction in expense - 2 recent retiree positions left vacant & other projected expense increases moderated based on recent cost data - offset by higher purchased water cost to accommodate FY12 & FY13 increased sales | \$0.4M         |
| 5) FY13 connection fee revenue projected to come in below 30 EDU forecast   | <u>-\$0.3M</u> |
| Increase in cash at 6/30/17 compared to prior forecast  | <u>\$4.5M</u>  |

The financial plan now forecasts that the District will achieve its goal of a reserve level equal to 90% of operating expense at the close of FY16 (6/30/16), and will exceed the goal in both FY17 and FY18, assuming no revisions to the financial plan assumptions.

At the close of FY11 the District's cash reserve was below \$4 million. Significant rate increases and a keen focus on cost control have combined to turn the District financial situation around. The Board is to be commended for these strong actions, and as a result the District now has some breathing room to consider options going forward.

A review and discussion of the District's financial plan assumptions follows. The same assumptions for significant variables used for the last two years are continued in the current forecast.

Assumption 1) - An 11% rate increase June 1 of 2012 and 2013 (already approved) followed by 5% annual increases thereafter. As the current mix of assumptions result in a forecast that the District will surpass its reserve goal after FY16, given no other changes, the proposed 5% rate increases for FY15 through FY18 could be moderated. The model projects an annual increase of at least 2% is necessary to attain a 90% reserve level in FY18 if no other change in assumptions is made;

Assumption 2) - Water sales volume remaining flat at 2.7 billion gallons annually. FY12 water sales volume was over 2.8BG and is projected to reach 3.0BG in FY13. Increasing the assumed sales volume by 0.1BG each year for the next five years would add \$1.2 million to the FY18 cash reserve;

Assumption 3) - Russian River water cost to increase 7% annually. The SCWA's latest financial plan indicates a FY14 increase of 1% and approximately 7% per year thereafter. More will be presented on the proposed FY14 SCWA rate increase later in the agenda under the WAC/TAC meeting discussion;

Assumption 4) - Labor cost to increase 3% annually. Labor cost is linked primarily to the CPI. 3% is our best projection at this time;

Assumption 5) - Capital Improvement Projects funded on a "pay-go" basis at \$2 million per year. The Novato Master Plan Update is scheduled to be presented to the Board in March. That plan will show a need for the District to fund a comprehensive facilities replacement program, a priority of which will be replacement of aging pipelines. The District will celebrate its 65th birthday this year, and pipe is generally considered to have a 50-year life. The present value of District's distribution system is \$150 million. A programmatic plan to address the distribution system replacement will be considered by the Board, and staff will seek direction on how aggressively the District should address the issue of aging pipelines. That decision will play a major role in driving future rate increases.

Assumption 6) - Connection fee revenue projected at 30 equivalent dwelling units of demand in FY13 & FY14, increasing to 50 EDU annually thereafter. Five EDUs have been collected through January of this fiscal year. The Canyon Green project should add 16 more this spring. Nothing else is on the horizon. Development forecasts are challenging.

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

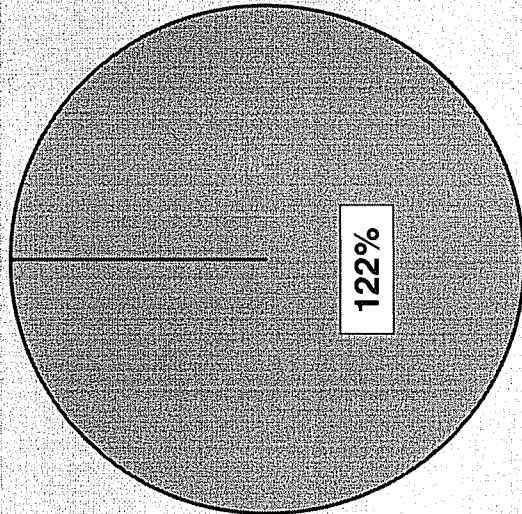


# Financial Plan Summary - Novato Potable Water System

## Inputs - Major Assumptions

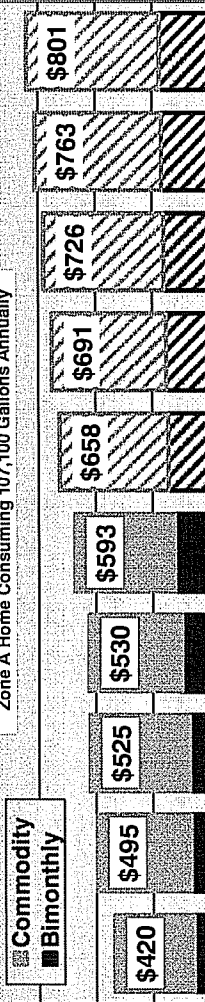
	FY14	FY15-18
Water Rate Increase	11.0%	5.0%
Water Sales (BG)	2.7	2.7
Water Cost Increase	7.0%	7.0%
Labor Cost Increase	3.0%	3.0%
CIP (M)	\$2.0	\$2.0
Equip Dwelling Units (FRC)	30	50
STP Production (BG)	750	750

## FY18 Cash as a % of Operating Expense

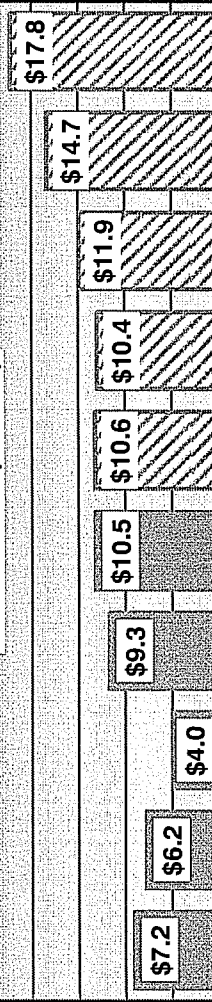


Reserve Balance Goal = 90% of Operating Expense

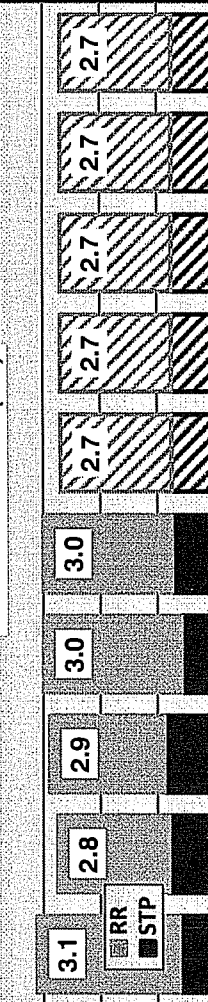
## Typical Customer Annual Water Cost Zone A Home Consuming 107,100 Gallons Annually



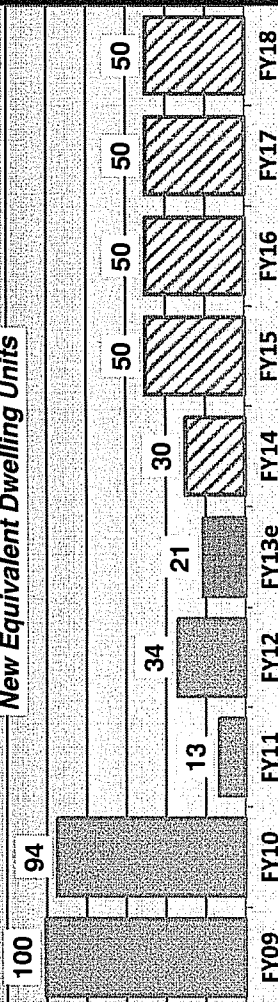
## Cash Balance (millions)



## Water Production (BG)



## New Equivalent Dwelling Units



**MEMORANDUM**

To: Board of Directors

February 1, 2013

From: Chris DeGabriele, General Manager *CD*

Subject: LAFCO Special District Member-Call for Nominations  
t:\gm\lafco\lafco elections 2013.doc

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

Marin LAFCO is calling for nominations for a Special District Regular Member (Attached). Nominations can be received up to March 1, 2013. Director Rodoni currently serves as a Special District Member on Marin LAFCO. Should the Board desire to nominate another member for consideration, please let me know; although it is unlikely that two NMWD Board members would be elected to the LAFCO Board.

DATE: December 28, 2012  
TO: Members, Marin Local Agency Formation Commission  
Boards, Independent Special Districts  
FROM: Peter Banning, Executive Officer  
RE: Call for Nominations - LAFCO Special District Member

RECEIVED  
DEC 31 2012  
North Marin Water District

### Special District Election

Regular Member Einar Asbo has served as the regular member of Marin LAFCO since May 2004 when he was elected to serve the remainder of the Special District Member term that ended in May 2005. Mr. Asbo was then re-elected to serve two additional four-year terms. This current term will end in May 2013. A mail ballot election must be held to select or reselect a member for this position, serving a four-year term ending in May 2017.

Attached is a copy of LAFCO's adopted procedure for Special District Member elections. As outlined in the attached procedure, nominations must be submitted in writing by special district governing boards within 60 days of the date of the call for nominations and must include a statement of the candidate's qualifications.

### Selection Schedule

The Commission will receive nominations through March 1, 2013. Enclosed are the forms for nominations and statements of candidate qualifications.

Ballots will be distributed to all Marin special districts by certified mail on March 4, 2013. The completed Nominee Qualification forms will accompany the mail ballot. The final date the LAFCO office will accept ballots will be May 6, 2013. Ballots are accepted by mail or facsimile at (415) 446-4410. The newly-elected special district member will be seated at the May 2013 Commission meeting.

If your district has questions or comments, please contact the Marin LAFCO office at (415) 446-4409.

*Chairperson:* Jeffrey Blanchfield  
*Members:* Judy Arnold, Einar Asbo, Barbara Heller, Carla Condon, Dennis J. Rodoni, Kathrin Sears  
*Alternates:* Susan Adams, Christopher Burdick, Craig K. Murray, Herb Weiner  
*Executive Officer:* Peter V. Banning

# Marin Local Agency Formation Commission

555 Northgate Drive, Suite. 230 • San Rafael, California 94903  
Telephone (415) 446-4409 • Facsimile (415) 446-4410 • Email [staff@marinlafco.org](mailto:staff@marinlafco.org)  
Website <http://lafco.marin.org>

**Policy and Procedure for  
Mail Ballot Special District Member Selection**

**Legislative Authority**

California Government Code Section 56332(c)(1) provides for selection of regular and alternate special district LAFCO members by a mail ballot process when the executive officer determines that a meeting of the special district selection committee is not feasible. Meetings of the Marin County Special District Selection Committee have previously failed to reach a quorum, indicating the infeasibility of Selection Committee meetings.

**Purpose**

The purpose of this policy is to clearly describe the procedure for selection of special district members of the Commission.

**Policy**

It is the policy of Marin Local Agency Formation Commission to conduct selection proceedings of regular and alternate special district members by a mail ballot process. Pursuant to Government Code Section 56332(d), the representation by a regular or alternate member "who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposal affecting the special district."

**Procedure for Special District Member Selection**

1. LAFCO staff will initiate the mail ballot selection process for special district members 180 days prior to the expiration of the term of a special district member or immediately upon notification that the service of a special district member on LAFCO will end prior to the expiration of his or her term.
2. The executive officer will initiate the mail ballot process by distributing to each independent special district a call for nominations, including a schedule of the selection process and a copy of this policy. Nominations must be submitted in writing by special district governing boards within 60 days of the date of the call for nominations. The submittal of a nomination must include a statement of the candidate's qualifications.

3. Within five working days of the close of the nomination period, LAFCO staff will distribute by certified mail one ballot to each independent special districts. The distribution of ballots will include a statement of qualifications for each candidate on the ballot.
4. Ballots may be submitted by mail or facsimile within 60 days of distribution of the ballots.
5. A majority of independent special district must cast ballots in order to select a special district member. Selection will be made by majority of votes cast.
6. Ballots cast by each special district must bear the signature of the district's presiding officer. If the presiding officer is unavailable, the district board may authorize another member of the board to cast the district's vote. Ballots may be returned to the LAFCO office by mail or by facsimile.
7. All ballots and other records of each selection process shall be retained in the LAFCO office for at least four years and will be available for public inspection.
8. Where more than two candidates are nominated, the ballot form will provide for selection by majority of votes cast through an "instant runoff" as follows:
  - a) Each district casting a vote will rank the candidates in order of their preference. District boards would simply indicate a "1" next to their first choice, a "2" next to their second choice, a "3" next to their third choice etc.
  - b) In counting the votes by LAFCO staff, all first choice votes are counted. If any candidate receives over 50 percent of the first choice votes, that candidate is selected as special district member.
  - c) If no candidate receives a majority, then the candidate with the fewest "1" votes is eliminated. The ballots of the supporters of the eliminated candidate are then transferred to whichever of the remaining candidates they marked for their second choice. This process will be continued until one candidate receives a majority and is selected as special district member.



MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

REGULAR MEMBER SPECIAL DISTRICT MEMBER

Name of District: \_\_\_\_\_

\_\_\_\_\_ 1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: \_\_\_\_\_

\_\_\_\_\_ 2. Board did not act.

\*Attach completed qualification form.

BOARD ACTION:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
Board President

Attest:

\_\_\_\_\_  
Board Secretary

Date: \_\_\_\_\_

**MUST BE RETURNED TO LAFCO BY March 1, 2013.**  
Forms may be faxed to (415) 446-4410.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

REGULAR SPECIAL DISTRICT MEMBER

Nominated for: Regular Special District Representative

Name: \_\_\_\_\_

Telephone: (Home) \_\_\_\_\_ (Work) \_\_\_\_\_

Email Address: \_\_\_\_\_

Home Address:

Employer's Name and Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Present Occupation: \_\_\_\_\_

➤ Summary of Qualifications for Position:

➤ Reasons for Applying:

➤ Please list any organizations of which you are an officer or an employee:

Please return to: Marin LAFCO  
555 Northgate Drive, Suite 230  
San Rafael, CA 94903

\*Additional information may be attached.

**NOTICE OF MEETING OF  
NORTH BAY WATERSHED ASSOCIATION**

Notice is hereby given that a meeting of the North Bay Watershed Association will be held as follows:

Date: Friday, February 1, 2013  
Time: 9:30 a.m. – 11:30 a.m.  
Location: Conference Room 2  
Petaluma (Lucchesi) Community Center  
320 N. McDowell Boulevard  
Petaluma, CA 94954

**AGENDA**

<b><u>Item</u></b>	<b><u>Recommendation</u></b>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. Adapting to Sea Level Rise along the North Bay Shoreline (45 min) Guest Speaker: Sam Veloz, PRBO	Information
7. Petaluma Project Update (30 min.) Guest Speaker: Pamela Tuft, Water Resources & Conservation	Information
8. Items of Interest	
9. Items for Next Agenda	

**Next Meeting Information:**

**Next Meeting:** March 1, 2013  
Novato Sanitary District  
500 Davidson Street  
Novato, CA 94945

## NORTH BAY WATERSHED ASSOCIATION

Minutes for the meeting of the North Bay Watershed Association (NBWA) Board of Directors.

Date: Friday, January 4, 2013  
Time: 9:30 a.m.  
Location: Marin Community Foundation  
5 Hamilton Landing, Suite 200  
Redwood Room  
Novato, CA 94949

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Judy Arnold	County of Marin	Rick Fraites	North Marin Water District
Megan Clark	Las Gallinas Valley Sanitary District	Jack Gibson	Marin Municipal Water District
Mike DiGiorgio	Novato Sanitary District	Brad Sherwood	Sonoma County and Sonoma County Water Agency
John Dupar	Central Marin Sanitation Agency		

Directors present represented 8 out of the 16 agencies signatory to the Association MOU and Jeanne MacLeamy represented the City of Novato, Associate Member.

### Board Actions

1. Call to Order. Jack Gibson, Chair, called the meeting to order at 9:40 a.m.
2. Public Comment. There was no public comment.
3. Approval of the Agenda. (See Handout) The Board unanimously approved the agenda.
4. Approval of Minutes of the Board Meeting held December 7, 2012. (See Handout) The Minutes of the Board Meeting held on December 7, 2012 were unanimously approved.
5. Treasurer's Report. (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. The Relationship between Water and Land Use. Jennifer Krebs, SFEP, presented a PowerPoint entitled, "Developing Integrated Projects, Collaborations between local governments and water agencies." Jennifer first explained that in updating the 2006 Bay Area Integrated Regional Water Management Plan a chapter on land use would be added that would address the coordination between land use and water agencies. She then summarized DWR Guidelines for this chapter which require examining how agencies communicate, providing an exchange of knowledge and expertise among agencies, and identifying how to improve planning efforts between Regional Water Management Groups and land use planning agencies. Jennifer noted why land use-water management coordination is important in the California Water Plan Update 2013. Jennifer then focused on the North Bay and indicated she would ask for input on the status quo and ways to integrate/improve water planning and management. Jennifer then referred to a recent SFEP sponsored Bay Area survey of 101 cities and 9 counties directed at various agencies to ascertain what types of meetings are held and how often. The response was good, 55 out of 110 agencies provided responses regarding meetings, plans and ordinances. Jennifer acknowledged North Bay and NBWA leadership and highlighted a 2007 NBWA study on integrated projects, a 2008 NBWA Policy on Integrated/Multi-Benefit Projects, and the NMWD adoption of that policy in 2008. Jennifer then referred back to the Bay Area survey and a question about obstacles to implementing watershed plans which indicated funding and staffing were the biggest problems. Jennifer then posed questions to the group: What kind of discussions are taking place? What is going well? What needs improvement? The Board Members provided a number of examples of what is going well: LGVSD has an integrated project in Novato to provide the Coast Guard with recycled water; NMWD has a recycled water project with LGVSD, Marin County and the City of Novato; Novato Creek Watershed Program includes flood control, habitat and wetland elements; NMWD is working with DF&G and NMFS on a multi-benefit erosion control project that provides for fisheries enhancement; NBWA as an organization emphasizes multi-benefit projects; North Bay Water Reuse Authority (NBWRA) is a positive example on recycled water that evolved from NBWA; the NBWA Watershed Council provides for coordination between member agencies and the watershed and restoration community that generates more integrated projects. The Board Members also expressed some concerns: local development policies can be disconnected from concerns about sea level rise and flood plain development; the One Bay Area Plan creates problems at the local level by identifying land for development that should not be developed based on environmental concerns. In response to Jennifer's question about the status of the NBWA Integrated Projects Policy Harry noted that MMWD had adopted the policy, SCWA and Napa had equivalent policies in recently adopted action plans or strategies,

and Marin County is planning to adopt an equivalent policy. Jennifer then moved on to describe the efforts of a Bay Area Low Impact Development (LID) Leadership Group and the critical issues they identified: no vision for large scale Green Infrastructure in Bay Area; dissonance in modeling by flood, wastewater, and stormwater on infrastructure needs; lack of regulatory incentives to develop sustainable water management strategies; limited funding for infrastructure; and a lack of Bay Area metrics to show Green Infrastructure is effective, multi-benefit, and reasonably priced (as Portland has done). She then described recent initiatives such as using a Prop 84 Stormwater grant to develop a master plan to help cities with LID retrofits and alternative compliance. Jennifer also noted efforts on regulatory incentives including a collaborative project funded through the National Science Foundation's Engineering Research Center Program involving Stanford University (lead), University of California at Berkeley, Colorado School of Mines, and New Mexico State University called ReNUWit (Re-inventing the Nation's Urban Water Infrastructure) to look at local initiatives towards more integrated water management to form academic teams from a variety of districts to help develop water infrastructure for the 21<sup>st</sup> Century. Board Members identified a positive example and several concerns: Russian River Watershed Association recently had a workshop on LID BMPs which were adopted by Santa Rosa and SCWA and a guidance booklet was created; LID projects in a Mediterranean climate would require summer irrigating where sites are not designed to hold water-a real challenge; LEED green building requirements do not include water concerns; County General Plan includes stormwater ordinances but One Bay Area Plan does not; green buildings with wastewater contained on site are very expensive and have a history of failure (maintenance issues). The Board Members had follow up questions. Is rainwater harvesting cost effective? (Generally a good stormwater solution but not for irrigation unless larger scale.) Can graywater be better utilized? (Storage is main issue on larger scale.) [jkrebs@waterboards.ca.gov](mailto:jkrebs@waterboards.ca.gov) and <http://www.sfestuary.org>

7. Estimating Economic Benefits of Environmental Projects, Handbook for Benefit-Cost Assessments – ECONorthwest. Harry Seraydarian presented a PowerPoint update on the recently funded Handbook developed by ECONorthwest. Harry first reminded the Board on the need for this project since Benefit/Cost Analysis is still a major part of DWR project evaluation. Harry reviewed the process from Board approval on September 7, 2012 to the final Handbook completion on December 21, 2012 and then presented an outline of the document completed with a non-technical audience in mind. Harry highlighted the examples used in the Handbook and the approach to quantifying benefits. Harry then explained how the Handbook would be used in the Prop 84 Round 2 process. Harry also provided the Board with a BAIRWMP Round 2 update. He described the decision process that was used by the Project Screening Committee which included; identifying important factors in making a decision up front; developing conceptual options; and agreeing on decision rules that applied to projects. Harry walked through the results of each conceptual option and then presented the agreed upon matrix, which was a hybrid approach based on the Sub-Regional conceptual option. Harry highlighted a final list of projects and noted that the North Bay Sub-Region would meet the 25% target for funding agreed to in 2009 for Prop 84 projects.

8. Items of Interest.

- \* Reflections on Water, Creekwalker Photography Exhibit, January 15 to February 23, Bay Model Visitor Center, 2100 Bridgeway, Sausalito, Sponsored by the Gallinas Watershed Council (Gala Reception-Jan. 26<sup>th</sup> 12:30-3 pm)
- \* Workshop – Make your own Rain Barrel, offered in partnership with Greywater Action, Saturday, January 26 – 1:00 to 4:00 p.m. at the Sonoma Community Center
- \* North Bay Water Reuse Authority Meeting – January 28<sup>th</sup> – 9:30 am at the Novato Sanitary District

9. Items for Next Agenda.

- \* Sea Level Rise – Sam Veloz. PRBO
- \* Petaluma Projects – Pamela Tuft, City of Petaluma

Jack Gibson, Chair, adjourned the meeting at 11:22 a.m.

