

**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING**

May 3, 2011 – 7:30 p.m.

District Headquarters
999 Rush Creek Place
Novato, California

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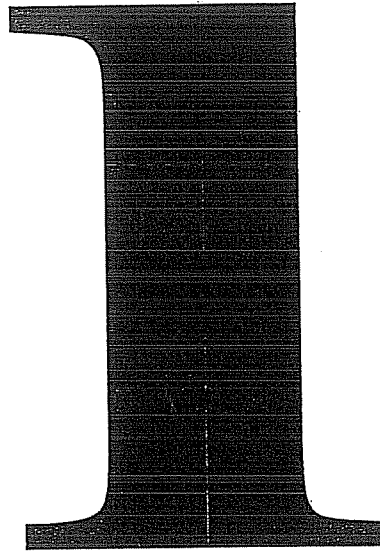
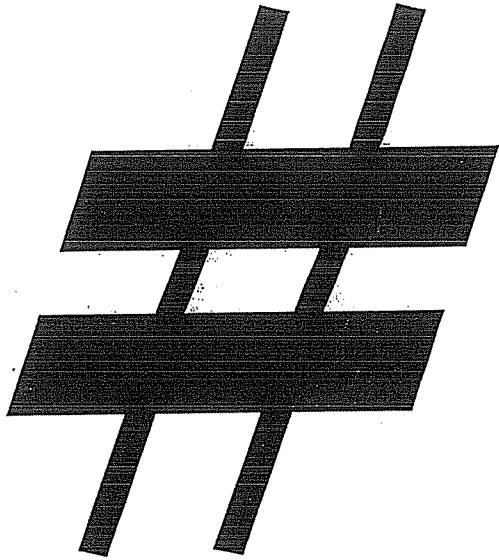
Est. Time	Item	Subject
7:30 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , April 19, 2011
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit)
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	PRESENTATION SCWA Re Russian River Fisheries
	CONSENT CALENDAR	
		The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
	6.	Consent – Approve Resolution of Appreciation to Retiring Employee – James Diggs Resolution
	7.	Consent – Approve Text for <i>WaterLine</i> , Volume 12, Issue 25
	8.	Consent – Approve Text for West Marin's <i>WaterLine</i> , Volume 9
	9.	Consent – Approve 2010 Consumer Confidence Report - Novato
	10.	Consent – Approve 2010 Consumer Confidence Report - Point Reyes
	11.	Consent – Approve Revision to Inter Agency Agreements for Recycled Water with LGVSD and NSD
	12.	Consent - Approve Recycled Water Expansion to the North Service Area – Plum Street Tank Rehabilitation Project – Approve Bid Advertisement
	ACTION CALENDAR	
	13.	Approve Recycled Water Expansion to North Service Area Project - Construction

All times are approximate and for reference only.

The Board of Directors may consider an item at a different time than set forth herein.

(Continued)

Est. Time	Item	Subject
		Management Services Contract Award
	14.	Approve Point Reyes Wells Salinity Intrusion Notice Threshold
	15.	Approve West Marin Rate Increase Notification
8:30 p.m.		INFORMATION ITEMS
	16.	Third Quarter Progress Report – Engineering Department
	17.	Water Conservation Quarterly Update (July-March 2010/2011)
	18.	Presentation - Five-Year Financial Plan Review
	19.	Initial Review – FY 11/12 Proposed Novato Operations Budget
	20.	Initial Review – FY 11/12 Novato Recycled Water System Budget
	21.	North Bay Water Reuse Authority Update – Summary of Phase 2 Membership Outreach Workshop
	22.	WAC Meeting – May 2, 2011
	23.	North Bay Watershed Association Meeting – May 6, 2011
	24.	MISCELLANEOUS Disbursements Audit Entrance Conference 90% Draft Master Plan Design for Stafford Lake Bike Park – Final Public Meeting Letter to Senator Simitian Re Oppose SB 34
		<u>News Articles:</u> Another Step Forward for Fish Ladder Salinity Notices
	25.	CLOSED SESSION: Conference with Legal Counsel – Existing Litigation Pursuant to Subdivision (a) of Government Code Section 54956.9 – Name of Case: North Coast Rivers Alliance v. California Department of Transportation (Named Real Party in Interest - North Marin Water District)
9:30 p.m.	26.	ADJOURNMENT