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla  
Assistant to the Executive Director

NEXT MEETING INFORMATION

February 1 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954–Conf. Rm. 2  
March 1 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

FOR ACCESSIBLE  
MEETING INFORMATION  
CALL: (707) 543-3350  
ADD: (707) 543-3031



**WATER ADVISORY COMMITTEE  
AND  
TECHNICAL ADVISORY COMMITTEE**

**MONDAY, FEBRUARY 4, 2013**

**9:00AM**

Utilities Field Operations Training Center  
35 Stony Point Road, Santa Rosa, CA

*This is a combined WAC and TAC meeting.*

1. Check In
2. Public Comment
3. Election of WAC Chair and Vice Chair
4. Recap from the November 5, 2012 WAC/TAC Meeting and Approval of Minutes
5. Recap from the January 7, 2012 TAC Meeting and Approval of Minutes
6. WAC/TAC Meeting Schedule
7. Water Supply Coordination Council
8. Water Supply Strategies Action Plan Update 2012
9. Potential Projects for Further Evaluation
10. FY 2013/14 Draft SCWA Budget
11. SCWA Water Supply/Transmission System Operations Status  
(Santa Rosa Aqueduct Valve Replacement at Vineyard Inn)
12. Biological Opinion Status Update
13. Integrated Regional Water Management Plan(s) Update
14. Items for Next Agenda
15. Check Out

Draft Minutes of Water Advisory Committee and Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
November 5, 2012

Attendees: Susan Gorin, City of Santa Rosa  
Miles Ferris, City of Santa Rosa  
Glen Wright, City of Santa Rosa  
Jennifer Burke, City of Santa Rosa  
Linda Hall, City of Santa Rosa  
Sandi Bliss, City of Santa Rosa  
Jake Mackenzie, City of Rohnert Park  
Darrin Jenkins, City of Rohnert Park  
Laurie Gallian, City of Sonoma  
Milenka Bates, City of Sonoma  
Toni Bertolero, City of Sonoma  
Mark Landman, City of Cotati  
Dennis Rodoni, North Marin Water District  
Chris DeGabriele, North Marin Water District  
Drew McIntyre, North Marin Water District  
Mike Healy, City of Petaluma  
Dan St. John, City of Petaluma  
Remleh Scherzinger, City of Petaluma  
Robin Goble, Town of Windsor  
Richard Burt, Town of Windsor  
Krishna Kumar, Valley of the Moon Water District  
Mark Heneveld, Valley of the Moon Water District  
Mike Ban, Marin Municipal Water District  
Shirlee Zane, SCWA  
Grant Davis, SCWA  
Jay Jasperse, SCWA  
Carrie Pollard, SCWA  
Pam Jeane, SCWA  
Ann DuBay, SCWA  
Brad Sherwood, SCWA  
Michael Thompson, SCWA  
Don Seymour, SCWA  
Kent Gylfe, SCWA  
Steve Koldis, SCWA

Public Attendees: Brenda Adelman, RRWPC  
Dietrich Stroeh  
Dawna Gallagher  
Bob Anderson, United Wine Growers  
Jim Downey, Penngrove/Kenwood Water District  
Colleen Fernald  
Paul Selsky, Brown and Caldwell

1. Check-in

Chair Susan Gorin called the meeting to order at 9:02a.m. She thanked both the WAC and TAC members for all their work on the committees.

Mark Heneveld has replaced Mark Bramfitt as the WAC representative for Valley of the Moon Water District.

Effective December 10, Krishna Kumar will be the new General Manager of the MMWD. He is resigning as Vice Chair of the TAC.

2. Public Comment

Brenda Adelman asked for a report from the WAC for contractor's water use per month. Chris DeGabriele stated the requirement for reporting monthly water use was required during the water use restriction period and is no longer required. The SCWA website has the current information on contractor's monthly water use.

3. Recap from the August 6, 2012 WAC/TAC Meeting and Approval of Minutes

The minutes of the August 6, 2012 WAC/TAC meeting as published were unanimously approved.

4. Recap from the October 1, 2012 TAC Meeting and Approval of Minutes

Moved by Remleh Scherzinger, Petaluma, seconded by Milenka Bates, City of Sonoma; to approve the minutes of the October 1, 2012 TAC meeting as published; unanimously approved.

5. Water Supply Coordination Council

Summary of the October 25, 2012 meeting was emailed to the committee.

6. SCWA Proposed Strategic Plan

Two workshops are proposed next year. Dates are not set for the meetings to review the Proposed Strategic Plan. Grant Davis, SCWA General Manager, complimented the Agency staff for all their work on the five-year strategic plan update.

7. Local Hazard Mitigation Plan Update

Jay Jasperse, SCWA, introduced Steve Koldis, SCWA, who made the PowerPoint presentation. A current and proposed list of hazard mitigation projects was distributed. Steve reviewed the goals, FEMA Grant Funds, background for the Mitigation Plan, Transmission System Vulnerabilities, current and updated content of the LHMP, projects, maintenance and training related tasks, and the LHMP adoption schedule. The plan will be presented to the SCWA Board on December 11 and submitted to FEMA in February.

Comments and questions followed from the committee and the public.

8. Water Supply Strategies Action Plan Update

The third edition of the Strategies Action Plan Update is currently being prepared by SCWA staff members using the same methodology as last year. Comments are requested from the Water Contractors. The Action Plan will be presented to the TAC in December.

Contact Jay Jasperse or Ann DuBay at SCWA with any questions.

9. Draft Potential Projects for Future Evaluation

Chris DeGabriele made the PowerPoint presentation of the process to determine future water supply projects to be evaluated further. The recommended list will be presented to the WAC at the February 2013 meeting.



Brenda Adelman reminded the committee of the importance of looking at water quality issues during low flow years.

10. Santa Rosa Groundwater Master Plan

Jennifer Burke, City of Santa Rosa, made the PowerPoint presentation describing the Santa Rosa Groundwater Master Plan. Jennifer gave an overview of policy background, use of groundwater and potable water, the restructured agreement requirements, Groundwater Master Plan components, emergency groundwater planning criteria, methodology used, summary of the City's required emergency supply, groundwater management benefits, and the Master Plan development timeline.

Questions and comments followed from the committee and the public.

Colleen Fernald expressed concerns about well drilling for emergency use suggesting collaboration with others to make the assessments. She also commented on Santa Rosa's use of recycled water. She wants other municipalities included on the committee, such as Sebastopol and Graton, because there is not enough public involvement.

Miles Ferris commented on the use of Santa Rosa City wells stating there have been no adverse effects on private wells. Recycled water use in Santa Rosa is being expanded. Sebastopol has been offered an emergency connection to the SCWA transmission system in the past, but has chosen not to participate, and the expense for Graton may be too great for their participation in the program.

Brenda Adelman commented on the environmental needs of the water supply, water conservation and the protection of our water supply.

11. Biological Opinion Status Update

The Biological Opinion Status Update was reviewed by Pam Jeanne, SCWA. The report was distributed to the committee.

12. IRWMP Report

Jake Mackenzie, City of Rohnert Park, gave an update on IRWMP. Prop. 84 submittals for funding are still open.

13. Items for Next Agenda

December 3 TAC

Election of Vice Chair  
Biological Opinion Status Update  
L/R/T2 Proposals

February 4 WAC/TAC

Election of new Chair and Vice Chair  
Strategic Action Plan Projects Update  
Draft SCWA Budget

14. Check Out

Next TAC meeting is December 3.

Next WAC/TAC meeting is February 4.

Chair Susan Gorin adjourned the meeting at 11:27a.m.

Draft Minutes of Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
January 7, 2013

Attendees: David Guhin, City of Santa Rosa  
Glen Wright, City of Santa Rosa  
Linda Reed, City of Santa Rosa  
Dan Muelrath, City of Santa Rosa  
Linda Hall, City of Santa Rosa  
Toni Bertolero, Town of Windsor  
David Goodison, City of Sonoma  
Matt Winkelman, City of Sonoma  
Mark Bramfitt, Valley of the Moon Water District  
Remleh Scherzinger, City of Petaluma  
Damien O'Bid, City of Cotati  
Darrin Jenkins, City of Rohnert Park  
Chris DeGabriele, North Marin Water District  
Drew McIntyre, North Marin Water District  
Mike Ban, Marin Municipal Water District  
Grant Davis, SCWA  
Carrie Pollard, SCWA  
Jay Jasperse, SCWA  
Pam Jeanne, SCWA  
Mike Thompson, SCWA  
Brad Sherwood, SCWA  
Lynne Roselli, SCWA

Public Attendees: Brenda Adelman, RRWPC  
Richard Dowd, City of Santa Rosa BPU  
David Keller, FOER  
Dietrich Stroeh  
Dawna Gallagher Stroeh  
Bob Anderson, United Wine Growers

1. Check-in  
Chair Chris DeGabriele called the meeting to order at 9:05a.m.
2. Public Comment  
None
3. Recap from December 3, 2012 TAC Meeting and Approval of Minutes  
Moved by Glen Wright, City of Santa Rosa, seconded by Darrin Jenkins, City of Rohnert Park to approve the minutes as published; unanimously approved.
4. TAC Budget Subcommittee Status  
Darrin Jenkins, City of Rohnert Park, has accepted the role of Chair of the budget subcommittee. He will poll members to get meetings set up.
5. Sonoma Marin Saving Water Partnership Annual Report FY 2011/12  
Carrie Pollard, SCWA, made the PowerPoint presentation. Printed copies were available.

6. Water Supply Strategies Action Plan Update 2012

Jay Jasperse, SCWA, reported the updated draft action plan was published last week. Copies were available at the meeting. Comments are asked for by January 18. The plan will be presented to WAC next month and then to the Water Agency Board.

7. Potential Projects for Further Evaluation

Chris DeGabriele, NMWD, reviewed the potential projects list which was distributed to members with the agenda. Seven sources of future water were identified. The TAC will recommend to the WAC the adoption of the plan at the February WAC/TAC meeting. Moved by Glen Wright, City of Santa Rosa, seconded by Mark Bramfitt, Valley of the Moon Water District, to recommend to the WAC that approval of the list and the hiring of consultants be done to complete the studies; unanimously approved.

8. Biological Opinion Status Update

Pam Jeanne, SCWA, reported the annual Public Policy Facilitating Committee meeting was held on December 20. The minutes are posted on the Agency website. A request for \$6M in O&M money from Congresswoman Woolsey and Congressman Thompson is being made. A further report will be given at the WAC meeting on February 4.

9. Items for Next Agenda

February 4 WAC/TAC

Potential Projects for Further Evaluation  
Biological Opinion Status Update  
Draft Budget  
Water Supply Action Plan Update

10. Check Out

Next WAC/TAC meeting is February 4  
Next TAC meeting is March 4

Meeting adjourned at 9:40a.m.

February 4, 2013  
WAC Agenda Item #3

MEMORANDUM

To: Water Advisory Committee January 28, 2013  
From: Chris DeGabriele, Technical Advisory Committee Chair *CD*  
Subject: Election of WAC Chair and Vice Chair  
\\gms\swalwac agenda and minutes\2013\election of wac chair and vice chair.doc

Chairperson Susan Gorin and Vice Chairperson Mark Bramfitt have ably served the past 2 years in those roles at the Water Advisory Committee. With the election of Supervisor Gorin and resignation of Mark Bramfitt from the Valley of the Moon Board, the WAC currently does not have a seated chair or vice chair and it is time to elect a chair and a vice chair.

Section 5.3 (D) of the Restructured Agreement states: **“Once every two years, on a date selected by the Water Advisory Committee, the Water Advisory Committee shall elect from its members two officers: a chairperson and vice chairperson. Officers shall serve for the ensuing two Fiscal Years. An officer may serve a second or subsequent consecutive two-year term only if each such term is approved by a unanimous vote of the Water Contractors. ... In the event an officer either: (1) loses his/her status as a dually elected local official serving on the governing board of the Water Contractor they represent or (2) loses his/her appointment as representative of the Water Contractor on the Water Advisory Committee, the officer position shall be vacated. The Water Advisory Committee shall elect a new officer who shall fill out the balance of the vacated term. Voting for officers shall be as provided in subsection of this section.”**

Said voting requirements state: **“An affirmative vote of said Committee shall be recorded and require both of the following: (1) the affirmative vote of more than fifty percent (50%) of the total weighted votes as defined above; and (2) the affirmative vote of at least five (5) representatives.”**

The WAC is requested to elect a chair and vice chair.

MEMORANDUM

To: Water Advisory Committee January 25, 2013  
From: Chris DeGabriele, Technical Advisory Committee Chair *CD*  
Subject: Potential Projects for Further Evaluation  
\\gmscwa\wac agenda and minutes\2013\wac potential projects 020413.doc

At the November 1, 2012 WAC/TAC meeting the parties received a presentation on Potential Projects for Future Water Supply which identified a proposed analysis by the Water Contractors, Marin Municipal Water District and Sonoma County Water Agency (Agency) staffs to collaborate and analyze potential future water supply projects and conduct a preliminary screening for feasibility. The goal of that feasibility analysis was to develop a list of projects for further detailed analysis to be recommended by the TAC.

That preliminary screening has been completed and attached is a brief white paper identifying the Potential Regional, Subregional, and Local Water Supply Projects for Further Evaluation. Pages 4 and 5 of the attachment recommends seven sources to be further evaluated at this time, including:

- Additional Groundwater-Water Contractor-Production Wells,
- Future Water Conservation,
- Future Recycled Water for Non Potable Uses and Off-setting Potable Use,
- Aquifer Storage and Recovery-Potable Supply,
- Windsor Water Rights,
- Additional Agency Supply-Russian River, and
- Additional Agency Supply-Ground Water Production Wells.

At the January 7, 2013 TAC meeting, the TAC adopted the projects listed in the attachment and recommends to the WAC that the TAC and the Agency staff identify available funding for the TAC or the Agency to engage consultants and conduct in-depth analysis of these water supply sources.

Summary  
January 24, 2013  
Water Supply Coordination Council Meeting

The WSCC is intended to coordinate activities of the Agency, WAC/TAC and other parties as necessary and to report on same pursuant to the Sonoma County Water Agency's September 15, 2009 Resolution #09-0871 to commence and continue development of new water supply projects, plans and strategies to meet the reasonably expected future water demands for the agency's water contractors. The WSCC makes no policy decisions. This WSCC summary is intended to disclose WSCC discussions with the WAC/TAC and other interested parties.

Attendees: Efen Carrillo, Grant Davis (by telephone), Jay Jasperse, Susan Gorin, Glen Wright, Chris DeGabriele

1. Review Draft Summary of Last Meeting (October 25, 2012)  
A summary of the October 25, 2012 WSCC Meeting was reviewed.
2. February 4<sup>th</sup> WAC/TAC Meeting  
A draft agenda for the Water Advisory Committee and Technical Advisory Committee meeting scheduled for February 4, 2013 was reviewed. The parties agreed upon a WAC/TAC agenda to be distributed.
3. Report on Corps Funding  
Grant Davis advised that he and Supervisor Rabbit in their last meeting in Washington D.C. were successful encouraging Congressmen Huffman and Thompson to make a joint request for an additional \$1M to be included in the President's budget for the Corps of Engineers Russian River responsibilities. Grant also reported that the Fiscal Year 2013 B.O. funding for the Corps is still pending.
4. Planned Water Agencies Workshops  
Efen advised that the Sonoma County Water Agency Board has requested more time to focus on Agency business and two workshops are planned in upcoming months to address the Agency's strategic plan. One on February 19<sup>th</sup> at SCWA from 3-5 p.m. to discuss energy and SCWA organization. The second on April 2<sup>nd</sup> in Petaluma from 3-6 p.m. to cover water supply, sanitation and flood control responsibilities.
5. Schedule Next Meeting  
The next meeting will be held in April at a date yet to be determined and prior to the May 6<sup>th</sup> Water Advisory Committee Meeting.

**2013 TAC - WAC / TAC MEETING SCHEDULE**

**35 Stony Point Road, Santa Rosa, California**

<b>Month</b>	<b>Day</b>	<b>Body</b>	<b>Time</b>
<b>JANUARY</b>	<b>7</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>FEBRUARY</b>	<b>4</b>	<b>WAC / TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>MARCH</b>	<b>4</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>APRIL</b>	<b>1</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>MAY</b>	<b>6</b>	<b>WAC / TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>JUNE</b>	<b>3</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>JULY</b>	<b>1</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>AUGUST</b>	<b>5</b>	<b>WAC / TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>SEPTEMBER</b>	<b>9</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>OCTOBER</b>	<b>7</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>NOVEMBER</b>	<b>4</b>	<b>WAC / TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>
<b>DECEMBER</b>	<b>2</b>	<b>TAC</b>	<b>9:00a.m. - 11:30 a.m.</b>

# DRAFT

## 2013 WATER SUPPLY STRATEGIES ACTION PLAN

### EXECUTIVE SUMMARY

In September 2010, following a 16-month process of community involvement, the Sonoma County Water Agency Board of Directors approved nine Water Supply Strategies developed to increase water supply system reliability, resiliency and efficiency in the face of limited resources, regulatory constraints and climate change uncertainties.

Under Board direction, the 2010 Water Supply Strategies Action Plan described how each strategy was being carried out through specific activities and projects, identified involved parties and provided the state and budget information for each activity or project. The Board recognized that the plan is a living document and requested regular updates. The first update was provided in 2011.

The Water Agency is pleased to report that many activities identified in the 2011 Action Plan were successfully completed. The 2013 Action Plan identifies new activities initiated to support the strategies and also activities that are continuing or have been reprioritized.

As in prior plans, the 2013 Action Plan recognizes the importance of specific stakeholder and general community involvement in successfully carrying out the strategies. Stakeholders who are working with the Water Agency on implementation of a particular action item are specifically mentioned as Involved Parties. Where community involvement is occurring or anticipated during all or part of the process, "community groups" are indicated as Involved Parties. In addition, many Action Plan activities will be reviewed or approved at Water Advisory Committee, Flood Control Zone, Agency Board of Directors and other public meetings. Members of the general public will have the opportunity to review and comment on the activities at all such forums.

Major accomplishments and changes from the 2011 Action Plan are summarized below and in the attached spreadsheet.

#### **Actions Successfully Completed**

The last year was marked by major accomplishments in implementation of the Russian River Biological Opinion: The Dry Creek Habitat Enhancement Feasibility Study was completed. Two additional tributary enhancement projects were constructed, meaning that four of five required projects required are now complete.

The Dry Creek Habitat Enhancement is the guiding document for one of the major mandates of the Biological Opinion: Enhancing six miles of habitat. The study identified nine miles of potential habitat improvements, including constructed log jams, backwaters, side channels, riffles, boulder clusters, bank stabilization and vegetation management. Using the study as a guide, Water Agency staff is reaching out to landowners for the second and third miles of habitat enhancement. (The first-mile demonstration project is already underway – see below.)

In 2012, two important projects were completed on tributaries to Dry Creek, making it easier for coho and steelhead to migrate to historic spawning grounds. Both the Crane Creek restoration project and the Grape Creek bridge fish passage project were accomplished in partnership with Sotoyome Resource Conservation District and private landowners. These projects will remain in the action plan, as they will be monitored to see how fish are faring with the improvements.

The Water Agency completed other projects and activities of note over the last year, including securing rights to clean energy generated at Warm Springs Dam (hydropower) and the county landfill (methane) and construction of a



new recycled water storage pond at the Sonoma Valley County Sanitation District plant.

### Significant Progress

Significant progress was made on several 2011 Action Plan items that will continue to be listed in the 2013 Action Plan, including:

- The first phase of the Dry Creek Habitat Enhancement Demonstration Project was completed at Quivira Vineyards and Winery. The second phase (involving several landowners) will be constructed in summer 2013.
- Following the Board's approval of a Lagoon Management Plan in 2011, monitoring continues of water quality, fish, invertebrates, seals and other pinnipeds in the estuary between May 15 and October 15.
- An Independent Science Review Panel was created, with the goal of providing science-based information on the interaction of groundwater and tributary flows in the upper Russian River.
- Utilizing a \$1.6 million grant that helped construct the new Sonoma Valley County Sanitation District recycled water storage pond, design and right-of-way acquisition is nearly completed on a recycled water pipeline that will help restore the Napa Salt Marsh.
- The Water Agency and Water Contractors continued funding the Sonoma-Marin Saving Water Partnership and its comprehensive public outreach campaign.
- Environmental analysis and modeling are well underway for the Fish Flow project.
- Climate change modeling, including the Hydrometeorology Test Bed, continues.
- Progress is ongoing in completing Sonoma Valley groundwater management projects. Monitoring wells were installed, groundwater levels are being monitored and public outreach conducted.
- Santa Rosa Plain groundwater management activities continued, with the creation of a Basin Advisory Panel, which recommended to the Water Agency Board that a Groundwater Management Plan be initiated.
- The state-required California Statewide Groundwater Elevation Monitoring program continued in designated basins, with water levels measured and reported.
- Several hazard and operational reliability projects are ongoing, including the earthquake fault crossing mitigation at Rogers Creek, the Russian River and Mark West Creek; liquefaction mitigation for Collectors Three and Five, isolation valve replacement, and installation of flow monitors.

### Reprioritization

Several items listed in the 2013 Action Plan have been reprioritized, based on changed conditions, funding opportunities or loss, or other circumstances. Projects falling into this category include:

- **Dry Creek Habitat Enhancement Miles 2 & 3.** Using the final Feasibility Study, Water Agency staff is working with Dry Creek landowners to assess interest in participating in the second and third miles of habitat enhancement. This item has been moved from Near Term to immediate, to meet the 2016-2017 construction deadline.
- **Water supply reliability analysis.** This analysis of reliability in the upper Russian River has been moved from Near Term to Immediate.
- **Potter Valley Project relicensing.** PG&E's Potter Valley Project will be considered for relicensing in 2022. Water Agency staff will begin preliminary activities, including analysis of technical operations and review of hydrologic and fishery data and studies.
- **Climate change adaptation.** This item has been moved from Near Term to Immediate, and outreach and information gathering has been added to the task of developing actions to improve reliability in face of climate change.
- **Energy items.** In the 2011 plan, an item was added to assist interested Water Contractors in joining PWRPA. Unfortunately, PWRPA doesn't allow wheeling of power to contractors, and this item has been removed from the Action Plan.

## New Actions

Several items were added to the 2013 plan to reflect new Water Agency initiatives, areas of focus or funding opportunities, including:

- **Mirabel enhanced fish barrier passage facilities.** We added to the Action Plan the Water Agency's efforts to comply with the Biological Opinion by constructing enhanced fish barrier passage facilities, including new screens at intake, fish ladder and viewing gallery. The Water Agency received grant funding to design new screen, fish ladder and viewing gallery. The design is now 90 percent complete; an environmental document has been released; an application has been submitted for a construction grant; and construction is slated for 2014.
- **Outreach and information gathering on climate change adaptation.** Information must be gathered from federal, state and local agencies and NGOs to determine the status of various climate change adaptation activities. This information will support the development of reliability actions.
- **New operation reliability projects.** Several reliability projects were added, including Santa Rosa Aqueduct cathodic protection, Mirabel surge protection, Kawana to Sonoma booster upgrade, Sonoma booster pump upgrade, and improvements to the Wohler-Santa Rosa pipeline at the Santa Rosa Creek crossing.
- **Sonoma County Efficiency Financing.** This new financing tool for local government (including water districts, cities, special districts and school districts) can lead to increased water-use and energy efficiencies at an affordable price.

For more information, please refer to the attached spreadsheet, which summarizes the changes to all 2011 Immediate Actions. The 2013 Update provides additional information and details on all actions. These documents can be found online at [www.sonomacountywater.water-supply-strategy](http://www.sonomacountywater.water-supply-strategy).

## Water Supply Strategy One

ENSURE ADEQUATE SUMMERTIME WATER FLOW THROUGH DRY CREEK VALLEY

### Immediate Action One:

**Habitat enhancement, as required by the Biological Opinion, to increase capability of Dry Creek to accommodate summer flows while protecting coho and steelhead.**

#### **A. Project: Demonstration project**

Build Mile One of Dry Creek habitat enhancement by 2014.

STATUS: The design is complete. Landowner right of way process is underway. Construction has begun with a completed backwater segment at the northern end of the project. The majority of construction on Mile One is slated for summer 2013.

##### **Involved Parties (A and B):**

- Dry Creek property owners, NMFS, US Army Corps of Engineers (USACE), CDFG, Water Contractors, community groups

#### **B. Project: Development of success measures**

Develop criteria for measuring success of Dry Creek habitat enhancement program.

STATUS: A facilitated process to develop and implement specific success criteria is ongoing, and anticipated to be complete in early 2013. The process includes the Water Agency, NMFS, USACE and CDFG.

##### **Involved Parties:**

- NMFS, USACE, CDFG

#### **C. Project: Construct Miles Two and Three of Dry Creek Habitat enhancement by 2017 *NEW!***

Using results of completed feasibility study, complete construction of miles 2 and 3 by 2017.

Reach out to landowners whose property has been identified as having high potential of success for habitat improvements.

STATUS: Outreach has begun to property owners.

##### **Involved Parties:**

- Dry Creek property owners, NMFS, CDFG, USACE

### Immediate Action Two:

**Reduce peak demands that affect Warm Springs Dam releases (also see Strategy 8)**

#### **A. Project: New reuse**

Pursue reuse projects involving Water Agency including Windsor (Airport Service Area) and Sonoma Valley (Sonoma Valley County Sanitation District -- SCVSD).

STATUS: Windsor and the Water Agency are working on market analysis and lifecycle cost assessment as a follow-up to completed feasibility study of recycled water project. In Sonoma Valley, the sanitation district designed and constructed a pipeline and storage facilities, partially funded through a Bureau of Reclamation grant. The district is seeking additional funding for new pipeline extensions.

##### **Involved Parties:**

- Windsor (in Airport area). In Sonoma Valley: City of Sonoma, North Bay Water Reuse Authority, SVCSD, Valley of the Moon Water District, community groups

#### **B. Project: Storage - Groundwater Banking Feasibility Study**

Develop Phase 1 regional study and Phase 2 site-specific work plans to implement pilot studies for

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each Water Contractor.

STATUS: The study is in progress and expected to be completed in winter 2013.

### **Involved Parties:**

- Cotati, Rohnert Park, Windsor, Sonoma, VOMWD, community groups

### **C. Project: Retrofit/conservation**

- High Efficiency Fixture direct install program
- AB715 and SB407 mandate high efficiency toilets and fixture retrofit on resale
- Water management grant funding tied to water conservation Best Management Practices
- Implement regional programs through the Sonoma Marin Saving Water Partnership
- Implement regional programs that target outdoor water use
- Encourage water use efficiency through outreach and education

STATUS: The Sonoma Marin Saving Water Partnership continued the outreach campaign featuring people who've saved water by running prominent ads in local papers; our Eco Friendly Garden Tour boasted over 600 attendees; and the Direct Install Program was re-started in six of the eight Water Agency sanitation service areas.

### **Involved Parties:**

- For state-mandated efforts and implementation of the Saving Water Partnership, all Water Contractors, community groups

### **D: Project: Leak detection**

Conduct research in development of advanced analytics tool to evaluate the system flow and pressure monitoring data to help detect leaks in transmission and distribution systems.

STATUS: The pressure management component of the project was completed in August 2012. IBM developed a web-based application tool for balancing pressures and minimizing pressure spikes. The VOMWD has incorporated the pressure recommendations into its operational decision making, and has found significant benefits (including a reduction in pipe breaks). A demonstration of the tool's ability to predict leak locations is ongoing.

### **Involved Parties:**

- VOMWD and IBM

## **Immediate Action Three:**

**Implement five tributary restoration projects, as required by Biological Opinion, with goal of enhancing coho and steelhead habitat.**

### **A. Project: Grape Creek and Crane Creek restoration projects**

STATUS: Construction is complete for these two projects. First year monitoring occurred summer 2011 in Grape Creek, with juvenile coho found upstream of and in restored areas. Sotoyome Resource Conservation District is managing the Crane Creek project. Monitoring is underway.

### **B. Project: Grape Creek, Willow Creek and Wallace Creek fish passage projects**

STATUS: Both the Grape Creek and Willow Creek fish passage projects are complete. Monitoring has begun. Design for Wallace Creek project is complete, but right-of-way issues have delayed construction and project will likely be abandoned, and a new project identified.

### **Involved Parties (A and B):**

- Private landowners, Sotoyome RCD, Sonoma County DTPW, NMFS, CDFG, community groups

## **Immediate Action Four:**

**Identify and secure federal, state, and grant funding for implementation of Biological**

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### Opinion.

#### A. Project: Seek federal and state funding

Water Agency representatives in Washington, D.C. and Sacramento are pursuing funding for studies and projects required by the Biological Opinion.

STATUS: State grant application submitted for funding of fish screen/ladder/viewing gallery. Federal activities have been focused on USACE authority and funding for Dry Creek habitat enhancement projects. USACE received funding for a pilot enhancement project immediately below WSD.

##### Involved Parties:

- NMFS, USACE, CDFG, Water Contractors, community groups

#### B. Project: Proactively work with Water Contractors to ensure their timely assistance in funding efforts and report activities at WAC meetings.

STATUS: Biannual discussions on legislative activities will be scheduled for WAC and TAC meetings.

##### Involved Parties:

- Water Contractors

### Near Term Action One:

**Develop contingency plan for funding and construction of Dry Creek bypass pipeline if, contrary to expectations, habitat enhancement efforts fail.**

#### A. Project: Bypass pipeline contingency planning

STATUS: To be determined during budget discussions after completion of habitat enhancement studies and pipeline feasibility study.

##### Involved Parties:

- NMFS, USACE, CDFG, Water Contractors

### Near Term Action Two:

**Conduct engineering and water quality analysis for Dry Creek bypass pipeline.**

#### A. Project: Conduct bypass pipeline engineering and water quality analysis

STATUS: A study to develop and implement a plan to evaluate sediment issues at potential outlet sites (if pipeline construction is necessary) will be conducted within three years.

##### Involved Parties:

- NMFS, USACE, CDFG, Water Contractors

### Long Term Action One:

**Construct fourth, fifth and sixth miles of Dry Creek habitat enhancement, per Biological Opinion.**

#### A. Project: Habitat enhancement

STATUS: To be completed by 2021 if first three miles restored and found successful by NMFS/CDFG in 2018.

##### Involved Parties:

- Dry Creek property owners, NMFS, USACE, CDFG, community groups

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Long Term Action Two:

**If habitat enhancement efforts are unsuccessful, build Dry Creek bypass pipeline.**

**A. Project: Conduct necessary financial and environmental studies and identify timing of projects**

STATUS: To be determined.

**B. Project: Construct bypass pipeline**

STATUS: To be determined.

**Involved Parties (A and B):**

- NMFS, USACE, CDFG, Water Contractors, community groups

## Water Supply Strategy Two

### IMPROVE MANAGEMENT OF RUSSIAN RIVER SYSTEM TO PROTECT FISHERIES AND MEET WATER DEMANDS

#### Immediate Action One:

#### **Modify Decision 1610 minimum instream flow requirements as required by Biological Opinion and make technical adjustments to existing water rights.**

##### **A. Project: Decision 1610 changes**

Petition for changes to Decision 1610 instream flow requirements, as required by Biological Opinion, and develop petitions for water rights technical adjustments.

STATUS: State Water Resources Control Board (SWRCB) issued notice of Water Agency's 2009 petition, with comment period closing in May 2010. Water Agency received 384 protests to the petition.

Negotiations are ongoing, but protests are not expected to be resolved until after release of Final EIR for the Fish Flow Project (see C below).

##### **Involved Parties:**

- SWRCB, Water Contractors, USACE, NMFS, CDFG, community groups

##### **B. Project: Modeling and development of new hydrologic index**

Conduct modeling for Fish Flow Project EIR using new ResSim model, updated demand profile, unimpaired flows and Biological Opinion-specified summer flows. Develop new hydrologic index with assistance from the USACE's Hydrologic Engineering Center (HEC) and the Hydrologic Index Technical Advisory Group (HITAG), comprised of representatives from state and federal agencies.

STATUS: Development of new hydrologic index and minimum instream flow alternatives is in progress. Climate change modeling scheduled for winter 2013.

##### **Involved Parties:**

- USGS, NOAA, USACE, DWR, SWRCB

##### **C. Project: Fish Flow Project Environmental Impact Report (EIR)**

Prepare EIR for modified Decision 1610 minimum instream flow requirements and technical water rights

Adjustments, including new hydrologic index.

STATUS: Notice of Preparation was released in September 2010. Draft EIR anticipated to be released in 2013.

##### **Involved Parties:**

- Water Contractors, SWRCB, USACE, NMFS, CDFG, community groups

##### **D. Project: Submit annual interim change petitions**

STATUS: As per Biological Opinion, since 2010 the Water Agency has submitted petitions to SWRCB to reduce minimum flows. These petitions were approved, required monitoring and reporting was conducted and subsequent orders implemented. The Water Agency plans to submit another petition to the SWRCB in 2013.

##### **Involved Parties:**

- SWRCB, Water Contractors, NMFS, CDFG, Russian River water users, community groups

#### Immediate Action Two:

##### **A. Project: Estuary Adaptive Management**

Biological Opinion requires modification of the Water Agency's Russian River estuary program, including managing the estuary as a summer lagoon for steelhead rearing habitat between May 15

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and October 15, and breaching the sandbar that closes the mouth of river as needed to minimize flood risk the remainder of the year.

STATUS: The Final EIR was certified and the project approved in August 2011. A lawsuit challenging the adequacy of the EIR was settled in September 2012.

### **Involved Parties:**

- NMFS, CDFG, community groups

### **Immediate Action Three:**

**Work with interested parties to form an independent science review panel to evaluate existing data and develop a conceptual model regarding the hydrologic system upstream of the confluence of Dry Creek and the Russian River**

#### **A. Project: Formation of science panel**

Participate in the formation of an interdisciplinary, independent science review panel for the upper Russian River system. Purpose of panel is to describe how system (groundwater, surface water) works and identify data gaps.

STATUS: Funding was approved in spring 2012; the panel was formed in August 2012; a kickoff meeting and tour was held in October 2012; and a science forum is planned for January 2013.

### **Involved Parties:**

- Grape growers and other stakeholder and community groups.

### **Immediate Action Four:**

**Support enhanced weather forecasting for frost protection and irrigation by agriculture.**

#### **A. Project: Demonstration Project**

Provide funding and support to NOAA to develop improved temperature forecast modeling tools. Focus will be on Alexander Valley, with goal of improving forecasts of frost and hot spells. Study will downscale and correct models and integrate weather station data provided by the Winegrape Commission and other parties. (Coordinate with Strategy 3, Immediate Action 2 if possible.)

STATUS: Project being implemented. Trial testing began in spring 2012. Water Agency and NOAA are installing radar designed to identify the height of inversion layers.

### **Involved Parties:**

- NOAA, grape growers and Sonoma County Winegrape Commission

### **Immediate Action Five:**

**Enhance operations at Lake Mendocino to increase water supply.**

#### **A. Project: Corps operations**

Enter into Memorandum of Agreement (MOA) with USACE to evaluate potential options for modified reservoir operations.

STATUS: Water Agency and USACE entered into a MOA to evaluate reoperation of Coyote Valley Dam to provide improved water supply reliability. Preliminary work has been conducted and the study is anticipated to begin in spring 2013.

### **Involved Parties:**

- USACE, plus NOAA and National Weather Service for data collection and modeling

#### **B. Project: Local users**

Develop comprehensive water use agreement with Mendocino County water districts.



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STATUS: Discussion ongoing.

**Involved Parties:**

- Mendocino County Russian River water users, SWRCB, community groups

### Immediate Action Six:

#### **Prepare reports on Water Agency's water rights.**

**A. Project: Reports**

Prepare annual water rights reports, detailing total water use including local supplies, water conservation savings and recycled water for offset of Russian River supplies.

STATUS: Water Agency submitted its annual water rights permit progress and licensee reports for Water Year 2011 to the SWRCB on June 29, 2012.

**Involved Parties:**

Water Contractors, SWRCB, other Russian River water users under contract to the Water Agency

### Immediate Action Seven:

#### **Conduct water supply reliability analysis of the upper Russian River. Evaluate existing information regarding demand/use; gather new information from users; update demand analysis; model possible future scenarios; and evaluate impacts on reliability of Lake Mendocino**

**A. Project: Water Supply Reliability Analysis**

Implement technical work need for studies, monitoring and modeling activities described above.

STATUS: Outreach to stakeholders has begun.

**Involved Parties:**

- Mendocino County Russian River Flood Control and Water Conservation Improvement District, municipalities and water districts north of Dry Creek confluence, grape growers, SWRCB, other Russian River water users, community groups

### Immediate Action Eight: *NEW!*

#### **Construct new fish screens at Mirabel, in compliance with Biological Opinion.**

**A. Project: Build enhanced fish barrier passage facilities at intake for infiltration ponds**

Design and construct enhanced fish barrier passage facilities, including new screens at intake, fish ladder and viewing gallery at inflatable dam.

STATUS: Grant funding was received to design new screen, fish ladder and viewing gallery. Design is 90 percent complete; environmental document has been released; application has been submitted for a construction grant; and construction is slated for 2014.

**Involved Parties:**

CDFG, NOAA, Water Contractors

### Immediate Action Nine

**A. Project: Prepare for Potter Valley Project (PVP) re-licensing proceeding**

PG&E's FERC license will expire in 2022. The relicensing process will likely begin in the next several years. The Water Agency and its customers must prepare to participate in the relicensing to ensure their interests and those of the Russian River ecosystem and water users are incorporated into future operation of the PVP.

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STATUS: During 2012/13, begin preliminary activities, including analysis of technical operations and review of hydrologic and fishery data and studies.

**Involved Parties:**

- FERC, PG&E, NMFS, USACE, Round Valley Tribes, Water Contractors, Russian River water users, community groups

**Near Term Action One:**

**Implement water management in Dry Creek per agreement with Dry Creek property owners.**

**A. Project: Variety of Actions**

Implement actions related to water management programs, studies, and monitoring activities specified in Dry Creek water management agreement.

STATUS: Awaiting land owner sign ups from Dry Creek Agricultural Water Users, Inc. Also need federal approval. Project moved from Immediate to Near Term. Focus has shifted to Dry Creek activities required by the Biological Opinion.

**Involved Parties:**

- Dry Creek Agricultural Water Users, Inc., Secretary of Army

## Water Supply Strategy Three

### PLAN FOR THE IMPACT OF CLIMATE CHANGE ON WATER SUPPLY & FLOOD PROTECTION

#### Immediate Action One:

##### **Conduct climate change modeling for Russian River and Sonoma Valley watersheds.**

###### **A. Project: Develop Model**

Develop predictive model for Sonoma Valley and Russian River watersheds that downscales large climate models to local watershed scale. Model will provide hydrology input to Water Agency's model (ResSim) and to Sonoma Valley and Santa Rosa Plain groundwater models.

STATUS: Study is underway and anticipated to be complete in 2013.

###### **Involved Parties:**

- U.S. Geological Survey (USGS)

#### Immediate Action Two:

##### **Support development of Hydrometeorology Test bed (HMT) for the Russian River basin.**

###### **A. Project: Support federal partners**

This demonstration project will enhance precipitation monitoring and forecasting through data collected from privately owned Doppler radar stations and will deploy additional on-the-ground weather stations. It will also improve temperature forecasting in Alexander Valley by improving NOAA's models.

STATUS: NOAA and the Water Agency are working on the demonstration program.

###### **Involved Parties:**

- NOAA, USACE, USGS, National Weather Service

#### Immediate Action Three:

##### **Develop Adaptation Measures**

###### **A. Project: Outreach and information gathering *NEW!***

Gather information to determine the status of various climate change adaptation activities by federal, state and local agencies and NGOs. Identify areas for collaboration and leveraging resources. These activities will support Project B (below).

STATUS: Activities began in spring 2012.

###### **B. Develop reliability actions**

Once climate change predictive modeling is complete, develop actions to increase reliability of water supply, reservoir and river management, conjunctive use, and saline water management.

STATUS: To be determined.

###### **Involved Parties:**

- USACE, Regional Climate Protection Authority, Water Contractors, community groups

#### Long Term Action One:

##### **Update climate change analysis.**

###### **A. Project: To be determined**

Based on advances in scientific understanding of climate processes and predictive modeling.

###### **Involved Parties:**

- USGS

## Water Supply Strategy Four

IDENTIFY AND IMPLEMENT PROJECTS THAT INTEGRATE STORMWATER RECHARGE AND FLOOD CONTROL

### Immediate Action One:

**Identify projects within Water Agency Flood Control Zones that reduce flooding and increase groundwater recharge.**

#### A. Project: Scoping and Feasibility Studies

Conduct scoping and feasibility study for flood control/water supply projects for Zones 1A, 2A, and 3A.

STATUS: Scoping studies are completed. Stakeholder meetings were held in Sonoma Creek, Petaluma River, and Laguna Mark-West watersheds and project concepts are in development. Feasibility Studies will be prepared for top ranked project concepts in each watershed.

##### Involved Parties:

- Flood Zone advisory committees, Sonoma County Agricultural Preservation and Open Space District (Open Space District), resource conservation districts (RCD), cities in Zones 1A, 2A, and 3A, Sonoma Land Trust, agricultural organizations, property owners, community groups

#### B. Project: Seek funding

Apply for state, federal, and private grants to fund studies and potential projects.

STATUS: Received \$1 million from Proposition 84 funds for Copeland Creek project. The Sonoma Valley projects have been listed and received top tier priority in the SF Bay Integrated Regional Watershed Management Plan.

##### Involved Parties:

- North Bay Watershed Association, Sonoma Valley Basin Advisory Panel, SF Bay IRWMP, North Coast IRWMP, Sonoma Ecology Center, Southern Sonoma RCD, cities, Open Space District, other community groups

### Near Term Action One:

**Initiate efforts to obtain property rights for project sites identified in immediate actions.**

**Obtain funding for such projects.**

#### A. Project implementation

Implement projects identified in feasibility study described above.

STATUS: To be initiated once study is completed and funding identified.

##### Involved Parties:

- Property owners, RCDs, cities, community groups

### Long Term Action One:

**Design and construct multipurpose stormwater detention facilities.**

#### A. Project:

Specific projects will be constructed dependent on completion of above steps.

##### Involved Parties:

- Property owners, RCDs, cities, Flood Zone committees, community groups

## Water Supply Strategy Five

BUILD PARTNERSHIPS WITH STAKEHOLDERS TO FACILITATE INFORMATION-BASED WATER SUPPLY PLANNING

### Immediate Action One:

**Develop non-regulatory AB 3030/SB1938 management plans that emphasize local control. Emphasize development of diversified water supply “portfolios” for each basin. Continue with Sonoma Valley program and initiate program in Santa Rosa Plain.**

#### **A. Project: Sonoma Valley**

Implement Sonoma Valley groundwater management plan.

STATUS: In progress. Activities undertaken in 2011/12 include public recognition of conservation efforts, water quality sampling of recently installed monitoring wells, basinwide groundwater level monitoring, initial preparation of a salt and nutrient management plan, and public outreach. During FY12/13, the Basin Advisory Panel will conduct a 5-year update of the plan.