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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 19, 2011

6 **CALL TO ORDER**

7 President Schoonover called the regular meeting of the Board of Directors of North Marin
8 Water 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, Rick Fraites, Steve Petterle, and Dennis Rodoni.
10 Also present were General Manager Chris DeGabriele, Secretary Renee Roberts, Auditor-Controller
11 David Bentley and Chief Engineer Drew McIntyre.

12 Pat Collins and Carrie Lukacic of Winzler & Kelly, Novato Resident Susan Stompe (Marin
13 Conservation League), District employees Doug Moore (Construction/Maintenance Superintendent),
14 Ryan Grisso (Water Conservation Coordinator) and Pablo Ramudo (Water Quality Supervisor) were
15 in the audience.

16 **MINUTES**

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

19 AYES: Directors Baker, Fraites, Petterle, Schoonover

20 NOES: None

21 ABSTAIN: Director Rodoni

22 ABSENT: None

23 **GENERAL MANAGER'S REPORT**

24 **Novato Watershed Program**

25 Mr. DeGabriele stated that the technical work group of the Novato Watershed Program will
26 meet Wednesday, April 20 wherein the report on the Department of Fish & Game 2009 Study on
27 Salmonid Habitat on Novato Creek will be reviewed and that next week the Policy Advisory
28 Committee will meet to give a status on the program and discuss a proposed technical study to
29 evaluate flooding in the lower Novato Creek.

1 Records Destruction

2 Mr. DeGabriele advised that Friday, April 22, District documents scheduled for destruction
3 will be shredded, and employees will participate in the District annual clean-up day.

4 District Employee Retirement Announced

5 Mr. DeGabriele reported that Jim Diggs, District Cross Connection Technician, has
6 announced his retirement at the end of April after 24 years with the District. He advised that there
7 are two employees who are qualified to take over Mr. Diggs' duties.

8 **OPEN TIME:**

9 President Schoonover asked if anyone in the audience wished to bring up an item not on
10 the agenda and the following item was discussed:

11 Novato resident Susan Stompe, Marin Conservation League, requested that the Board of
12 Directors meeting agendas that are posted on the District website include staff reports.

13 **STAFF/DIRECTORS REPORTS**

14 President Schoonover asked if staff or Directors wished to bring up an item not on the
15 agenda and the following item was discussed:

16 Director Baker stated that he attended a public forum held by State Assembly Member Jared
17 Huffman to discuss the state budget and collect comments with the help of Next 10, an independent,
18 nonpartisan organization.

19 **PUBLIC HEARING – CONSIDER APPROVAL OF ORDINANCE 24 REVISING REGULATION 18**

20 Ryan Grisso provided an overview of Ordinance 24 revising Regulation 18. He stated that to
21 be eligible for State Water Resources Control Board low interest loan, the District needs Market
22 Assurances by spring 2011 to meet the funding qualifications and to keep the North Bay Recycled
23 Water project on schedule. He said that the Board directed staff to draft an ordinance that would
24 mandate the use of recycled water and authorized staff to hire a consultant to develop an outreach
25 plan. He informed the Board that the plan included meeting with stakeholders, developed outreach
26 materials (Project Summary, FAQs and maps), a direct mailer to customers and special mailer to 75
27 identified stakeholders. Mr. Grisso said that he received very few calls in response to the mailers.
28 He said that a public workshop was held on March 22 and eight customers attended.

29 Mr. Grisso said the current Regulation 18 language did not meet all SWRCB requirements,
) and the revised regulation addresses recycled water pricing, penalties for noncompliance and
31 exemption requests and other minor changes. He explained that Ordinance 24 references the

1 revisions to Regulation 18 and meets the requirement of the SWRCB and has received initial
2 approval from SWRCB staff.