#### **Involved Parties:**

- Basin Advisory Panel, private well owners, community groups, City of Sonoma, Valley of the Moon Water District, other water purveyors

#### **B. Project: Santa Rosa Plain**

Develop groundwater management plan for the Santa Rosa Plain

STATUS: A Basin Advisory Panel convened in December 2011, has met monthly and has developed a charter and governance structure, defined groundwater management plan boundaries, developed draft goals and objectives and conducted constituent briefings. In October 2012, the Water Agency Board approved a resolution of intention to prepare a groundwater management plan.

#### **Involved Parties:**

- Private well owners, community groups, cities, Water Contractors, DWR, other water purveyors

### Immediate Action Two:

**Pursue funding opportunities enhanced by developed management plans. Ranking for state funding enhanced if groundwater management plans are in place.**

#### **A. Project: Funding**

STATUS: Ongoing effort. Sonoma Valley has received three grants to date, in addition to direct DWR funding and technical support. The SVCSD recently obtained Proposition 84 funding for a salt and nutrient management planning study. Santa Rosa Plain stakeholder process has received DWR state funding for facilitator services in addition to a Proposition 84 grant to fund development of a groundwater plan. Santa Rosa Plain groundwater management process is included in North Coast IRWMP. An application for a Local Groundwater Assistance Grant was submitted to DWR for the construction of additional groundwater monitoring wells and collection of new hydrogeologic data in Sonoma Valley.

#### **Involved Parties:**

- State agencies, legislators, North Coast and San Francisco Bay IRWMP, DWR

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### **Immediate Action Three:**

**Work with interested parties to form an independent science review panel to evaluate existing data and develop a conceptual model regarding the hydrologic system upstream of the confluence of Dry Creek and the Russian River**

#### **A. Project: Formation of science panel**

See Strategy 2, Immediate Action 3, Formation of Science Panel

##### **Involved Parties:**

- Grape growers, other stakeholders and community groups

### **Immediate Action Four:**

**Ensure Water Agency and Sonoma County compliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) program.**

#### **A. Project: Preliminary activities - program development**

Implement first year of required monitoring for 13 designated basins in county's 14 basins. (The Water Agency is responsible for two basins and through an agreement with the County is monitoring the 11 basins under County responsibility. The City of Petaluma is responsible for the Petaluma Valley basin.)

STATUS: The Water Agency is working with the RCDs and others to conduct outreach, collect groundwater levels, and report data from the 13 basins to the state. Semi-annual water level measurements have been collected since fall 2011, and will be an ongoing activity.

##### **Involved Parties:**

- Sonoma County, cities, RCDs, community groups

### **Near Term Action One:**

**Implement water management in Dry Creek per agreement with Dry Creek property owners.**

#### **A. Project: Variety of Actions (See strategy 2, Near Term Action 1)**

## **Water Supply Strategy Six**

### **IMPLEMENT PROJECTS TO IMPROVE TRANSMISSION SYSTEM RELIABILITY**

#### **Immediate Action One:**

**In consultation with Water Contractors, develop plan to provide consistent funding for natural hazard and operational reliability capital projects.**

#### **Projects with full or partial funding in 2011/12:**

**A. Project: Rodgers Creek Fault crossing mitigation**

**STATUS:** FEMA obligated funds in October 2010 and construction was awarded in September 2012. The project is anticipated to be complete in 2013.

**B. Project: Collector 3 and 5 liquefaction mitigation**

**STATUS:** In FY 2011/12 consultant began a feasibility study to evaluate potential project alternatives. Geotechnical field investigations were completed and a Letter of Intent for FEMA funding was submitted in 2011. The risks of the conceptual designs outweighed the benefits, and so funding applications were delayed. The concepts have been revised and the Water Agency will submit a new Letter of Interest in 2013.

**C. Project: Isolation valves**

**STATUS:** The project received preliminary selection for FEMA funding. Preliminary CEQA work began in 2011/12. FEMA recently initiated NEPA review. In 2012/13 the Water Agency will prepare the CEQA documents and support NEPA review, as needed.

**D. Project: Flow monitoring – Automated Meter Infrastructure**

**STATUS:** Three base stations and 70 transmitters have been installed. The Water Agency owns 2 additional base stations but they have not been deployed yet. The current goal is to determine the range of each base station by deploying as many transmitters as possible and noting which locations are unable to communicate. This phase should be complete in winter 2013.

**E. Project: Russian River crossing**

**STATUS:** The Russian River crossing project has received preliminary selection for FEMA funding. In FY 2011/12, the anticipated FEMA initiation of NEPA review did not occur. Preliminary designs and geotechnical field investigations are complete. CEQA and detailed design have begun. In FY 2012/13, the Water Agency will continue with design work, CEQA documentation and support FEMA's NEPA review, as needed.

**F. Project: River Diversion System liquefaction mitigation**

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**STATUS:** In FY 2011/12, the consultant began the feasibility study to evaluate potential project alternatives. The geotechnical investigation is complete. The status of the feasibility study will depend on a similar feasibility study on Collectors 3 & 5.

### **G. Project: Mark West Creek crossing**

**STATUS:** The project has received preliminary selection for FEMA funding. In 2011/12, the Water Agency responded to FEMA requests for information and awaited FEMA's initiation of NEPA review. In 2012/13, the project scope will be further developed; design and CEQA consultants will be engaged; it's expected that FEMA will initiate NEPA review; and NEPA review will be supported by Water Agency, as needed.

### **H. Project: Collector 6 liquefaction mitigation**

**STATUS:** In 2012/14, a consultant initiated a feasibility study to evaluate potential project alternatives and the geotechnical investigation was completed. The completion of the feasibility study is pending the outcome of a similar study for Collectors 3 & 5.

### **I. Project: Cotati Reservoir 3 Recoat**

**STATUS:** The condition assessment was completed in 2011/12. In 2012/13, coating repairs will begin. Partial recoating and spot repairs should allow complete tank recoating to be deferred for several years.

### **J. Project: Petaluma Aqueduct Cathodic Protection Upgrade**

**STATUS:** In 2011/12, the design progressed to 90 percent. In 2012/13, the design will be completed, right of way will be acquired and the project will be advertised for construction.

### **K. Project: Santa Rosa Aqueduct Cathodic Protection Upgrade *NEW!***

**STATUS:** Design to begin in 2012/13.

### **L. Project: Mirabel Surge Protection *NEW!***

**STATUS:** Design will be initiated in 2012/13.

### **M. Project: Kawana to Sonoma Booster Station pipeline *NEW!***

**STATUS:** An alignment study is underway.

### **N. Project: Upgrade Sonoma Booster Pump Station *NEW!***

**STATUS:** In 2012/13, design will be initiated.

### **O. Project: Santa Rosa Creek Crossing (Santa Rosa Aqueduct) *NEW!***

**STATUS:** Design will be initiated in 2012/13.

### **Projects identified as needed but not yet active:**

A. Project: Emergency Wells

B. Project: Bennett Valley Fault crossing (Sonoma Aqueduct)

C. Project: Petaluma River crossing (Petaluma Aqueduct)



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- D. Project: Sonoma Creek crossing (Lawndale/Madrone)
- E. Project: Sonoma Creek crossing (Verano Ave)
- F. Project: Calabastas Creek crossing
- G. Project: Kastania Reservoir Recoat
- H. Project: Wohler-Santa Rosa Pipeline **NEW!**
- I. Project: Mirabel Infiltration Ponds rehabilitation **NEW!**
- J. Project: Systemwide in-line meter replacements **NEW!**
- K. Project: Ralphine Tanks flow-through conversion **NEW!**

### STATUS:

- Green Projects: Partially or fully funded in FY 2012/2013
- Blue Projects: Have not yet been funded

**Involved Parties Green/Blue Projects:** Varies according to project

### Immediate Action Two:

**Continue to pursue state and federal funding for natural hazard reliability projects.**

#### A. Project: Seek Funding

Advocate for funding in Sacramento and Washington, D.C. Effort will be enhanced with regional implementation plan that demonstrates local stakeholder commitment.

STATUS: Ongoing.

#### **Involved Parties:**

- Water Contractors, state/federal agencies, community groups

### Immediate Action Three:

**Work with Water Contractors to reduce peak demand on transmission system via conservation, groundwater banking, local supply, and recycled water.**

#### A. Project:

See Strategies 1, 4, 5, 8 and 9.

#### **Involved Parties:**

- Water Contractors, community groups

### Immediate Action Four:

**Continue research on natural filtration capacity of Russian River alluvial materials.**

#### A. Project: Research on pathogen removal

Continue applied research partnership with USGS to evaluate pathogen removal mechanisms by alluvial materials.

STATUS: Ongoing. Recent Water Agency staff-written and -published results were presented at the American Geophysics Union Conference and the Canadian Water Network water quality conference.

#### **Involved Parties:**

- Water Contractors, USGS, California Department of Public Health (CDPH), U.S. Environmental Protection Agency (EPA)

#### B. Project: Research on surface water/groundwater interaction

Continue studies and modeling of surface water/groundwater interactions in collaboration with

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Lawrence Berkeley National Laboratory (LBNL), USGS and other research institutions to better understand flow mechanics and natural filtration processes as they relate to production and water quality at the Water Agency's riverbank filtration facilities.

STATUS: Ongoing. Recent work presented by Water Agency staff at Geologic Society of America Conference, Groundwater Resource Association of California conference and in published proceedings.

### **Involved Parties:**

- Water Contractors, LBNL, CDPH, EPA

### **Immediate Action Five:**

**Continue planning new transmission system projects to increase reliability of existing system.**

#### **A. Project: Planning**

Develop scope, cost, energy requests, and schedule of transmission system projects required to meet the Water Agency's portion of UWMP-identified projected demands through the Urban Water Management planning horizon. Projects identified using Water Agency's transmission system hydraulic model.

STATUS: Ongoing activity.

### **Involved Parties:**

- Water Contractors

### **Immediate Action Six:**

**Evaluate condition of Water Agency's transmission system, especially portions experiencing elevated velocities.**

#### **A. Project: Study – Petaluma Aqueduct, Santa Rosa Aqueduct and Oakmont Pipeline**

Evaluate the technologies used to assess Water Agency pipelines. Areas targeted for a pilot study to evaluate current and emerging technologies include an eastern segment of the Santa Rosa Aqueduct, a southern portion of the Petaluma Aqueduct and a northern section of the Oakmont Pipeline. If successful, this technology could be used to evaluate the overall transmission system.

STATUS: Forensic and petrographic analyses have been conducted from locations throughout the system, with analysis expected in winter 2013. The pilot study of assessment technologies is expected to start in spring 2013.

### **Involved Parties:**

- Water Contractors

#### **B. Project: Leak detection (See Strategy 1, Immediate Action 2, Project D)**

### **Immediate Action Seven:**

**Five year update and renewal of Local Hazard Mitigation Plan**

#### **A. Project: Update Local Hazard Mitigation Plan**

STATUS: In 2011/12 the Water Agency executed agreements with consultants. The update of the LHMP has begun and will be completed in January 2013.

### **Involved Parties:**

- Water Contractors, County of Sonoma

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### Immediate Action Eight:

#### **Create Mirabel Dam emergency response plan for dam failure or damage**

##### **A. Project: Prepare contingency plan**

Develop short-term emergency response and long-term replacement plan for inflatable dam.

STATUS: Project was postponed to incorporate information developed during fish screen/fish ladder replacement project. In 2012/13, a consultant will be engaged and the response plan development initiated.

##### **Involved Parties:**

- Water Contractors

### Immediate Action Nine:

#### **Increase emergency preparedness and response**

##### **A. Project: Update emergency response plan**

Revise and update the Water Agency's planned response to floods, earthquakes, and other disasters to reflect changes in facilities, responsibilities, and supporting documents. Implement annual review and revision process.

STATUS: Updates are 75 % complete. Final plan revisions anticipated in Winter 2012/13.

##### **Involved Parties:**

- Internal Water Agency activity

##### **B. Project: Increase emergency preparedness drills and exercises to improve readiness**

Schedule and perform an increased number of emergency drills and exercises internally and in collaboration with Water Contractors and other local agencies to improve response and recovery activities and to identify areas of improvements to Emergency Response Plan.

STATUS: Trainings conducted in 2012. Additional collaborative and internal exercises are scheduled during FY12/13.

##### **Involved Parties:**

- Internal Water Agency activity
- Water Contractors and other local agencies
- County of Sonoma

### Near Term Action One:

#### **Evaluate performance of collector wells**

##### **A. Project: Evaluate Collector Wells 1 and 2**

Analyze operational performance of Water Agency's oldest collector wells and, if needed, develop a plan to increase reliability of these facilities.

##### **Involved Parties:**

- Water Contractors

### Long Term Action One:

#### **Develop emergency response capabilities for collaboration platform (Strategy 9).**

STATUS: To be determined

## Water Supply Strategy Seven

### IMPROVE THE ENERGY EFFICIENCY OF THE WATER TRANSMISSION SYSTEM AND INCREASE RENEWABLE POWER USE

#### Immediate Action One:

#### **Implement Water Agency's energy policy, including achieving "Carbon Free Water"**

##### **A. Project: Develop and implement Water Agency renewable energy generation projects**

1. Implement Farms to Fuels project.

STATUS: In development.

##### **Involved Parties:**

- Private developer OHR Biostar, LLC, PG&E, PWRPA, community groups

2. Explore other locally available renewable energy potential including solar, wind, wave, geo-thermal, solid waste, pyrolysis and biomass.

STATUS: Ongoing.

##### **Involved Parties:**

- PWPRPA, North Coast IRWMP, PRMD, Open Space District, community groups

##### **B. Project: Develop and implement Water Agency energy efficiency projects**

1. Implement Sonoma County Efficiency Financing (SCEF) program to audit Water Agency pumping operations, wastewater treatment operations, and facilities for inefficiencies.

STATUS: Initiated in 2012, with anticipated project beginning in summer 2013 if recommendations are acceptable.

##### **Involved Parties:**

- Energy Service Company, SCEF

#### Immediate Action Two:

#### **Implement Water Agency's Energy Policy regarding development of programs and projects of regional benefit**

##### **A. Project: Community Choice Aggregation**

In April 2012, the Water Agency Board authorized preparation of an Implementation Plan for Community Choice Aggregation (now known as Sonoma Clean Power) to provide details about start-up costs, financing, and level of participation; directed Water Agency staff to hold workshops for local city and town councils; directed staff to pursue the creation of a Joint Powers Authority to govern the entity; and directed staff to investigate possible sources of start-up funding for Sonoma Clean Power.

STATUS: In development.

##### **Involved Parties:**

- RCPA, County of Sonoma, local municipalities, other public and private entities and organizations, community groups

##### **B. Project: Renewable Energy Secure Communities (RESCO)**

Implement RESCO project to develop renewable energy portfolio for Sonoma County, including piloting organic waste digestion combined heat and power (CHP), wind, geothermal heat pumps using recycled water, and electric vehicle charging stations to run on renewables.

STATUS: In development. Expected completion 2013.

##### **Involved Parties:**

- RCPA, CPC, Los Alamos National Laboratory (LANL), Local Power Inc., community groups

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### **C. Project: Sonoma County Efficiency Financing (SCEF) *NEW!***

Implement SCEF, a program which bundles large energy efficiency projects for local governments and non-profits, and provides cost-effective financing.

STATUS: The Water Agency is working with multiple school districts, local governments and hospitals to encourage participation; standard contract documents have been drafted (which include guaranteed efficiency savings agreements, program participation agreements and payment installment agreements); and a short list of energy service companies have been identified through an RFQ process.

#### **Involved Parties:**

- School districts, County of Sonoma, cities, NGOs

### **D. Project: Emissions Reporting**

Voluntarily report carbon emissions to The Climate Registry to verify carbon free status.

STATUS: Ongoing.

#### **Involved Parties:**

- Internal Activity, The Climate Registry

### **E. Project: Register Renewable Energy Credits with Western Renewable Energy Generation Information System (WREGIS)**

STATUS: Ongoing

#### **Involved Parties:**

- WREGIS

### **F. Project: Solar**

Develop Sonoma County Airport project.

STATUS: The airport project in development, with CEQA underway. A developer has been selected to finance, design, build, own, operate and maintain a PV facility.

#### **Involved Parties:**

- PG&E, PWRPA, Sonoma County Charles Schulz Airport, private solar developer

## **Immediate Action Three:**

### **Pursue state and federal funding for energy efficiency and renewable energy projects.**

#### **A. Project: Implement projects funded by State and federal grants**

Implement projects funded from the following grants:

- CEC Public Interest Energy Research (PIER) grant for RESCO project (\$1.0 million, April 2011)
- CEC Energy and Water Use Efficiency Grant for Collector No. 6 (\$50,000, March 2011)
- CEC State Energy Program (SEP) Municipal Energy Financing Program for North Coast Property Assessed Clean Energy (PACE) programs (\$2.5 million, February 2010)
- Metropolitan Transportation Commission (MTC) grant from the federal Surface Transportation Program (STP) for the Local Government EV Project (\$2.8 million, November 2010)

STATUS: While many grants have been received, the funded projects must be completed and the Water Agency continues to pursue grant funding.

#### **Involved Parties:**

- LANL, Climate Protection Campaign, Regional Climate Protection Authority, Local Power Inc., BioStar Systems, LLC, Sonoma County Transit, Metropolitan Water District of Southern

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California, County of Sonoma, Sonoma County Transportation Authority, North Coast Energy Services, Inc., Alameda County, community groups

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### Water Supply Strategy Eight

#### IMPLEMENT PROJECTS THAT IMPROVE INTEGRATION OF WATER MANAGEMENT

##### Immediate Action One:

**Conduct long-term financial analysis to support evaluation and development of water supply, conservation, demand management, and recycled water projects and programs.**

##### **A. Project: Financial planning**

Use rate model to evaluate cost-benefit and feasibility of alternative Water Agency projects  
STATUS: Model has been refined, is functional and is being used to support ongoing planning activities with Water Contractors. The model evaluates wholesale Water Agency rates (not retail rates of Water Contractors). Water Agency staff and TAC members presented the results of these activities to the WAC in spring 2012. Water Agency staff will continue using model to support the budget process and long-term water supply planning.

##### **Involved Parties:**

- Water Contractors

##### Immediate Action Two:

**Develop countywide guidance manual and support the development of individual Water Smart Development (WSD) standards by each land use jurisdiction in Sonoma County, with the goal of managing stormwater quantity and quality and reducing potable water required by new development. Guidance manual will also partially address requirements of stormwater permit jointly held by Water Agency, Sonoma County, and Santa Rosa.**

##### **A. Project: Countywide manual**

Complete countywide manual with a comprehensive water balance approach that includes three primary WSD components: conservation, reuse and stormwater management.

STATUS: Draft countywide guidance manual circulated for review by stakeholders and comments received. The final version is expected to be released in 2013.

##### **B. Project: Local jurisdiction plans**

Support the development, as requested, by local land use jurisdictions that specify goals for reduced potable water requirements via WSD measures for new development (consistent with local policies and programs).

STATUS: Outreach with Sonoma County land use planning entities initiated.

##### **Involved Parties (A and B):**

- PRMD, Sonoma County cities, building community, Regional Water Quality Control Boards, SWRCB, community groups

##### Immediate Action Three:

**Consult with Water Contractors to evaluate feasibility of base demand system instead of continued peak summer demand system.**

##### **A. Project: Assess feasibility**

Specific project will depend on outcome of implementation of peak reduction measures (Strategy 1, Immediate Action 2) such as conservation, reuse, local supplies and groundwater banking. Financial implications of base demand system will be evaluated as part of long-term financial modeling (Immediate Action 2) and rate study (Immediate Action 4).

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STATUS: Ongoing discussion with Water Contractors as part of the Urban Water Management and financial planning processes.

**Involved Parties:**

- Water Contractors

**Immediate Action Four:**

**Evaluate alternative revenue models such as seasonal rates and fixed versus variable costs.**

**A. Project: Evaluate alternative rate strategies**

STATUS: A consultant was retained in August 2012, and the study is in progress.

**Involved Parties:**

- Water Contractors

**Immediate Action Five:**

**Compare actual gross demand, conservation, and source of water use (per the information completed in Strategy 2, Immediate Action 8) with the UWMP projection to ensure projections represent actual conditions.**

**A. Project: Data comparison.**

STATUS: This is an ongoing process that began in Water Year 2011/2012.

**Involved Parties:**

- Water Contractors, land use planning entities

**Immediate Action Six:**

**Work with water contractors to evaluate local and sub-regional projects that could be combined with regional Water Agency projects to increase overall water supply reliability in the most cost-effective manner.**

**A. Project: Conduct assessment of local and sub-regional projects in conjunction with Water Agency projects**

STATUS: This assessment began in fall 2012. It is anticipated that this effort will part of an ongoing water supply planning process.

**Involved Parties:**

- Water Contractors

**Long Term Action One:**

**Negotiate and develop new Restructured Agreement for water supply to reflect current conditions and identify future transmission system improvements.**

**A. Project: Identify changes**

Development of term sheet for proposed changes to Restructured Agreement for Water Supply to better reflect current and anticipated future conditions.

STATUS: To be determined.

**Involved Parties:**

- Water Contractors, community groups

**B. Project: Negotiate new agreement**

STATUS: To be determined.

**Involved Parties:**



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- Water Contractors, community groups

### Water Supply Strategy Nine

IMPROVE INTERNAL AND EXTERNAL PROCESSES, DATA EXCHANGE AND ANALYSIS  
TO PROMOTE ORGANIZATIONAL EFFICIENCY

#### Immediate Action One:

**Develop systems using advance technology to improve the interoperability and transparency of data between the Water Agency and Contractors, with the goal of improving operations and planning.**

##### **A. Project: Demonstration project - collaboration platform**

The initial pilot project integrated monitoring capabilities of SCADA systems for Cotati, Santa Rosa, Rohnert Park and Water Agency to improve communications, increase water and power efficiencies. The platform also integrated monitoring data from other resource agencies, including USGS, NOAA Weather Service and USACE.

STATUS: The start-up phase of the project was completed in summer 2012, demonstrating proof of concept. The Water Agency is continuing to work with IBM on potential future tasks that may include integrating into the platform: SCADA information from additional Water Contractors; display of automated turnout metering; improved display capabilities; and cloud-based web hosting.