3 Drew McIntyre reviewed the Recycled Water Expansion projects; Novato North Project with
4 Novato Sanitary District and Novato South Project with Las Gallinas Valley Sanitary District. He said
5 the three agencies are part of the North Bay Water Reuse Authority (NBWRA) and are fortunate to
6 secure \$7.3M in federal grant funding. He said that approximately \$4M of those funds are allocated
7 for the two projects. He said that the SRF low interest loan will be for the remaining 75% of funds
8 needed for the NMWD projects. Mr. McIntyre stated that the loan application for the Novato North
9 project has been submitted and the SRF loan for the Novato South project will be submitted soon.
10 He advised that the bid opening for the first segment of the Novato North project was held today and
11 the low bid was \$425,000; the engineering estimate was \$600,000. He further advised that after the
12 bid analysis, staff will return with its recommendation for award of the construction contract at a
13 future Board meeting. Mr. McIntyre advised that staff is working on the detailed design of the North
14 project and concurrently, Nute Engineering, is preparing design drawings for the South project
15 transmission pipeline from Las Gallinas Sanitary District to Hamilton. He stated that because of the
16 federal grant funding, the projects need to be completed by September 2012; and he expects state
17 approval of the SRF loan in four to six weeks. Mr. McIntyre said that the District is in a good position
18 to get a preliminary funding commitment from the state for the Novato North project, and that he is
19 hoping to get the same funding commitment from the state for the Novato South project.

20 President Schoonover opened the public hearing and hearing no comment, closed the
21 public hearing.

22 On the motion of Director Baker and seconded by Director Fraites, the Board unanimously
23 approved Ordinance 24 Adopting Regulation 18 Revisions.

24 **PUBLIC HEARING – AQUEDUCT ENERGY EFFICIENCY PROJECT DRAFT ENVIRONMENTAL**
25 **IMPACT REPORT**

26 Drew McIntyre stated that the public hearing tonight is for the purpose of the public to
27 provide testimony on the Draft Environmental Impact Report (DEIR) for the Aqueduct Energy
28 Efficiency (AEE) Project. He provided an overview of the project for the benefit of the public. He
29 stated that the AEE Project area encompasses the segment of NMWD aqueduct from Redwood
30 Landfill to Kastania Pump Station, and the purpose of the project is to eliminate energy use,
31 greenhouse gas emissions and ongoing costs of operation and maintenance of the Kastania Pump
32 Station and to improve water delivery reliability. He further stated that the project would be

1 implemented at the time of the Caltrans Marin-Sonoma Narrows project wherein a significant portion
2 of the aqueduct will be relocated. Mr. McIntyre advised that the Board of Directors released the
3 Draft EIR for public review on March 18, and a Notice of Availability was published in the Marin
4 Independent Journal and filed with the County Clerk. He further advised that thirty notices were
5 mailed to interested parties and property owners and the document was made available at the
6 Novato and Petaluma Public Libraries. He stated that to date, no comments have been received.
7 He said that after the public comment period has ended, all comments received and their responses
8 will be included in the final EIR. He said that the EIR will come back to the Board for certification
9 this summer and the next step will be approval of the actual project.

10 Pat Collins of Winzler & Kelly addressed the Board and reviewed the summary of the DEIR,
11 project objectives and project alternatives and reiterated Mr. McIntyre's statement that the
12 elimination of the Kastania Pump Station will eliminate greenhouse gas associated with its
13 operation. She said that the AEE Project must happen at the same time as the Caltrans Marin-
14 Sonoma Narrows Project to take advantage of the cost savings.

15 Director Rodoni asked for the status of the Caltrans EIR and if the District's EIR will be
16 supplemental to the Caltrans' document. Mr. McIntyre responded that the Caltrans EIR is complete
17 and that the District's EIR is a separate document. Director Rodoni asked about the status of two
18 lawsuits that were brought against the Caltrans EIR. Mr. McIntyre stated that there are two lawsuits;
19 Transportation Solutions, Defense & Education Fund (Transdef) declaring that the project will affect
20 regional planning, growth, transportation, and air quality. He said that the second lawsuit brought by
21 North Coast Rivers Alliance (NCRA) alleging that the expanded pipeline would enable increased
22 water diversions from the Russian River and induce greater population growth and land use
23 development within North Marin Water District service area. He said this is one reason why the
24 District decided to produce its own full EIR. He advised that the two lawsuits have been combined
25 and are being heard in Sonoma County.

26 Director Rodoni asked if it is likely the District's EIR will be challenged by NCRA and Mr.
27 DeGabriele opined that NCRA would likely challenge the District's EIR.

28 Director Fraites asked for a timeline when phases will be constructed. Mr. McIntyre stated
29 that Caltrans' segments B-1 and B-3 are estimated to be constructed in summer 2012.

30 President Schoonover opened the public hearing and hearing no comment, closed the
1 public hearing.

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1 **QUARTERLY FINANCIAL STATEMENT**

2 Mr. Bentley began his third quarter financial report by informing the Board that in conjunction
3 with the Aqueduct Energy Efficiency Project, the District will be required to borrow \$8M to finance
4 the project, and that financial advisors have recommended that the District change its accounting
5 practice pertaining to expensing projects. He said that beginning with this current financial
6 statement, the District will now be capitalizing costs eligible to be capitalized. He said that this
7 practice will have no effect on the cash balance and will increase the District's FY 11 net income by
8 \$1.4M. Mr. Bentley stated that this practice has the concurrence of the District's outside auditor,
9 Paul Kaymark of Charles Z. Fedak & Company.

10 Mr. Bentley presented the Third Quarter Financial Statement and advised that after the first
11 nine months of the year, there is a loss of \$1.8M compared to a budgeted loss of \$800,000 for the
12 year. He explained that this is due to the decrease in connection fees and water sales; the cash
13 balance decreased \$635,000 since July 1.

14 Mr. Bentley reported on each district individually. He said that in Novato, water consumption
15 is about the same as one year ago; and due to the cool spring, water sales have not picked up. He
16 stated that revenue is up 6% because of the 9% increase in water rates effective June 1, 2010. Mr.
17 Bentley said that Stafford Treatment Plant resumed its operation on March 4 and that Novato
18 Sanitary District allowed the District a variance to produce up to 3.25 mgd through the end of April
19 which will save the District \$65,000 in purchased Russian River water. He advised that salaries and
20 benefits costs are down \$300,000 for the first nine months; the cash balance in Novato has
21 decreased \$900,000 to \$5.3M.

22 Mr. Bentley reported that Recycled Water production has not started this year and there is a
23 budgeted loss of \$99,000. He advised that there is \$250,000 in the bank but the annual SRF loan
24 payment is due in June for \$272,000. He further advised that last year, \$40,000 was borrowed from
25 Novato water to make the loan payment, and the debt has been re-paid.

26 The Auditor stated that water sales in West Marin are down, revenue is up 4% and he
27 reminded the Board that there was a 9% rate increase effective August 1, 2010. He said net income
28 is \$23,000 for the year; the amount budgeted was \$164,000. He said that West Marin water owed
29 Novato Water \$372,000 at the end of this period.

30 Mr. Bentley stated that in Oceana Marin revenue is up 1%, and there is a net income of
1 \$74,000 and the quarter ended with a cash balance of \$280,000. He said that two additional

1 customers have signed up for sewer service, and the major project in Oceana Marin is replacing
2 cross-country sewer line and that the project will carry over into next fiscal year.

3 Director Petterle asked what the payback time period is on the \$8M loan for the Aqueduct
4 Energy Efficiency Project. Mr. DeGabriele said that he estimates about 40 years to recover the \$8M.

5 Director Rodoni asked for the annual payment amount for the \$8M loan. Mr. DeGabriele
6 replied approximately \$700,000 in interest and principle.