#### Immediate Action Two:

**Pursue ISO certification.**

##### **A. Project: Pursue ISO 9000 and 14000 certification**

ISO 9001 and 14001 will assure a program of constant improvement in the Water Agency's quality of work and environmental management.

STATUS: Ongoing efforts underway to achieve certification.

##### **Involved Parties:**

- Internal activity

#### Immediate Action Three:

**Update method of allocating water during shortages**

**A. Project:** Update the Water Agency's existing annual Water Shortage Allocation and develop a new allocation model for summer months when diversions from the Russian River may be constrained due to reduced flows or water availability.

Many assumptions and inputs in the existing allocation model should be updated. In addition, the Contractors have requested the Water Agency develop a methodology to apportion water during peak demand periods when their water demands exceed the Agency's allowable diversions.

STATUS: The TAC and Water Agency are working with a consultant to develop an allocation model.

##### **Involved Parties:**

- Contractors

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## Near Term Action One:

**Extend demonstration project including Automated Meter Infrastructure to other Water Contractors.**

### **A. Project: Extension of demonstration project**

STATUS: Design is part of demonstration project; extension of project will depend on Water Contractors' willingness to participate and availability of funding.

#### **Involved Parties:**

- Water Contractors

10 Year Summary of Planned Water Supply & Reliability Projects

Entity	Project	Status	Initiated	Estimated Completion	Water Supply?	Reliability?	Notes	Potential Constraints
Water Agency	South Transmission Section 1 (Cotati to Ely)		2020	2027				CEQA and Financial
Water Agency	South Transmission Section 2 (Ely to Kastania)		2020	2022				CEQA and Financial
Water Agency	Kawana - Palphine-Sonoma BSI Piping		2023	2025				CEQA and Financial
Water Agency	Petition to Increase Annual Diversion Limit		2020	2027				CEQA
Water Agency	Mirabe West Wells		2013	2035				CEQA and Financial
Water Agency	Groundwater Wells Replacement and Upgrade		2011	2020				Funding
Water Agency	Groundwater Banking		2017	2030				Timing of Development
Water Agency	Recycled Water System Expansion	Feasibility	2014	2016	Yes	Yes		Funding
Water Agency	Off River Wells Water Supply Phase 1	Conceptual	2014	2020	Yes	Yes		Funding
Water Agency	Off River Wells Water Supply Phase 2	Conceptual	2014	2020	Yes	Yes		Funding
Water Agency	Recycled Water Expansion	Conceptual	2011	2020	Yes	Yes		Funding
Water Agency	Phase 1 West Recycled Water Project	Feasibility	2020	2025	Yes	Yes		Financial
Water Agency	Recycled Water Expansion North & South	Design/Construction	2011	2015	Yes	Yes		Financing
Water Agency	Recycled Water Expansion Central	Feasibility	2015	2025	Yes	Yes		Financing
Water Agency	North Marin	Design/Construction	2011	2015	Yes	Yes		Financing/Caltrans
Water Agency	North Marin	Design/Construction	2011	2015	Yes	Yes	COMPLETED	CSI Reinstatement
Water Agency	Aqueduct Energy Efficiency Project	Design/Construction	2010	2012	Yes	Yes		TBD
Water Agency	Stafford Lake Solar Project	Design/Construction	2012	2014	Yes	Yes		None
Water Agency	North Marin	Conceptual	2011	2015	Yes	Yes		None
Water Agency	North Marin	Conceptual	2011	2013	Yes	Yes		None
Water Agency	Well 4	Design/Construction	2011	2014	Yes	Yes		Feasibility
Water Agency	Thomas Page Recycled Water Project	Conceptual	2012	2014	Yes	Yes		CEQA and Financial
Water Agency	Sunflower Park Recycled Water Project	Conceptual	2010	2015	Yes	Yes		CEQA and Financial
Water Agency	Groundwater Banking Project	Feasibility	2009	2018				None
Water Agency	Peacock Gap Recycled Water Project	Design/Construction	2008	2012	Yes	Yes		CEQA and Financial
Water Agency	San Pablo Recycled Water Project	Design/Construction	2011	2019	Yes	Yes		None listed
Water Agency	Nicasio to Kent Pipeline		2011	2015				None listed
Water Agency	Recycled Water Area A			TBD				None listed
Water Agency	Recycled Water Area C			TBD				None listed
Water Agency	Recycled Water Area E			TBD				None listed
Water Agency	Recycled Water Area G		2011	2013				Agreement
Water Agency	SDC Conjunctive Use		2011	2014	Yes	Yes		Siting
Water Agency	Groundwater Well #8		2011	2020	Yes	Yes		Feasibility
Water Agency	Groundwater Banking		2015	2035	Yes	Yes		Environ.
Water Agency	SCWA Russian River Water Rights Diversion Increase		2014	2018	Yes	Yes		Environ.
Water Agency	Groundwater Well #9 (replacement of existing well)		2016	2020	Yes	Yes		Environ.
Water Agency	Groundwater Well #10 (replacement of existing well)		2016	2020	Yes	Yes		Environ.
Water Agency	Sonoma Valley Recycled Water Project		2011	2013	Yes	Yes		Agreement
Water Agency	SDC Conjunctive Use		2011	2020	Yes	Yes		Feasibility
Water Agency	Groundwater Banking		2011	2035	Yes	Yes		Environ.
Water Agency	Recycled Water		2011	2035	Yes	Yes		Environ.
Water Agency	SCWA Russian River Water Rights Diversion Increase		2011	2035	Yes	Yes		Environ.

## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 1 - Address Dry Creek Summer Flows

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes for New 2013 Action Plan
<p><b>Immediate Action 1</b> - Habitat enhancement, as required by the Biological Opinion, to increase capability of Dry Creek to accommodate summer flows while protecting coho and steelhead</p>	A. Feasibility Study	X				Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Demonstration Project (New Action Item A)		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	C. Development of success measures (New Action Item B)		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	C. Construct Miles 2 & 3		X	X		Moved from Near Term to Immediate. Landowner outreach is underway for project.
<p><b>Immediate Action 2</b> - Reduce peak demands that affect Warm Springs Dam releases</p>	A. New Reuse		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Groundwater Banking Feasibility Study		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	C. Retrofit/Conservation		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	D. Leak Detection		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<p><b>Immediate Action 3</b> - Implement Dry Creek tributary restoration projects, as required by Biological Opinion, with goal of enhancing coho and steelhead habitat</p>	A. Grapes Creek Restoration Project Monitoring	X	X			Construction completed. Ongoing monitoring for three more years.
	B. Grape Creek and Wallace Creek Fish Passage Projects	X	X	X		Grape Creek completed. Monitoring ongoing. Wallace Creek removed due to right-of-way issues.
	C. Crane Creek Restoration Project	X	X			Construction completed. Ongoing monitoring.
<p><b>Immediate Action 4</b> - Identify and secure federal, state, and grant funding for implementation of the Biological Opinion</p>	A. Seek federal and state funding		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Proactively work with Water Contractors to ensure their timely assistance in funding efforts and report activities at WAC meetings					
<p><b>NEW Immediate Action</b> - Construct 2nd and 3rd miles of Dry Creek habitat enhancement</p>	A. Habitat enhancement		X	X		Moved from Near Term to Immediate. Landowner outreach is underway for project.

## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 2 - Modify Operation of Russian River System

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes for New 2013 Action Plan
<p><u>Immediate Action 1</u> - Modify Decision 1610 minimum instream flow requirements as required by Biological Opinion and make technical adjustments to existing water rights.</p>	A. D1610 changes		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Modeling/hydrologic index		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	C. Environmental Impact Report (EIR)		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	D. Submit Annual Interim Change Petitions		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 2</u> - Estuary Adaptive Management	A. Estuary adaptive management		X			Management project approved. EIR certified. Lawsuit settled on EIR. Monitoring & activities will continue.
<p><u>Immediate Action 3</u> - Work with interested parties to form an independent science panel to evaluate existing data and develop a conceptual model regarding the hydrologic system upstrea of the confluence of Dry Creek and the Russian River.</p>	A. Continue support of science panel		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	A. Demonstration Project		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<p><u>Immediate Action 4</u> - Support enhanced weather forecasting for frost protection and irrigation by agriculture</p>	A. Corps operations		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Local Users		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<p><u>Immediate Action 5</u> - Enhance operations at Lake Mendocino to increase water supply</p>	A. Reports		X			Updated status and progress. Ongoing activities will occur in the upcoming year.
	A. Support MCIWPC request that FERC obtain information from PG&E regarding unintended water supply			X		FERC took no action (for two years). Removing this from project list.
<p><u>Immediate Action 6</u> - Prepare reports on Water Agency's water rights</p>	A. Water supply reliability analysis			X		Moved from Near Term actions. Outreach has begun and is ongoing.
	A. Build new screen				X	Design is complete. Funding has been sought for construction, which should be started in 2014.
<p><u>Immediate Action 7</u> (REMOVED) - Continue to monitor FERC final order and FERC modeling/NEPA</p> <p><u>NEW Immediate Action 7</u> - Conduct water supply reliability analysis of the upper Russian River</p>	A. During 2012/13, begin preliminary activities, including analysis of technical operations and review of hydrologic and fishery data and studies.					Moved from Near Term actions.
	<p><u>Immediate Action 8</u> - Construct new fish screen at Mirabel, in compliance with Biological Opinion</p>					
<p><u>NEW Immediate Action 9</u> - Prepare for Potter Valley Project re-licensing proceeding</p>						

## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 3 - Evaluate Potential Climate Change Impacts on Water Supply & Flood Protection

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
Immediate Action 1 - Continue climate change modeling for Russian River and Sonoma Valley watersheds.	A. Develop model		X			Updated status and progress. Ongoing activities to occur in upcoming year.
Immediate Action 2 - Support development of Hydrometeorology Test bed (HMT) for the Russian River basin	A. Support federal partners A. Outreach and information gathering		X			Updated status and progress. Ongoing activities to occur in upcoming year. Moved from Near Term. Outreach on information and collaboration initiated.
Immediate Action 3 - Develop adaptation measures	B. Develop reliability actions			X		Moved from Near Term. Next steps dependent on Project A.

### Strategy 4 - Pursue Combined Water Supply & Flood Control Projections

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
Identify projects within Water Agency Flood Control Zones that reduce flooding and increase groundwater recharge	A. Scoping & feasibility studies B. Seek funding		X X			Updated status and progress. Ongoing activities to occur in upcoming year. Updated status and progress. Ongoing activities to occur in upcoming year.

### Strategy 5 - Work With Stakeholders to Promote Sound, Information-Based Water Supply Planning Programs

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
Immediate Action 1 - Develop non-regulatory AB 3030/SB1938 management plans that emphasize local control. Emphasize development of diversified water supply "portfolios" for each contractor. Continue with Sonoma Valley program and initiate program in Santa Rosa Plain	A. Implement Sonoma Valley Groundwater Management Plan B. Santa Rosa Plain planning		X X			Updated status and progress. Ongoing activities to occur in upcoming year. Updated status and progress. Ongoing activities to occur in upcoming year.
Immediate Action 2 - Pursue funding opportunities enhanced by developed management plans. Ranking for state funding enhanced if groundwater management plans are in place	A. Funding		X			Updated status and progress and funding received. Ongoing activities to occur in upcoming year.
Immediate Action 3 - Continue support of Independent Science Review Panel	A. Support science panel		X			Updated status and progress. Ongoing activities to occur in upcoming year.
Immediate Action 4 - Ensure Water Agency and Sonoma County are in compliance with CASGEM	A. CASGEM preliminary activities - program development		X			Updated status and progress. Ongoing activities to occur in upcoming year.

## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 6 - Improve Transmission System Reliability

2011 Plan: Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan	
<b>Immediate Action 1</b> - In consultation with Water Contractors, develop plan to provide consistent funding for natural hazard and operational reliability capital projects	A. Rogers Creek Fault Crossing Mitigation		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	B. Collector 3 and 5 Liquefaction Mitigation		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	C. Isolation valves		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	D. Automated Meter Infrastructure		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	E. Russian River crossing		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	F. River Diversion System liquefaction mitigation		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	G. Mark West Crossing		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	H. Collector 6 liquefaction mitigation		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	J. Cotati Reservoir 3 recoat		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	K. Petaluma Aqueduct cathodic protection		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	K-O. New Projects Added to 2012 Plan: Santa Rosa Aqueduct cathodic protection; Mirabel surge protection; Kawana to Sonoma booster, Sonoma booster pump upgrade; Wohler-Santa Rosa pipeline; Santa Rosa Creek crossing				X	New projects added to the 2012 Plan	
	<b>Immediate Action 2</b> - Continue to pursue state and federal funding for natural hazard reliability projects	A. Seek Funding		X			Updated status and progress. Ongoing activities to occur in upcoming year.
		See Strategies 1, 4, 5, 8 and 9		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<b>Immediate Action 3</b> - Work with Water Contractors to reduce peak demand on transmission system via conservation, groundwater banking, local supply, and recycled water	A. Research on pathogen removal		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
	B. Research on Surface Water/Groundwater Interaction.		X			Updated status and progress. Ongoing activities to occur in upcoming year.	
<b>Immediate Action 4</b> - Continue research on natural filtration capacity of Russian River							

<p><u>Immediate Action 5</u> - Continue planning new transmission system projects to increase reliability of existing system</p>	<p>A. Planning</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>
<p><u>Immediate Action 6</u> - Evaluate condition of Water Agency's transmission system, especially portions experiencing elevated velocities</p>	<p>A. Pilot-scale assessment study of Petaluma Aqueduct, Santa Rosa Aqueduct and Oakmont Pipeline</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>
	<p>B. Leak detection proof of concept study</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>
<p><u>Immediate Action 7</u> - Five year update and renewal of Local Hazard Mitigation Plan</p>	<p>A. Update plan</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>
<p><u>Immediate Action 8</u> - Create emergency response plan for Mirabel dam failure or damage</p>	<p>A. Prepare contingency plan</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>
<p><u>Immediate Action 9</u> - Update of emergency response plan</p>	<p>A. Update plan</p>		<p>X</p>		<p>Updated status and progress. Ongoing activities to occur in upcoming year.</p>



## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 7 - Take Advantage of Energy and Water Synergies

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
Immediate Action 1 - Implement Water Agency's new Energy Policy	A. (1) Implement Farms to Fuels project (2) Obtain rights to Warm Springs Dam hydropower and Sonoma County landfill (3) Exploration of other locally available renewable energy	X	X	X		Farms to Fuel project is under development; rights to claim hydropower and landfill energy has been completed and removed from WSSAP; exploration of other local renewables and energy efficiency project are ongoing.
	B. Develop & implement Water Agency energy efficiency projects		X			
Immediate Action 2 - Development of projects with local and regional significance	A. (1) Conduct feasibility study of Community Choice Aggregation and work with local partners (2) Implement Renewable Energy Secure Communities (RESCO) project to develop (3) Assist Water Contractors, who are interested, in becoming PWRPA members to obtain less expensive renewable power. (4) Implement Sonoma County Efficiency Financing.		X	X	X	CCA feasibility study is complete and new phase of project is ongoing; RESCO project is ongoing; PWRPA doesn't allow wheeling of power to Contractors and has been removed. New SCF project added.
	B. Emissions reporting		X			Updated status and progress.
	C. Register renewable energy credits		X			Updated status and progress.
	D. Solar		X			Updated status and progress.
	A. Implement grant-funded projects		X			Updated status and progress.
Immediate Action 3 - Pursue state and federal funding for energy efficiency and renewable energy projects			X			

## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 8 - Implement Integrated Water Management

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
<u>Immediate Action 1</u> - Conduct long-term financial analysis to support evaluation and development of water supply, conservation, demand management, and recycled water projects and programs	A. Financial planning		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 2</u> - Develop countywide guidance manual and support the development of individual WSD standards by each land use jurisdiction in Sonoma County, with the goal of managing stormwater quantity and quality and reducing potable water required by new development. Guidance manual will also partially satisfy requirements of stormwater permit jointly held by Water Agency, Sonoma County, and Santa Rosa	A. Countywide manual		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Local jurisdiction plans		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 3</u> - Consult with Water Contractors to evaluate feasibility of base demand system instead of continued peak summer demand system	A. Assess feasibility		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 4</u> - Evaluate alternative revenue models such as seasonal rates and fixed versus variable costs	A. Rate study		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 5</u> - Compare actual gross demand, conservation and source water use with the UWMP projections to ensure projections represent actual conditions	A. Monitor gross water demands		X			Updated status and progress. Ongoing activities to occur in upcoming year.
<u>Immediate Action 6</u> - Work with water contractors to evaluate local and sub-regional projects that could be combined with regional Water Agency projects to increase overall water supply reliability in the most cost-effective manner	A. Conduct assessment of local and sub-regional projects		X			Updated status and progress. Ongoing activities to occur in upcoming year.

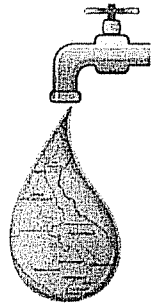
## Summary of Changes to 2011 Water Supply Strategies Action Plan (Includes New Actions Added to 2013 Plan)

### Strategy 9 - Overcome Organizational Fragmentation to Promote Efficiency of Water System Operations & Planning

2011 Plan Immediate Actions	Projects	Completed	Ongoing	Moved	New	Changes For New 2013 Action Plan
Immediate Action 1 - Develop systems using advance technology to improve the interoperability and transparency of data between the Water Agency and Contractors	A. Demonstration project - collaboration platform		X			Updated status and progress. Ongoing activities to occur in upcoming year.
	B. Metering			X		Removed from Strategy 9. Included in Strategy 6, Action 1
	C. Integrated weather forecasting.			X		Removed from Strategy 9. Included in Strategies 2 & 3.
Immediate Action 2 - Extend demonstration project including AMI to other Water Contractors	A. Extension of demonstration project			X		Moved to Near Term.
Immediate Action 3 (New Immediate Action 2) - Pursue ISO 9000 and 14000 certification (moved from Strategy 7, Immediate Action 1, Project A)	A. Obtain ISO certification		X			Updated status and progress. Ongoing activities to occur in upcoming year.
Immediate Action 4 (New Immediate Action 3) - Update method of allocating water during shortages	A. Update Water Agency's existing annual water shortage allocation and develop a new allocation model		X			Updated status and progress. Ongoing activities to occur in upcoming year.

# DRAFT

## POTENTIAL REGIONAL, SUBREGIONAL AND LOCAL WATER SUPPLY PROJECTS FOR FURTHER EVALUATION



### INTRODUCTION

Water purveyors are responsible for providing reliable, high quality water supply to current and future customers. In 2010, after a 16-month collaborative process among the Sonoma County Water Agency (Agency), the Water Contractors, Marin Municipal Water District (MMWD) and the public, the Agency Board of Directors adopted the Water Supply Strategy Action Plan (Action Plan). The Action Plan consists of nine water supply strategies developed to increase water supply system reliability, resiliency and efficiency and plan for the future, taking into consideration the numerous challenges and uncertainties that face our region. To help address Water Supply Strategy 5 – *Build Partnerships with Water Users that Facilitate Information-Based Water Supply Planning Programs*, Strategy 6 – *Implement Projects to Improve Transmission System Reliability*, Strategy 8 – *Implement Integrated Water Management Into Agency Programs*, and Strategy 8, Immediate Action 6 - *Work with water contractors to evaluate local and sub-regional projects that could be combined with regional Water Agency projects to increase overall water supply reliability in most cost-effective manner*, the Water Contractors and MMWD, in partnership with the Agency, have undertaken an analysis of existing and future water supplies. The goal of the analysis is to determine the most reliable, affordable, environmentally friendly water supplies that will meet the needs of current and future generations.

### PURPOSE

The purpose of this document is to describe projects that the Technical Advisory Committee (TAC) believe are most viable for improving regional water supply resiliency with the goal of improving reliability and meeting water demand forecasts in accordance with each water contractors' and MMWD's Urban Water Management Plans. Because the Agency's transmission system facilities connect several local systems operated by individual water contractors, there may be opportunities to collectively manage these systems in a coordinated manner with a regional perspective to the benefit of all water contractors. For example, local or subregional water supply projects directly serving one or more water contractors can benefit all water contractors, may alleviate the need for more expensive regional infrastructure or may increase reliability of water supplies during times of constrained Russian River water supply conditions.

This document examines several new water supply opportunities, presents the results of a screening evaluation, and recommends certain projects to prioritize for further evaluation. It is envisioned that this analysis will be updated and revised as new information becomes available.

# DRAFT

## ANALYSIS – EXISTING SOURCES

Working collectively, the Water Contractors', MMWD and Agency staffs met and identified all currently known existing water supply sources. Six existing water supply sources currently provide the following volumes of annual water supply:

Existing Sources	Volume (Acre-feet/Year)
Existing Agency Supply - Russian River	75,000
Existing Agency Supply – Groundwater	2,300
Existing Groundwater – Local	2,600
Existing Water Conservation	4,055
Existing Recycled Water for Non-Potable uses and offsetting Potable Use	3,017
Existing Graywater for Non-Potable uses	1

It was determined by the Water Contractors', MMWD and Agency staffs that for purposes of this analysis, all necessary additional funding and activities will be implemented by the Agency, MMWD and Water Contractors to maintain these existing water supply volumes and that further evaluation of these existing sources is not required at this time.