7 **MONTHLY PROGRESS REPORT W/CUSTOMER SERVICE QUESTIONNAIRE**

8 Mr. DeGabriele provided the monthly progress report for March, and said that water
9 production is on par with one year ago. He said that Stafford Treatment Plant has begun operating
10 this month and the Recycled Water plant may be starting production soon. He said at Stafford there
11 was significant amount of rainfall in March and the lake spilled through March. Mr. DeGabriele said
12 that in Oceana Marin both ponds have sufficient freeboard and with better weather, more discharge
13 can begin.

14 Mr. DeGabriele pointed out that there was a lost time injury in early March but that staff
5 worked over two years without a lost time accident or injury. He said that in Water Conservation, the
6 High Efficiency Toilet rebates are slowing down but that the washing machine rebates continue to be
7 popular. He advised that the rebate amounts will be reduced next fiscal year but he expects the
8 same participation. He said that with the Customer Service Questionnaire provides good feedback,
9 but only 23% of the questionnaires are returned by customers.

20 Mr. Bentley said that as of March 31, all districts combined total cash is \$5.9M; 66% in the
21 Local Agency Investment Fund and the remaining third in time certificates of deposits in local banks
22 and the portfolio is earning approximately 0.7%.

23 **CONSENT CALENDAR**

24 On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the
25 following items were approved on the Consent Calendar:

26 **WATER SERVICE AGREEMENT - CIRCLE BANK – 999 GRANT AVENUE RESOLUTION 11-07**

27 The Circle Bank Project proposes to construct a 19,200 square foot two-story
28 retail/office/restaurant building; the existing 10,000 square foot building will be demolished. New
29 Zone 1 water facilities required include 85 feet of pipe, one 6-inch fire service assembly, one
30 commercial fire hydrant and three 1-inch domestic water services with 1.5 inch back flow preventers.
31 The existing 1.5 inch meter will be killed. Total water demand for the project is eight equivalent

1 dwelling units and the new water demand is six EDUs since the Applicant is credited for two EDUs
2 for the existing service.

3 The Board approved Resolution No. 11-07 entitled, "Authorization of Execution of Water
4 Service Facilities Construction Agreement with Circle Bank Corporation."

5 **CONSENT APPROVE – SET PUBLIC HEARING – 2010 URBAN WATER MANAGEMENT PLAN**

6 A new state requirement prior to adopting the Urban Water Management Plan is to make the
7 plan available for public inspection and to hold a public hearing.

8 The Board set the public hearing to consider comments on the 2010 Urban Water
9 Management Plan for 7:30 p.m. on June 21st at the District Administrative Office and directed staff to
10 notify the City and County and notice the public hearing once per week for two consecutive weeks in
11 the Novato Advance.

12 **ACTION CALENDAR**

13 **STP SOLAR PROJECT**

14 Mr. Bentley said that a public hearing was held in January 2011 for the Board to hear public
5 comments on the Stafford Treatment Plant Solar Project, and the Board approved a resolution
16 finding the cost of the proposed solar power project will be less than the anticipated cost of power
17 purchased from PG&E. He said that at that meeting, a draft version of a Power Purchase
18 Agreement and a Site Lease Agreement with the project owner, Solar Power Partners (SPP), were
19 presented. He stated that concerns expressed by the Board and staff have been addressed in the
20 final draft which is being presented to the Board for approval.

21 Mr. Bentley advised that the project may be held up due to the suspension by PG&E of the
22 California Solar Initiative (CSI) based on their projection that funds have been exhausted. He
23 explained that SPP has calculated the CSI credit of 5 cents per kWh generated during the first five
24 years of the solar project's production into their 17 cents per kWh proposal. He informed the Board
25 that State Senator Christine Kehoe has introduced a bill to restore CSI funding, and that unless the
26 funding is restored, SPP will not be able to go forward with the project. Mr. Bentley said that the
27 District will write a letter in support of Senator Kehoe's bill.

28 On motion of Director Fraitas, seconded by Director Rodoni, the Board authorized the
29 General Manager to execute the Power Purchase Agreement and Solar Site Lease Agreement with
30 Solar Power Partners by the following vote:

31 AYES: Directors Baker, Fraitas, Rodoni, Schoonover

1 NOES: None
2 ABSTAIN: Director Petterle
3 ABSENT: None

4 **REVISED STATE REVOLVING FUND LOAN RESOLUTION – APPLICATION FOR RECYCLED**
5 **WATER PHASE 2 NORTH SERVICE AREA PROJECT**

6 Mr. McIntyre stated that the State Water Resources Control Board has requested that the
7 Resolution No. 11-03, Revised Revenue Source Authorization, be further revised to clarify that
8 repayment of the loan be on the same parity level as the Department of Water Resources SRF loan
9 for Stafford Treatment Plant.

10 On motion of Director Petterle and seconded by Director Rodoni, the Board unanimously
11 approved Resolution No. 11-08 entitled, "A Resolution of the Board of Directors of the North Marin
12 Water District to Approve and Authorize Dedication of a Revenue Source for the North Marin Water
13 District Repayment of State Revolving Fund Financing (CWSRF Project No. 5211-110)."

14 **OPPOSE SB 34, CALIFORNIA WATER RESOURCES INVESTMENT ACT OF 2011**

5 Mr. DeGabriele advised that Senator Joe Simitian (D-Palo Alto) has introduced Senate Bill
16 34 which is a public goods charge for all water delivered in California. He said that the bill included
17 in the Board's agenda packet has since been rewritten and the proposed amount per acre foot to be
18 charged to urban water users is left blank in the most recent version, whereas the former version
19 stated \$110 per acre foot. He said that half the funds would be deposited into a state water fund
20 and used to pay for the costs associated with the Delta Stewardship Plan. Mr. DeGabriele said that it
21 is worth taking an oppose position on this bill and he wanted the Board to vote to oppose the bill and
22 authorize him to write an opposition letter to state legislators.

23 On motion of Director Fraites and seconded by Director Petterle, the Board unanimously
24 voted to oppose Senate Bill 34 and authorized the General Manager to write an opposition letter to
25 state legislators.

26 **LETTER AGREEMENT FOR ESTABLISHING A REGIONAL ALLIANCE TO COMPLY WITH**
27 **SBX7-7**

28 The General Manager requested that the Board authorize him to execute the Letter
29 Agreement establishing a Regional Alliance with the other SCWA water contractors and Marin
30 Municipal Water District to comply with SBx7-7 to achieve a 20% reduction in per capita water
.1 demand by the year 2020. He said that projections show that the District will not meet the 20%

1 reduction in per capita water use by 2020 and that forming a regional alliance is the right way to go
2 about complying with SBx7-7.

3 On motion of Director Baker, seconded by Director Rodoni, the Board unanimously
4 authorized the General Manager to execute the Letter Agreement.

5 ***INFORMATION ITEMS***

6 **INITIAL REVIEW PROPOSED FY11/12 EQUIPMENT BUDGET**

7 Mr. Bentley presented the proposed FY 11/12 Equipment Budget for the Board's initial
8 review. He stated that the proposed budget totals \$243,000 which follows the five-year financial
9 plan. He advised that most of the budget (\$170,000) is for the purchase of two new dump trucks
10 that are needed because the old trucks do not comply with diesel emission rules. Mr. Bentley said
11 that other significant items in the budget include software licenses (\$25,000) and tapping system for
12 Construction (\$36,000). He said this is the first of three reviews and asked that the Board express
13 their budget concerns to staff as soon as possible.

14 Director Schoonover asked if the old trucks can be modified to comply with the diesel
15 emission rules. Doug Moore stated that the two trucks being replaced are old with high mileage and
16 it is not worth it to augment their diesel emission systems. Director Baker asked if there will be more
17 trucks that will need to be converted to diesel. Mr. Moore responded that there are two vehicles in
18 the fleet that have had the conversion kits installed and there will be more vehicles in the future that
19 will need the conversion.