## ANALYSIS – FUTURE SOURCES

Working collectively, the Water Contractors', MMWD and Agency staffs met and identified all currently known future water supply sources. The list of all possible future water supply sources included the following:

Additional Sources
Additional Agency Supply – Russian River
Additional Agency Supply – Production Wells
Additional Groundwater – Water Contractor – Production Wells
Additional Groundwater – Water Contractor – Standby Wells
Future Water Conservation
Future Recycled Water for Non-Potable uses and offsetting Potable Use
Small Scale Recycled Water for Non-Potable Uses and offsetting Potable Use - Satellite treatment plants
Small Scale Storm water Capture (i.e. - Individual homeowner rain water harvesting for potable use; individual rainwater harvesting for non-potable use)
Aquifer Storage and Recovery - Potable Supply (i.e. - Winter water purchased from Agency; Agency storage of surface water in the ground)
Windsor Water Rights

# DRAFT

Locally Driven Sources
Water Supply Agreement - Valley of the Moon, Sonoma and Sonoma Development Center
Raise Lake Stafford
Regional Sources
Desalination - Bay Area Regional Desalination
Large Scale Storm water Capture (i.e. – Service area-wide storm water capture for non-potable purposes; Service area-wide storm water capture & treatment for potable purposes)
Raise Coyote Valley Dam
Water Transfer from Humboldt Bay Municipal Water District
Aquifer Storage and Recovery - Other Supply (Recycled Water or Storm water)

All projects were screened by the Water Contractors', MMWD and Agency staffs at a conceptual, planning level for feasibility, regulatory, environmental and legal constraints, reconnaissance level capital and operation and maintenance costs, current status of studies and additional information needed. Upon completion of the initial screening, ten future water supply sources were identified for further evaluation and prioritization. Although some water supply sources will not be evaluated further at this time, over time, these sources may become more feasible and will be revisited from time to time to determine if/when they should be further evaluated and prioritized.

## FEASIBLE FUTURE PROJECTS

The ten future water supply sources that were determined to be feasible were further evaluated by the Water Contractors', MMWD and Agency staffs and more detailed information was developed for each of these sources. Information included an analysis of the volume of water that could be provided based on existing UWMPs, review of any environmental, regulatory or legal constraints, a summary of known cost information, and consideration of rate payer impact.

The following ten water supply sources were determined to be feasible at this time and are recommended for further analysis. The projects are listed in no particular order.

Additional Sources
Future Water Conservation
Future Recycled Water for Non-Potable uses and offsetting Potable Use
Small Scale Storm water Capture (i.e. - Individual homeowner rain water harvesting for potable use; individual rainwater harvesting for non-potable use)
Additional Agency Supply – Russian River
Additional Agency Supply – Production Wells
Additional Groundwater – Water Contractor – Production Wells
Additional Groundwater – Water Contractor – Standby Wells
Windsor Water Rights

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Small Scale Recycled Water for Non-Potable Uses and offsetting Potable Use - Satellite treatment plants
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Aquifer Storage and Recovery - Potable Supply (i.e. - Winter water purchased from Agency; Agency storage of surface water in the ground)
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New water supply projects developed by one or more water contractors will merit further analysis if the project promotes improved regional resiliency by increasing the overall reliability of water supplies (thus benefiting all water contractors) and/or helps to meet future water demands forecast in the water contractors' UWMPs. It is assumed that any additional supplies resulting from such new water supply projects will not result in a reduction of entitlement limits for a water contractor or replacement of future amounts of surface water that the Agency would provide to a water contractor, unless that water contractor agrees to such a reduction/replacement.

## RECOMMENDATION

The Water Contractors', MMWD and Agency staffs further prioritized the list of water supply sources and recommends 7 sources be further evaluated. The Water Contractors', MMWD and Agency staffs recommend that the TAC and Water Advisory Committee (WAC) consider this list and, if recommended by the WAC, the Agency set aside funding for the TAC to solicit a consultant to conduct an analysis of the following future water supply sources, which are listed in no particular order:

### Water Source: Future Water Conservation

- Estimated Volume of Water: Up to 15,545 Acre-feet
- Potential Costs: \$218 – 529/acre-foot
- Constraints: Compliance with 20%<sub>2020</sub> needed; customer implementation.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

### Water Source: Future Recycled Water for Non-Potable Uses and offsetting Potable Use

- Estimated Volume of Water: Up to 2,649 acre-feet
- Potential Capital Costs: \$6,000 – 50,000/acre-foot; varies based on pipeline alignment and storage needs.
- Potential O&M Costs: To be determined; varies per water contractor.
- Constraints: Approval from Department of Public Health and Regional Water Quality Control Board; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

# DRAFT

## **Water Source: Aquifer Storage and Recovery - Potable Supply**

- Estimated Volume of Water: To Be Determined – Feasibility studies currently underway.
- Potential Capital Costs: To Be Determined – Feasibility studies currently underway.
- Potential O&M Costs: To Be Determined – Feasibility studies currently underway.
- Constraints: Approval from Department of Public Health and Regional Water Quality Control Board; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

## **Water Source: Additional Agency Supply – Russian River**

- Estimated Volume of Water: Up to 10,000 Acre-Feet/year
- Potential Capital Costs: To Be Determined.
- Potential O&M Costs: To Be Determined; Current wholesale cost is approx \$650/Acre-Foot with estimated increases of 4-7% annually through 2030 for existing projects.
- Constraints: Regulatory changes to d1610; compliance with Endangered Species Act; CEQA compliance would be needed.
- Ratepayer Impact: Costs to be determined for additional water supply.

## **Water Source: Additional Agency Supply – Groundwater Production Wells**

- Estimated Volume of Water: To Be Determined.
- Potential Capital Costs: To Be Determined.
- Potential O&M Costs: To Be Determined.
- Constraints: Information from USGS Study and collaboration with Santa Rosa Plain Groundwater Management Plan process needed; Approval from Department of Public Health; CEQA compliance would be needed.
- Ratepayer Impact: Costs to be determined for additional water supply.

## **Water Source: Additional Groundwater – Water Contractor – Production Wells**

- Estimated Volume of Water: Up to 540 Acre-Feet/year
- Potential Capital Costs: \$350 -1200/Acre-foot; Varies based on treatment and operational needs.
- Potential O&M Costs: \$100 – 130/Acre-foot; Varies based on treatment and operational needs.
- Constraints: Approval from Department of Public Health; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.



# DRAFT

## Water Source: Windsor Water Rights

- Estimated Volume of Water: 4,725 Acre-Feet
- Potential Capital Costs: To be determined; Estimate \$300,000 for CEQA compliance.
- Potential O&M Costs: To be determined.
- Constraints: State Water Resources Control Board approval needed; compliance with Endangered Species Act; CEQA compliance would be needed
- Ratepayer Impact: Costs to be determined for additional water supply.

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## DISBURSEMENTS - DATED JANUARY 17, 2013

Date Prepared: 1/14/13

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	Abell, Matt	Novato "Washer Rebate" Program	\$50.00
2	Ackerman, Gerald	Retiree Exp Reimb (Monthly Health Ins)	90.69
3	Amador, Lisa	Novato "Washer Rebate" Program	50.00
4	Andreucci, Peter	Novato "Washer Rebate" Program	50.00
5	Bakalar, Michael	Retiree Exp Reimbursement (2013 Health Ins)	547.80
6	Bastogne	Refund Payment on Closed Account	211.02
7	Bay Area Barricade Service	Traffic Cones (12)	84.64
8	Bloom, Katherine	Novato "Washer Rebate" Program	50.00
9	Borges & Mahoney	3/4" Anti-Syphon Injector (STP)	241.27
10	Bradbery, Ronald	Retiree Exp Reimbursement (2013 Health Ins)	614.52
11	Bradford, Debra	Novato "Washer Rebate" Program	50.00
12	Buckeye Nursery	Plants for STP Creek Bank Repairs	1,169.32
13	Bundesen, Gerald	Retiree Exp Reimb (Monthly Health Ins)	884.31
14	Butti, Lou	Retiree Exp Reimb (Monthly Health Ins)	884.31
15	California State Disbursement	Wage Assignment Order	1,518.50
16	Circle Bank	Release of Performance Guarantee Posted for Circle Bank Project	18,000.00
17	California Sanitation Risk Mgmt	2013 Oceana Marin Liability Insurance	2,033.20
18	Cummings Trucking	Sand (50 yds)	2,387.51
19	Dawson, Norma	Novato "Washer Rebate" Program	50.00
20	Derby, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
21	Diggs, James	Retiree Exp Reimb (Monthly Health Ins)	884.31

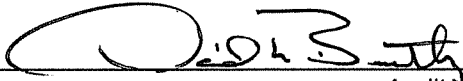
Seq	Payable To	For	Amount
22	Edmarmax-Steven, Francine	Novato "Toilet Rebate" Program	100.00
23	ENR	Subscription Renewal (McIntyre) (2/13-2/14) (Budget (\$90))	87.00
24	Environmental Express	Fluoride Standard (\$44) & Filters (6) (\$308)	352.50
25	Eyler, John	Retiree Exp Reimb (Monthly Health Ins)	90.69
26	Fie, Georgia	Novato "Toilet Rebate-\$300 & Washer Rebate-\$50" Programs & Refund Alternative Compliance Reg 15 Deposit (\$945)	1,295.00
27	Fisher Scientific	Nitrogen Standard, Copper Atomic Absorption (\$30), Nitrite, Calcium & Potassium	90.72
28	Foehr, Robert	Novato "Toilet Rebate" Program	70.81
29	Garcia, Joseph	Novato "Washer Rebate" Program	50.00
30	Garms, Rick	Novato "Washer Rebate" Program	50.00
31	Gnanaskeran, Palanivelu	Novato "Washer Rebate" Program	50.00
32	Golden Gate Petroleum	Grease for Valves (\$182), Gasoline (\$3.33/gal & Diesel (\$3.86/gal)	4,218.33
33	Graham, Teri & Mike	Novato "Washer Rebate" Program	50.00
34	Grainger	Wedge Anchor (\$119), Push Button Spigots (4) & Electric Wire for Marking (\$46)	209.05
35	Graniss, David & Jolene	Novato "Washer Rebate" Program	50.00
36	Hale, Larry	Retiree Exp Reimbursement (2013 Health Ins)	547.80
37	Hanford ARC	Refund Overpayment on Closed Account	511.80
38	Institute of Noetic Sciences	Commercial "Toilet Rebate" Program	500.00
39	Interstate Battery	Batteries (2) ('99 F350 Dump Truck)	240.05
40	Johnstone, Daniel	Retiree Exp Reimb (Monthly Health Ins)	90.69
41	Johnson, Todd	Novato "Washer Rebate" Program	50.00
42		Cafeteria Plan: Uninsured Medical Reimbursement	10.00

Seq	Payable To	For	Amount
43	Kepke, Lowell	Novato "Toilet Rebate" Program	300.00
44	Klipin-Miller, Carolyn	Novato "Toilet Rebate" Program	158.40
45	Larsengines	Chainsaw Trigger, Air Filters (4) (\$57) & Carburetor (\$78)	139.34
46	Lincoln Life	Deferred Compensation PPE 1/15/13	8,596.14
47	Marin County Radio Shop	Install Kenwood Radio System (2 -'12 F250's)	733.26
48	Marin Reprographics	Full Size Drawings (4 sets) (RW So Phs 1b)	233.53
49	Matchette, Tim	Retiree Exp Reimb (Monthly Health Ins)	282.55
50	McDowell, James	Novato "Toilet Rebate" Program	100.00
51	Drew McIntyre	Exp Reimb: BAWWA Meeting & Dues (Cost \$20, Budget \$20), Calif Water Environmental Assoc Dinner & NACE Meeting	115.00
52	Molloy, Kimberly	Novato "Toilet Rebate" Program	200.00
53	Moore, Denise	Novato "Washer Rebate" Program	50.00
54	Nationwide Retirement Solution	Deferred Compensation PPE 1/15/13	1,025.00
55	Nelson, John O.	Retiree Exp Reimb (Monthly Health Ins)	90.69
56	North American Lake Management Society	Annual Dues (3/13-3/14) (Stompe) (Budget \$120)	110.00
57	Northern Tool & Equipment	Safety Gloves (1,200) (\$152)	163.05
58	North Marin Auto Parts	Epoxy Sealer, Toggle Switch & Cover, Backup Alarm (\$165) ('93 Case Loader), Work Light, Toggle Switch Boot, Toggle Switch, Light Bulbs (2), Oil Filters (6) (\$49), Air Filters (4) (\$79), Wiper Blades (6) (\$91), Motor Oil (23 qts) (\$116), Stop Lights (2) (\$78), Automotive Fuse Assortment, Dust Covers (4) (\$69), Wiring Plug for Trailer, 2 Cycle Mix Oil, Airline Splice, Air Brake Hose, Protective Wireloom, Bed Liner (\$71) ('07 Intl 4300), Battery Cable, Battery Terminals (4) (\$43) & Fitting (STP)	924.82
59	North Bay Gas	Acetylene, Argon (\$710) (Lab) & December Cylinder Rental (\$105)	814.09

Seq	Payable To	For	Amount
60	Novato, City of	In-Lieu Fee for Cutting Moratorium Streets: 1052 5th St, 1037 2nd St & 1912 Center Rd	1,500.00
61	Pace Supply	Bushings (8), Nipples (24) (\$146), Ells (10), Meter Stops (34) (\$2,987), Corp Stops (32) (\$1,262), Couplings (20) (\$2,723), Marker Tape (11) (\$234), 2" Copper Pipe (360') (\$5,698), Gasket Rings (100) (\$906), Meter Boxes (59) (\$1,560) & Box Lids	15,865.71
62	Pacific Utility Products	PG&E Meter Pedestal (Booster Station/Bolling Cir.)	1,777.04
63	Parker, Donna	Novato "Cash for Grass" Program	200.00
64	Phillips, Mallory	Novato "Toilet Rebate" Program	200.00
65	Phillips & Associates	January O & M of O.M. Wastewater Treatment System	5,187.96
66		Cafeteria Plan: Uninsured Medical Reimbursement	45.00
67	Rogers, Bill	Retiree Exp Reimbursement (2013 Health Ins)	78.24
68	Sciarrillo, Louis	Novato "Cash for Grass" Program	300.00
69	Sequoia Safety Supply	Rainjackets (2) (\$91) & Safety Gloves (136)	177.82
70	Shirrell Consulting Services	December Dental Expense	4,311.60
71	Smail, John	Retiree Exp Reimbursement (2013 Health Ins)	614.52
72	Smalley, Gayle	Retiree Exp Reimbursement (2013 Health Ins)	547.80
73	Smith, Helen	Novato "Washer Rebate" Program	50.00
74	Sonosky, Norma	Retiree Exp Reimbursement (2013 Health Ins)	614.52
75	Taylor, Donaldson	Novato "Washer Rebate" Program	50.00
76	The Transmitter Shop	Spare Level Transmitter Cards	260.00
77	Ultra Scientific	Reference Sample	139.80
78	US Bank	Dec Safekeeping Fee-Treasury Securities	66.50
79	Vasconcellos, Joan	Retiree Exp Reimbursement (2013 Health Ins)	547.80
80	Velloza, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69

Seq	Payable To	For	Amount
81	Wilson, Roena	Retiree Exp Reimbursement (2013 Health Ins)	78.24
82	Woodall-Massey	Novato " Washer Rebate" Program	50.00
83	Workforce Boots & Clothing	Safety Boots (Venegas)	172.79
84	Yates, Candace	Novato " Toilet Rebate" Program (\$200) & Refund Alternative Compliance Reg 15 Deposit (\$315)	515.00
85	Zenith Instant Printing	Letterhead (22,500)	1,895.60
		<b>TOTAL DISBURSEMENTS</b>	<b><u>1,895.60</u></b> <b><u>\$88,029.03</u></b>

The foregoing payroll and accounts payable vouchers totaling \$88,029.03 are hereby approved and authorized for payment.



Auditor-Controller

1/14/13

Date



General Manager

1/14/2013

Date

## DISBURSEMENTS - DATED JANUARY 24, 2013

Date Prepared: 1/22/13

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

Seq	Payable To	For	Amount
P/R	Employees	Net Payroll PPE 1/15/13	\$114,691.41
EFT*	US Bank	Federal & FICA Taxes	48,341.65
EFT*	State of California	State Tax & SDI PPE 1/15/13	8,458.41
1	AirGas	December Cylinder Rental	24.45
2	Alternative Roofing Solutions	Cleaned & Sealed Pipe Support Brackets with Caulking @ STP Disinfection Building	245.20
3	AshLin Pacific Construction	Final Payment: Recycled Water North Onsite Retrofit Project	20,368.49
4	Athens Administrators	December Worker's Comp Cost (Sjoblom) & January Workers' Comp Administration Fee (\$1,000)	1,156.79
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt #15 of 240)	46,066.67
6	Bender, Matthew	Water Supplemental & Annual Govt Codes (\$411) (2013) (Budget \$750)	767.14
7	Boerger	Pump Ends for OM Pump Station (2) (Budget \$14,769)	13,628.00
8	Bold & Polisner	December Legal Services: AEEP, MMWD Intertie Agreement, PR TP Solids Handling Project & RW Exp South Phs 1B	462.00
9	Bradley, Linda	Novato "Toilet Rebate" Program	500.00
10	Brook, Hannah	Refund Overpayment on Closed Account	49.88
11	Brown, Robert & Alison	Novato "Washer Rebate" Program	50.00
12	Cacace, Larry	Novato "Washer Rebate" Program	50.00
13	Calif Board of Equalization	State Sales & Use Tax 1/12-12/12	12,258.00

Seq	Payable To	For	Amount
14	Calif Public Health Services	Renewal Fee for Drinking Water Dist Op Certification (\$80) (Kurfirfirst) (Budget \$90) & Distribution Certification Renewal (\$120) (Moore) (6/1/13-6/15) (Budget \$140)	200.00
15	California Water Service	Nov/Dec Water Service (OM) (0 Ccf)	137.11
16	Capasso, Teresa	Novato "Washer Rebate" Program	50.00
17	Chase Card Services	Airport Parking, Hotel Lodging (\$431) (Ramudo ACWA Conf), Lunch Meeting (DeGabriele), Replacement Washing Machine (25 Giacomini) (\$888), Notary Seal & Birthday Breakfasts	1,427.43
18	Covello Group	Prog Pymt#20: Recycled Water Pipeline Expansion (Bal Remaining on Project \$263,018)	8,853.50
19	CPI International	Coliform Bacteria Test	15.51
20	Data Instincts	Public Outreach Services for RW So Phs2 (Bal Remaining on Contract \$32,705)	7,295.00
21	Dowden, Mary Ann	Payroll & Accounts Payable Consulting Services (1/10-1/16) & Retroactive Pay (\$636)	1,435.68
22	Electrical Equipment	Replacement Pump Motor (Lynwood Pump #3)	7,118.14
23	Farwest Corrosion Control	Cathodic Protection Devices (15)	419.50
24	GHD	Engineering Services: Aqueduct Relocation (\$1,720) (Bal Remaining on Contract \$20,479) & Novato Water System 2013 Master Plan Update (\$7,247) (Bal Remaining on Contract \$9,972)	8,967.10
25		Vision Reimbursement	20.65
26	Granucci, Christina	Novato "Washer Rebate" Program	50.00
27	Jaberi, Karen	Novato "Toilet Rebate" Program	200.00
28	Jones, Laura	Engineering Services: Novato Water System Master Plan 2012 Update Project (Bal Remaining on Contract \$7,443)	1,300.00
29	McLellan, WK	Misc Paving (Novato) (247 sq ft)	2,111.76
30	McMaster-Carr Supply	Heat Shrink Tubing for Pump Splices (6) (\$104) & Telephone Handset Plugs (25)	113.05



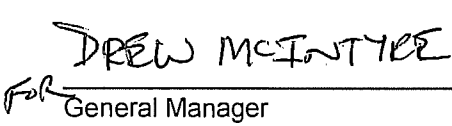
Seq	Payable To	For	Amount
31	MegaPath	DSL Internet Service (1/12-2/11/13)	142.88
32	Metrohm USA	Vials (1,000) (Lab)	275.96
33	Mitchell & Assoc., Russell D.	Recycled Water Onsite Retrofit Design (Bal Remaining on Contract \$19,245)	20,100.00
34	Nguyen, Phi	Refund Overpayment on Closed Account	25.00
35	Northern Safety	Safety Gloves (1,200)	163.05
36	Novato Disposal Service	December Trash Removal	413.20
37	Pace Supply	Saddle Straps (5) (\$187), 2" Couplings (11) (\$1,753), Meter Boxes (23) (\$552), Bolts (400) (\$1,023), Nuts (400) (\$320), Gaskets (130) (\$1,290), Tracer Wire (10,000') (\$1,598), Service Saddles (20) (\$1,630), Nipples (8) (\$477), Els (2) (\$422), Adaptor (\$187) & Valves (2) (\$2,350)	11,788.25
38	PERS Retirement System	Pension Contrib PPE 1/15/13	46,610.63
39	NMWD Petty Cash	Calendar, Snack for Safety Meetings, Mileage, Bridge Toll & Fuel for Weed Wacker	109.96
40	Pontes, Kerin L.	Novato "Toilet Rebate" Program	100.00
41	Preferred Alliance	Pre-Employment Physical (D. Solar)	42.00
42	Reischmann, Marc	Exp Reimb: Renewal for AWWA Lab Analyst Certification (Budget \$60)	55.00
43	Robertson, Mark	Novato "Washer Rebate" Program	50.00
44	Sequoia Safety Supply	Ibuprofen (200) & Retainer Cords for Safety Glasses (24)	64.84
45	SHI International	Microsoft Project Pro (Engineering)	652.09
46	Siemens Water Technologies	Service on Lab Deionized Water System	266.39
47	Solar, Rosalia	Exp Reimb: Safety Boots (D. Solar)	155.51
48	Staples	File Holder, Correction Tape, Pens (12) & Toner (\$127) (Moore)	192.74
49		Cafeteria Plan: Uninsured Medical Reimbursement	50.00

Seq	Payable To	For	Amount
50	Syar Industries	Asphalt (6 tons)	679.75
51	Township Building Services	December Janitorial Services	1,754.84
52	United Parcel Service	Delivery Services: Sent RW Phs 2 Approval of Award Package & Variable Frequency Drive for Repair	22.63
53	UNUM Life Insurance	Jan Group Life Ins Premium	682.21
54	Verizon California	Telephone Charges: Leased Lines	377.96
55	Verizon Wireless	Cellular Charges: Data (\$71) & Airtime (\$135) (19)	205.92
56	Wiley Price & Radulovich	Labor Agreement Facilitation	1,664.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>1,664.00</u></b>
			<b><u>\$393,477.33</u></b>

The foregoing payroll and accounts payable vouchers totaling \$393,477.33 are hereby approved and authorized for payment.

  
Auditor-Controller

1/23/13  
Date

  
General Manager

1/24/13  
Date

## DISBURSEMENTS - DATED JANUARY 31, 2013

Date Prepared: 1/29/13

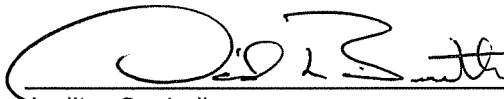
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District

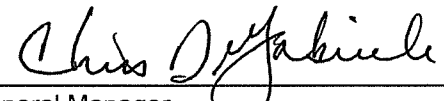
Seq	Payable To	For	Amount
1	AT&T	Telephone Charges: Leased Lines	\$63.42
2	Borges & Mahoney	Service on STP Chlorine Feed Vacuum	411.96
3	Calif Public Health Services	FY13 Small Water System Fee (Pt Reyes)	4,590.00
4	California State Disbursement	Wage Assignment Order (3)	1,518.50
5	Core Utilities	Consulting Services: December IT Support (\$5,000), Imaged SCADA 1 and restored to SCADA 2 (\$400), Modified Utility Billing Auto-Out Form to Include Phone Number (\$75), Correct Board of Directors Website Page & Set up New Website Page for Recycled Water (\$600)	6,075.00
6	Cummins West	Install Exhaust Particulate Filter to Meet CARB Emission Required for Diesel Trucks ('06 Intl Dump Truck)	14,525.41
7	Cummings Trucking	Rock (50 yds)	1,698.26
8	CWEA	Lab Analyst Grade 1 Certificate (Bena) (3/31/13-3/31/14) (Budget \$0)	75.00
9	Fisher Scientific	Bromothymol Blue, Lab Coat & Hydrochloric Acid (\$71) (Lab)	139.22
10	Golden Gate Petroleum	Gasoline (\$3.61/gal) & Diesel (3.81/gal)	3,152.73
11	Grainger	Socket Adaptor, Universal Joint, Fluorescent Light Bulbs (36) (\$175), Wire Marker Tape (10), Combination Wrenches (2) (\$58) & Nut Driver Sets (3)	347.20
12	Griffin, Merrill	Novato "Washer Rebate" Program	50.00
13	Larsengines	Chain Saw Chains (2)	137.53
14		Vision Reimbursement	214.87
15	Lincoln Life	Deferred Compensation PPE 1/31/13	8,796.14

Seq	Payable To	For	Amount
16	Marin County Recorder	October Copy of Official Record	10.00
17	McAghon, Andrew	December Sludge Removal (3yds)	840.00
18		Vision Reimbursement	244.00
19	Morris, Andrew	Novato "Toilet Rebate" Program	200.00
20	MSC Industrial Supply	Replacement Parts for Chemical Feed System (STP)	213.36
21	Nationwide Retirement Solution	Deferred Compensation PPE 1/31/13	1,025.00
22	Office Depot	Quarterly Office Supply Order: Pens (264) (\$211), Pencils (73), Copy Paper, Coat Rack (\$39) (Billing Office), Note Pads (102) (\$85), Post-it Notes (82) (\$98), Card Stock (4 reams) (\$50), Tabs (102), Duster, Adding Machine Tape, Clips, Dry Erase Markers (12), Glue Sticks (6), Markers (48), Address Labels (12,750) (\$97), Rubberbands, Binders (12) (\$106), Chair (\$287) (Lab), Daily Diary, Clocks (2), Clasp Env, Chair Mat, Storage Box Clipboards (2) (\$58), Letter Openers (2) & USB Flash Drives (3) (\$70)	1,550.57
23	On Line Resource	Refund Credit: Unable to Locate Account	54.66
24	Pace Supply	Hydrant Bury (\$272), Corp Stops (2) (\$79), Meter Stops (16) (\$1,782), Box Lids (22) (\$1,502), Couplings (34) (\$5,852), Tracer Wire (\$132), Caps (22), Angle Meter Stops (10) (\$357) & Valves (9) (\$44)	10,059.69
25	Pagan, Jerome	Novato "Washer Rebate" Program	50.00
26	Point Reyes Prop Mgmt Assn	January HOA Dues (25 Giacomini Rd)	75.05
27	Ryan, Bonnie	Novato "Cash for Grass" Program	175.00
28	Sequoia Safety Supply	Safety Gloves (1,050) (Const)	128.25
29	Soiland	Rock (\$185) & Fee for Asphalt Recycling	190.11
30	Sonoma County Water Agency	December Contract Water	283,718.90
31	Southwest Valve	Gear for Valve @ Trumbull Tank	626.69
32	SPG Solar	Energy Delivered Under Solar Services Agreement (12/1-12/31/12)	5,236.68

Seq	Payable To	For	Amount
33	Streakwave Wireless	Telemetry Radios (2)	150.46
34	Terryberry	Service Award (Manzoni) (Less Credit Received \$65)	21.18
35	Thomas Scientific	Colorimeter for Chlorine Testing (STP)	1,154.39
36	USA BlueBook	Funnels (2), Thermometers (2) (\$65), Clock & Chlorine Reagents (6)	206.36
37	US Postal Service	Meter Postage	1,000.00
38	Verizon California	Telephone Charges: Leased Lines (\$288) & Minimum (\$28)	316.17
39	Verizon Wireless	January CIMIS Station Data Transfer Fee (2)	23.42
40	White Cap Construction	Nail Stakes (100) (\$213) & Ground Rod (Plum St RW Tank)	289.57
<b>TOTAL DISBURSEMENTS</b>			<b><u>289.57</u></b> <b><u>\$349,354.75</u></b>

The foregoing payroll and accounts payable vouchers totaling \$349,354.76 are hereby approved and authorized for payment.

 \_\_\_\_\_  
 Auditor-Controller Date 1/28/13

 \_\_\_\_\_  
 General Manager Date 1/28/2013

## MEMORANDUM

To: Board of Directors

February 1, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Approved FY13/14 Budget Review Schedule  
t:\ac\word\budget\14\proposed review sched fy14.docx

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

### ***APPROVED BUDGET REVIEW SCHEDULE FY 2013-14***

Date	Novato Potable and Recycled Water Budgets			West Marin Budgets <sup>1</sup>	
	Location	Equipment & Improvement Projects	Operations	West Marin Water	Oceana Marin Sewer
April 16	Novato	IR			
May 7	Novato		IR		
May 21	Novato	AR <sup>2</sup>	AR <sup>2</sup>		
June 4	Novato			IR	IR
June 18	Novato	H/A	H/A	AR <sup>2</sup>	AR <sup>2</sup>
June 25	Pt Reyes			H/A	H/A

#### ACTIVITY CODE

IR - Initial Review

AR - Additional Review

H/A - Hearing, final changes and approval

<sup>1</sup> Capital Improvement Projects and Operations

<sup>2</sup> Department Heads present

## MEMORANDUM

To: Board of Directors

February 1, 2013

From: Doug Moore, Construction/Maintenance Superintendent *D.M.*

Subj: Underground Service Alert

k:\const sup\2013\usa board memo.docx

**RECOMMENDED ACTION: Information**

**FINANCIAL IMPACT: None**

Director Baker asked that a brief memo be prepared for the Board to explain how Underground Service Alert (USA) works.

USA provides a Damage Prevention Service that protects underground facilities and its members. USA is a Non-Profit Corporation, whose objective is to receive planned excavation reports from public and private excavators and to transmit those planned excavation reports to all participating USA members who have facilities at that excavation site. NMWD is a participating USA member, and pays annual membership dues of \$866. USA members mark the horizontal path of their facility using the appropriate color code (blue for potable water, purple for recycled, green for sewer).

To be legally protected, excavators call USA anywhere from 2 working days to 14 calendar days before digging. A location request number (ticket) is issued and is good for 28-calendar days. A sample ticket is attached. Excavators are required by law to wait until all operator(s) of subsurface installations have provided a positive response to their excavation marking of their facility.

NMWD receives, on average, about 50 requests to mark and locate each week. We also call in with the required lead time when we plan to excavate, when time permits. If an excavator digs without calling USA and hits an underground facility, he is liable for the damages. If an excavator calls USA before digging and follows the markings provided by USA members, he is free from liability even if an underground facility is damaged. The key for all agencies is to maintain accurate as-built records of underground facilities, and to respond in a timely manner to all requests to mark and locate.

**Joe Corda**

---

**From:** support@usan.org  
**Sent:** Thursday, January 31, 2013 7:41 AM  
**To:** usa  
**Subject:** USAN NMARIN 2013/01/31 #00002 0038038-000 NORM NEW

NMARIN 00002 USAN 01/31/13 07:41:13 0038038 NORMAL NOTICE

Message Number: 0038038 Received by USAN at 07:37 on 01/31/13 by SMV

Work Begins: 02/04/13 at 08:00 Notice: 020 hrs Priority: 2  
Night Work: N Weekend Work: N

Expires: 02/28/13 at 23:59 Update By: 02/26/13 at 16:59

Caller: DOUG MOORE  
Company: NORTH MARIN WATER DISTRICT  
Address: 999 RUSH CREEK PL  
City: NOVATO State: CA Zip: 94948  
Business Tel: 415-897-4133 Fax: 415-892-9520  
Email Address: DMOORE@NMWD.COM

Nature of Work: EXC TO INST FIRE SVC VALVE  
Done for: SAME Explosives: N  
Foreman: CALLER  
Field Tel: Cell Tel: 415-706-5349  
Area Premarked: Y Premark Method: WHITE PAINT  
Permit Type: NO  
Vac / Pwr Equip Use In The Approx Location Of Member Facilities Requested: Y Excavation  
Enters Into Street Or Sidewalk Area: Y

Location:  
Street Address: 1727 GRANT AVE  
Cross Street: 7TH ST

WRK LOC ON THE SE/COR/O THE BLDG, ACCESS FR 7TH ST-PER CALLER

Place: NOVATO County: MARIN State: CA

Long/Lat Long: -122.580969 Lat: 38.10707 Long: -122.578376 Lat: 38.109255

Sent to:  
CTYNOV = CITY NOVATO COMNOV = COMCAST-NOVATO  
NMARIN = NORTH MARIN WTR DIST NOVSAN = NOVATO SANITARY DIST  
PACBEL = PACIFIC BELL PGESRF = PGE DISTR SAN RAFAEL  
VERNOR = VERIZON CAL NORTH



MEMORANDUM

To: Board of Directors

February 1, 2013

From: Nancy Williamson, Senior Accountant

Subj: Information – FY13 2<sup>nd</sup> Qtr Labor Cost Report  
l:\acl\word\memo\13\2ndqtr labor cost rpt.doc

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None

Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor was 1.2% over budget for the 2<sup>nd</sup> quarter of the year. The budget variance arises primarily from a timing issue pertaining to the consolidation of two Administration positions upon the retirement of two employees late last year. Labor cost increased \$55,520 (1.6%) from the prior year, same period.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	\$28,470	3.0%
Engineering	\$7,520	1.2%
Operations/Maint	\$14,035	1.1%
Construction/Maint	\$5,495	0.9%
Net Increase/(Decrease)	\$55,520	1.6%

Comment on Changes

**Administration:** Labor Cost increased \$28,470 3.0%. The increase is primarily due to three step-increases, the temporary 10 hour per week combined increase in the two accountants' time beginning January 1, 2012, plus a 2.5% COLA increase effective 10/1/12.

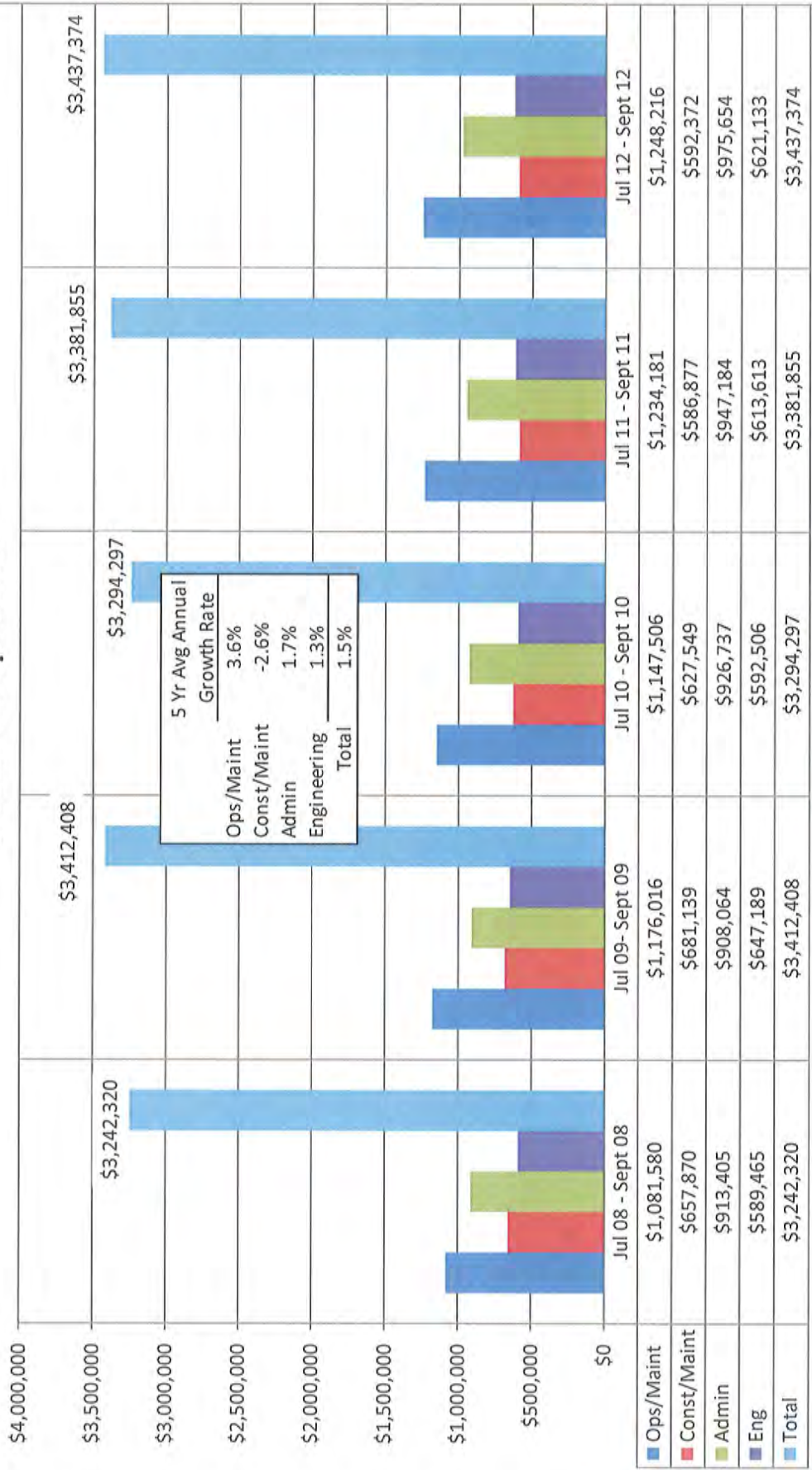
**Engineering:** Labor Cost increased \$7,520 1.2%. The increase is primarily due to a 2.5% COLA increase effective 10/1/12.

**Operations/Maintenance:** Labor Cost increased \$14,035 1.1%. The increase is primarily due to seven step-increases, a 3% increase in regular hours plus a 2.5% COLA increase effective 10/1/12 offset by a 100% decrease in temporary labor and a 14% decrease in overtime hours.

**Construction/Maintenance:** Labor Cost increased \$5,495 0.9%. The increase is primarily due to seven step-increases, a 3.7% increase in regular hours, 7.6% increase in overtime hours plus a 2.5% COLA increase effective 10/1/12 offset by a 79.2% decrease in temporary hours.

# NMWD Fiscal Year through December Total Labor Cost 5 Year Comparison

2/1/13

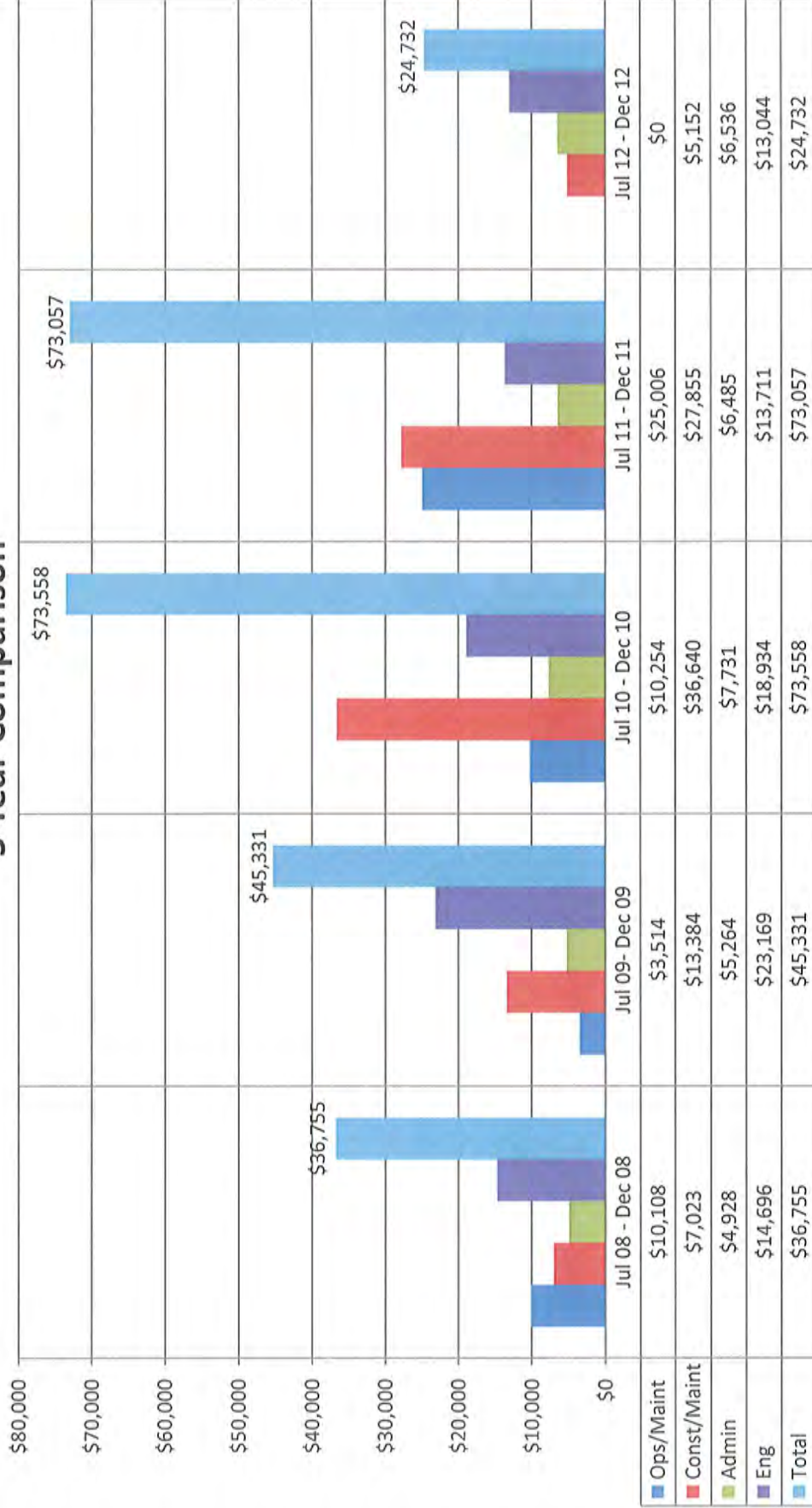


Legend: Ops/Maint (Blue), Const/Maint (Red), Admin (Green), Eng (Purple), Total (Light Blue)

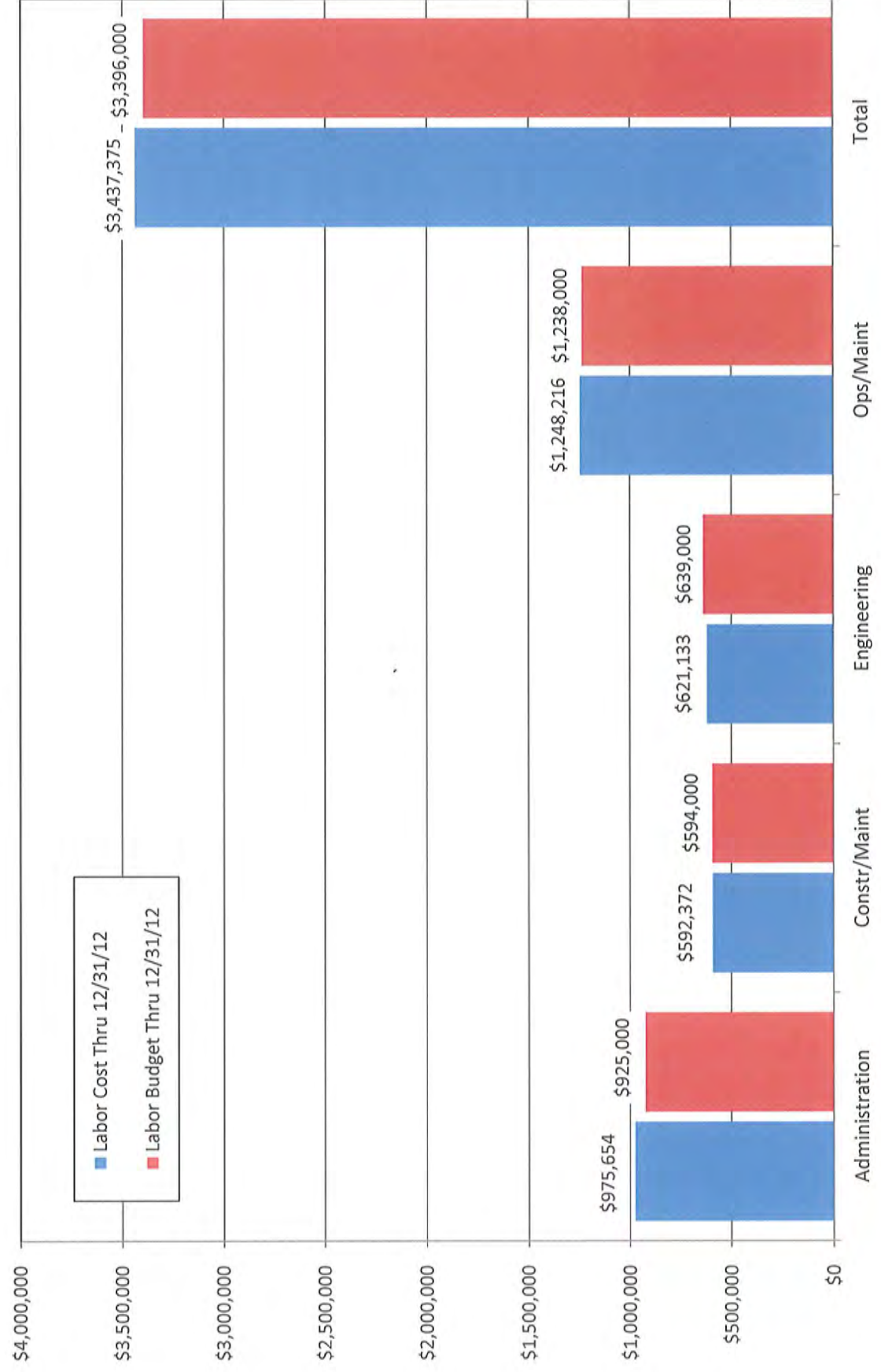
## NMWWD Fiscal Year through December Overtime Cost 5 Year Comparison



## NMWD Fiscal Year through December Temporary Employee Cost 5 Year Comparison



### NMWD Fiscal Year through December Total Labor Cost vs. Budget 7/1/12 - 12/31/12



## MEMORANDUM

To: Board of Directors

February 1, 2013

From: Nancy Holton, Senior Accountant

Subj: Information - Outstanding Invoice - Rossi

\\nmt:\finance\accountsreceivable\john frank rossi invoice.docx

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** \$4,222.67 Reimbursement to NMWD

The following information is provided at the request of Director Baker.

On June 15, 2008, a hydrant at Novato Blvd and Grant Ave was hit by a vehicle driven by John Frank Rossi. Invoice #11449 in the amount of \$4,222.67 was sent to Mr. Rossi on July 25, 2008 for reimbursement of the hydrant repair cost and for 180,000 gallons of lost water. Mr. Rossi, the adult son of a Novato resident, made no payment to the District until April of 2011, when he was released from Marin County Jail. The District worked extensively with County authorities and, as a result, one of the terms of Rossi's probation is that he must make restitution for the damage he caused.

Through January 31, 2013, Mr. Rossi has made seventeen payments ranging in amount from \$60 to \$350 for a total of \$2,010. The balance remaining on the invoice is \$2,212.67. Mr. Rossi paid \$100 each month during 2012. At that rate, the invoice will be fully paid in 22 months, or November 2014.

## MEMORANDUM

To: Board of Directors  
From: Alicia Manzoni, Consumer Services Supervisor  
Subject: Information – Meter Reading Accuracy  
\\nmwdsrv1\administration\cons\_srv\letters\dmc\_summary\_2012.doc

February 1, 2013

**RECOMMENDED ACTION:** None

**FINANCIAL IMPACT:** None

North Marin Water District's Field Service Representatives read 126,626 meters from December 1, 2011 to November 30, 2012. When tallying misreads versus meters read over the past 12 months, we found that the reading error rate was 0.12% (150 mis-reads) or, stated positively, a 99.88% accuracy rate.

In comparison to other water utilities, East Bay Municipal Utility District claims their accuracy rate is 99.99%, San Jose Water reports 99.90% and City of Petaluma staff 99.50%.

Our FSR's do make an effort to read each meter accurately. We will monitor meter reading accuracy over the next several months and endeavor to bring our accuracy rate up. We strive to be accurate.

NMWD Board of Directors

January 23, 2013

999 Rush Creek Place

Novato, CA 94945

RECEIVED

JAN 25 2013

North Marin Water District

Dear NMWD Board of Directors,

Far too often are the “little things” that government employees perform on a daily basis properly recognized or rewarded. The purpose of this letter is to notify the Board of the North Marin Water District’s effectiveness from my perspective and to commend the services of Chris DeGabriele and his able maintenance team.

Last week, I reported a serious water service leak on the street in front of my next-door -neighbor’s home. The leak was flooding the street and was flooding the storm drain gutter system.

Literally a few short minutes after my call a work crew had stopped the leak. They immediately began excavation and repairs to the supply system. The following afternoon, after the completion of the corrective action, I telephoned Mr. DeGabriele to thank him for his agency’s promptness and mentioned that there was a significant amount of dirt deposited at the end of the street that had emanated from the leak site a good distance downstream from the actual failure point. It was located at the very end of Albatross Drive and was at the terminal end of the City’s storm drain system before emptying in the wetland lagoon. Mr. DeGabriele said that he would “Take care of it...” and promised to remove any remaining debris in the gutter.

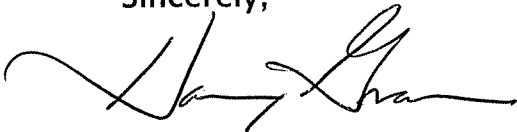


Chris noted proactively that he was aware of the environmentally sensitive nature of the situation as the storm drain is adjacent to and empties into the Bahia Lagoon. He assured me he would take action before the predicted rains began.

He was true to his word as the leak erosion debris was completely removed eliminating any possibility of contaminating the nearby lagoon. Such efficiency and concern is commendable.

As a retired City of Novato employee with over 32 years of service, it is gratifying to personally experience the positive benefits of a historically well run governmental organization. As citizen's, we should all be proud of the efforts and a job well done by the North Marin Water District's Board of Directors, General Manager Chris DeGabriele his team of hard working employees who provide the best possible essential services to the public.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry Graves". The signature is fluid and cursive, with a long horizontal stroke at the end.

Harry Graves

686 Albatross Drive

Novato, CA 94945

CC:Chris DeGabriele, General Manager NMWD

**FAX: Editor, Novato Advance - 897-0940**  
**FAX: Editor, Marin IJ - 883-5458**

Friday, January 25, 2013

**Contact: Robert Clark, Operations & Maintenance Superintendent, (415) 897-4133 ext. 8444**

## **PRESS RELEASE**

### **North Marin Water District Flushing Program**

North Marin Water District will begin its annual water main flushing program for the Novato water system on February 4<sup>th</sup>. This is a standard practice to ensure good quality water and involves opening certain fire hydrants and "blow-off" pipes to discharge water at high velocity which removes any rust or sediments that may have accumulated in the water pipelines over the past year. It also helps maintain a chlorine residual (disinfectant) to prevent bacteria growth in the pipelines.

Customers may temporarily experience low water pressure or a slight, but harmless color in their water when the flushing is conducted in their neighborhood.

Though the quantities of water used for flushing may appear to be large, the total amount of water used is less than one day's normal consumption. Flushing is performed in the winter months when there is sufficient water supply for the task.

Flushing is expected to be completed by the end of February.

BOD MISC

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## Santa Rosa City Council picks Robin Swinth to replace Susan Gorin

By *KEVIN McCALLUM*

THE PRESS DEMOCRAT

Published: Monday, January 28, 2013 at 3:00 a.m.

The Santa Rosa City Council on Monday night selected Robin Swinth, a member of the city's powerful Board of Public Utilities and a former Agilent Technologies engineer, to fill the remaining two years of Susan Gorin's council term.

"She did her homework," Mayor Scott Bartley said of Swinth's presentation earlier in the day to the council. "I think she'll do an excellent job."

The selection capped a controversial three-week-long application process that some criticized as rushed and secretive. The council spent nearly seven hours during a special hearing Monday afternoon and evening interviewing the 17 applicants for the post.

Council members toyed with the idea of inviting finalists back today for further interviews. But almost as soon as preliminary voting began it was clear Swinth was the favorite.

In the first round of voting, which was meant to narrow the field, she received six votes, more than any other applicant. In that same round, Caroline Banuelos received three votes, while Don Taylor, David Rosas, Curtis Byrd, Gary Saal and George Stepphensen each received two.

As the voting continued, no other candidate could muster more than two votes, and Swinth won the deciding vote unanimously.

Swinth, 45, served with Bartley on the Planning Commission and currently serves on the Board of Public Utilities, which oversees the city's water and wastewater systems and sets rates.

She is a native Santa Rosan who lives in Bennett Valley. She has two daughters, ages 8 and 9, and is active in their school, she said. She and her husband own a small business, Access Ingenuity, that helps disabled people return to work.

During her interview with the council, she emphasized the need for predictability in the planning and development process, her appreciation for sacrifices public employees have made during the recession and her work to keep water rate increases to a minimum.

Swinth stressed her 14 years of work for Agilent Technologies as an electrical engineer and manager, which she said gives her "analytic and problem-solving skills" that will benefit the city. She also cited her four years on the Planning Commission and five years on the Board of Public Utilities as proof of her public service.

"I have a long history of working as an effective, respectful and collaborative team member," Swinth said.

As a small-business owner, she said she understands the challenges and risks that businesses face, from being able to afford health care to being able to recruit and retain qualified workers.

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Councilman Gary Wysocky, who called the appointment "arguably the most important decision we will make this term," asked Swinth to discuss a series of rate increases the Board of Public Utilities approved over the past decade. Rates had steadily increased 9 percent annually.

Swinth called keeping rates affordable "extremely important" and said she worked hard on the budget to accomplish this by keeping employee costs down in the city's utilities department.

She noted that after the long string of 9 percent increases, the most recent increase was 3 percent, she said.

She also demonstrated her knowledge of complex issues facing the city, such as how the quarter-cent Measure O sales tax has a baseline for public safety services that is tied to the consumer price index.

"Unfortunately, what happened was we passed it and then the economy tanked," Swinth said. "We have a complicated issue to deal with."

While on the Planning Commission during a period of more dense development, Swinth said she worked closely with Bartley to try to amend design guidelines for small lot subdivisions.

"He was very supportive of working with me and going around and trying to figure out what was working and what wasn't working," she said.

After the meeting, Bartley said he didn't always agree with Swinth but respected her thoughtfulness.

"She has her own opinions, and she can defend her opinions," Bartley said. "I think she'll do great."

You can reach Staff Writer Kevin McCallum at 521-5207 or [kevin.mccallum@pressdemocrat.com](mailto:kevin.mccallum@pressdemocrat.com). OnTwitter@citybeater

## GUEST OPINION: Magical thinking about fluoridation in Sonoma County

By LAUREN AYERS

Published: Wednesday, January 16, 2013 at 3:00 a.m.

"For every complex problem, there is an answer that is clear, simple—and wrong." -- H.L. Mencken

In an Aug. 7 Press Democrat story about Sonoma County's new public health officer, Dr. Lynn Silver-Chalfin, we read that in her capacity as assistant health commissioner for New York City, she helped the city ban trans fats. This resulted in an 83 percent reduction in trans fat in restaurant food. Another innovation required fast food calorie labeling. Good for Silver-Chalfin.

In contrast to those forward-moving laws, however, Silver-Chalfin seems determined to bring fluoridation to Sonoma County, an idea that has fallen into such disrepute that most European cities which had it have given it up. She leads the public health department in waving that tired old banner that fluoride in the water will "decrease the rate of tooth decay, which is very high in our children, particularly low-income children."

This is especially strange from a person who has worked for human rights since she was young. Internationally, access to clean water is now considered a human right. Clean water is what the American Dental Association and the CDC mean when they tell parents not to use fluoridated water for mixing dry formula, and what doctors advise diabetics to drink. The county's fluoridation proposal is basically Medication by Faucet, which takes away peoples right to clean water.

It used to be that only fringe groups opposed fluoridation. Finally, the tide is turning. Hundreds of studies show the downside. For instance, as a teacher I was shocked to read the Harvard analysis showing that fluoridated water lowers IQ. Recently, statistical analysis showed that decades of low school success and higher crime resulted from lead in gasoline. Can't we learn from that mistake and not add fluoride?

Often in life the right solution to a problem is more complicated, more time-consuming and initially more expensive than the wrong solution. Some of the magical quick fixes we tried in the past: DDT, MBTE, BPA. All ended up causing far more harm than good and cost a lot more to clean up.

Everyone agrees that the decay rate in Sonoma County children is too high. But the real cause is too much junk food and not enough real food. The real question should be, 'How can families find good food for the same price as processed empty calories?'

The Board of Supervisors is about to spend three quarters of a million dollars (critics say it will cost a lot more) to add fluoride to our water supply when it would be far wiser to spend those tax dollars on nutrition education for families. Parents will listen because they know that 'Knowledge is power.'

Our county has the laudable goal that our children will be the healthiest in California by 2020. Fluoridation won't get us there. But good nutrition can. Silver-Chalfin has a great track record of getting public support for dietary improvements. We need that here.

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If county supervisors really want to drop dental decay, they should politely ask our 40 school districts to get all (or most) of the added sugar out of the breakfasts, snacks and lunches served in our cafeterias. While they're at it, how about removing the trans fat? (Half a gram per serving is still allowed.) If Berkeley and Novato school districts can make these changes, we can, too.

Most important for teeth, why not inform parents that even in sunny Sonoma County, 70 percent of our kids have sub-optimal levels of vitamin D?

The halls of our high schools were once full of soda vending machines. We changed that. The next step is to get rid of the "sports drinks" and flavored milk drinks, which have the same amount of sugar as a soda. Merchandisers know that sugar is addictive and therefore profitable. The Fortune 500 list contains a lot of huge food processing corporations because even in a bad economy they magically make a good return for investors.

Magic is the art of misdirection; the audience follows the wrong hand and misses what is happening elsewhere. Fluoridation is a magic trick. Even the smartest people fall for it, at first. But eventually the truth will out. Admitting mistakes isn't easy. But our supervisors need to re-open their minds and look at the big picture instead of that hand pointing to fluoride.

Sonoma County has innovative iGrow and iWalk programs that are models for other counties. Let's have an iEatRealFood program and we'll see the decay rate drop to pre-1900 rates.

One more thing--- the supervisors apparently intend to wave a magic wand so that the California Environmental Quality Act disappears. The California Environmental Quality Act requires an environmental impact study on water additives; 99 percent of the added fluoride passes through sewage treatment into the environment. I can get a reverse osmosis water filter (the only kind that removes fluoride), but the herons and frogs cannot.

*Lauren Ayers, a retired teacher, is the Sonoma chapter Leader, for the Weston A. Price Foundation, a nonprofit, tax-exempt nutrition education foundation. She lives in Sonoma Valley.*

BOD MISC

Chris DeGabriele

**From:** Brad Sherwood [Brad.Sherwood@scwa.ca.gov]

**Sent:** Monday, January 28, 2013 8:44 AM

**Subject:** Sonoma County Water Agency press release: Water Agency announces 2013 public tours schedule



## Sonoma County Water Agency PRESS RELEASE

**For Immediate Release**  
**January 28, 2013**

**CONTACT:**

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Public Information Officer  
707.547.1927 (Office)  
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### **Water Agency announces 2013 public tours schedule**

*Six tours to feature sanitation services, renewable energy projects, water supply operations, and fisheries programs*

**(Santa Rosa, CA)** The Sonoma County Water Agency (Water Agency) is pleased to announce this year's public tours schedule that includes a total of six tours and a new addition from previous years; a tour of Water Agency renewable energy projects. The tours are free and open to anyone interested in learning more about our natural resources. To register for a tour, go to [www.sonomacountywater.org/tours](http://www.sonomacountywater.org/tours) and fill out the online registration form. Space is limited and reserved on a first-come-first-served basis.

"I encourage our community to attend a Water Agency public tour. I guarantee you will learn something new about how our Sonoma County drinking water is derived from a unique, naturally filtered source," said Sonoma County Supervisor and Water Agency Chairman David Rabbitt. "This series of tours is part of the Water Agency's ongoing community outreach program. Take advantage of these opportunities to speak with the knowledgeable, technical experts on staff at the Water Agency on issues such as sanitation treatment, renewable resources and water quality. "

**Russian River water supply system tours:**

Tour participants will visit facilities that divert, pump and treat the water delivered by the Water Agency to more than 600,000 residents in portions of Sonoma and Marin counties. These facilities will include the rubber dam, fish ladders, infiltration ponds and water collector 6 –one of the largest water collectors of its type in the world. The tours will start at 9 a.m. and conclude at noon.

- Saturday, April 13
- Saturday, May 18

- Saturday, September 14

**Sanitation treatment tours:**

Tour participants will get an in depth look at how their wastewater is treated and learn about recycled water and new disinfection systems. The tours will start at 11 a.m. and conclude at 12:30 p.m.

- Saturday, March 30 - Russian River County Sanitation District
- Saturday, April 13 - Sonoma Valley County Sanitation District

**Carbon Free Water by 2015 tour:**

Tour participants will get to see a subset of energy and sustainability projects the Water Agency has developed in an effort to deliver carbon-free water by 2015. The tour will include solar panels, ground source and pond loop geoexchange heating and cooling systems, electric vehicle charging stations and the Hybrid and Plug in Hybrid Electrical fleet, and the Airport-Larkfield-Wikiup Sanitation Zone's wastewater treatment plant.

- Thursday, April 11 404 Aviation Blvd-5:00pm-6:30pm

**Tour Coordinator:** For more information about tour logistics, to seek special assistance or to register, please contact Water Agency Programs Specialist Ryan Pedrotti at 707-521-6209 or [ryanp@scwa.ca.gov](mailto:ryanp@scwa.ca.gov).

###

*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](http://www.sonomacountywater.org).*

Thank you,  
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***Working to secure our future by investing in our water resources, environment and community***





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## CORTE MADERA Lions Club hosting crab feed, raffle

The Corte Madera Lions Club is hosting an all-you-can-eat crab feed and raffle Feb. 16. Food will include crab, salad, pasta and garlic bread.

A no-host bar will open at 6 p.m., with the crab feed taking place at 7 p.m. at the Corte Madera Community Center at 498 Tamalpais Drive.

Tickets are \$35. For reservations, call 924-8186 or send a check to the Corte Madera Lions Club at 498 Tamalpais Drive, Corte Madera, 94925.

## NOVATO District to flush out water system

Novato residents may notice low-water pressure or a slight color in their water in February because the North Marin Water District will be flushing out its water system.

The workers will start Feb. 4 and go from one neighborhood to the next, opening fire hydrants and pipes to discharge water at high velocity to remove rust or sediment.

The water district's website is at [www.nmwd.com](http://www.nmwd.com).

## Annual Have a Heart dinner, auction

Hamilton School in Novato will present its ninth annual Have a Heart dinner and auc-

wine, dancing to live music from the Hamiltones, a photo booth and auction items ranging from a ride to school on a firetruck to a weeklong stay in Lake Tahoe.

Donations, sponsorships and advertisements are still being accepted.

Tickets cost \$70 through the end of January and \$85 thereafter.

For more information visit <http://goo.gl/00yDQ>.

## Roving patrol nets no DUI arrests

An eight-hour roving patrol for drunken drivers in Novato resulted in no arrests, police said.

The operation was conducted from 5 p.m. Sunday to 1 a.m. Monday.

A designated team of four officers patrolled the city in search of DUI suspects.

Police made 16 traffic stops during the operation found two unlicensed drivers.

The extra patrol was paid for through a grant by the California Office of Traffic Safety.

## SAN RAFAEL Free Valentine's Day card workshop

The San Rafael Public Library is hosting a free Valentine's Day card-making workshop for all ages from 1 to 3:30 p.m. Feb. 9.

Materials will be provided,

## to be discussed

The Marin History Museum History Center is presenting a lecture Feb. 7 with Bay Area author Lincoln Cushing.

Cushing will talk about the art of social justice posters and their influence throughout history, especially during California's civil rights movement.

Tickets are \$5 for members, \$10 for all others.

The event will take place at 7 p.m. at the History Center at 1026 Court St.

## SAUSALITO District to study sewer service costs

The Sausalito-Marin City Sanitary District has retained an independent consultant to evaluate its method for allocating sewer service charges among its residential and commercial customers.

The district is undertaking a study to determine sewer flows and costs between different classes of users.

Several public meetings will be held over the next few months as the study progresses.

The first will be held at 6:30 p.m. Wednesday in the City Council Chambers at 420 Litho St.

## TIBURON Humane Society goals topic of meeting

Nancy McKenney, CEO of the Marin Humane Society, will speak about her organization and its goals for the next few years at 7:30 p.m. Feb. 5 at the Belvedere-Tiburon Library at 1501 Tiburon Blvd. in Tiburon.

McKenney has spent 29 years in the animal welfare field and has worked for the Humane Society for Seattle/King County, the Petfinder.com Foundation and King County Animal

# fatal

By Gary Klien  
Marin Independent Journal

A man suspected of killing a teen in Oakland was charged with murder in Novato, author Gary Klien writes.

Larry Williams, a resident, was charged with the killing of Kenneth Ray Williams, 19, on a West street corner

Williams, a resident, was charged with the killing of Kenneth Ray Williams, 19, on a West street corner

## TREAT

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bit on the situation, Bain said.

Dave Smailing, registered mental health counselor, said Marin County has been busy reworking new law and regulations and it will be interesting to see how many are waiting in to get a permit for their own business.

"The goal was to bolster economies,"

He said an inspection developed to ensure local businesses are compliant with requirements required to sanitize their equipment.