20 Mr. DeGabriele explained that public agencies are the first entities required to make the
21 switch to clean air diesel engines.

22 Director Pettele stated that everything on the budget looks reasonable, but he reminded
23 staff that there is a proposed 33% rate increase in water rates over the next three years and at the
24 same time the equipment budget is increased 29%. He said that he hopes staff is cutting the
25 equipment budget as much as possible so that the District can defend the proposed rate increase at
26 the public hearing in May.

27 Director Rodoni asked Mr. Moore to come back and tell the Board what the impact would be
28 on the Construction Department if the purchase of one truck was delayed a year. He said
29 customers could argue that construction has slowed down, staff has been cut, and the purchase of
30 the second truck may not be needed.

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1 **INITIAL REVIEW FY12 IMPROVEMENT PROJECTS BUDGET**

2 Mr. Bentley presented the FY12 improvement projects budget and said that two years
3 improvement projects budgets are presented at this time - \$10M for FY 12 and \$8.5M for FY13 and
4 includes all districts. He said that the big projects, Aqueduct Energy Efficiency Project and the
5 Recycled Water Expansion Project will be financed. The net project outlay is \$2.3M (FY12) and
6 \$2.1M (FY13) and the combined Novato two-year total, which is subject to the proposed rate
7 increase, is \$3.6, a decrease from FY11/12 of \$1.8M. He advised that the proposed total outlay for
8 Novato Water, West Marin Water and Oceana Marin is \$4.5M, down \$1.75M from one year ago.

9 Director Rodoni requested that Mr. Bentley provide a list of the actual FY11 and FY 12
10 expenditures.

11 Director Petterle said that his comments regarding the Equipment Budget applies to the
12 Improvement Projects Budget – that staff be sure they can defend their recommendations on what is
13 included in the Improvement Projects budget to District customers.

14 Mr. DeGabriele said that for the Aqueduct Energy Efficiency Project to be cost-effective, it
15 must coincide with the Caltrans Marin-Sonoma Narrows Project and cannot be deferred.

16 Director Rodoni said that from his perspective, the projects that are subject to grant funding
17 must be included in the proposed budget and that there is only \$2.3M in Improvement Projects that
18 can be flexible.

19 There was a lengthy discussion on how to demonstrate to the public that cuts to the budget
20 have already been made and that staff have a strong case for the essential projects on the
21 proposed budget.

22 **MISCELLANEOUS**

23 The Board received the following miscellaneous items: Disbursements, NBWRA TAC
24 Revised 2011 Meeting Schedule and Salinity Notice. Mr. DeGabriele noted that salinity intrusion for
25 the Point Reyes well supply is unusual this time of year, especially because there are high flows in
26 Lagunitas Creek, and surmised that something else other than tidal influence is affecting the salinity
27 levels. He said staff is considering changing the notification threshold may be necessary and stated
28 that environmental groups have been contacted and he will keep the Board apprised.

29 The Board also received the following news articles: Water rate to increase by summer, Las
30 Gallinas Valley Sanitary District wins statewide recognition, County shakes up Marin parks
31 commission, Supervisors mull impact of SMART train cutbacks on Novato and Soroptimist Awards.

1 **CLOSED SESSION**

2 President Schoonover adjourned the Board into closed session at 9:12 p.m. for:

3 Conference with legal counsel – Existing Litigation – Pursuant to Government Code
4 subdivision (b) of Section 54956.9 (one case – Lauren Wayne); and Public Employee
5 Discipline/Dismissal/Release,

6 **OPEN SESSION**

7 Upon returning to regular session at 10:03 p.m., President Schoonover stated that during
8 the closed session the Board had discussed the issues and no reportable action had been taken.

9 **ADJOURNMENT**

10 President Schoonover adjourned the meeting at 10:04 p.m.

11 Submitted by

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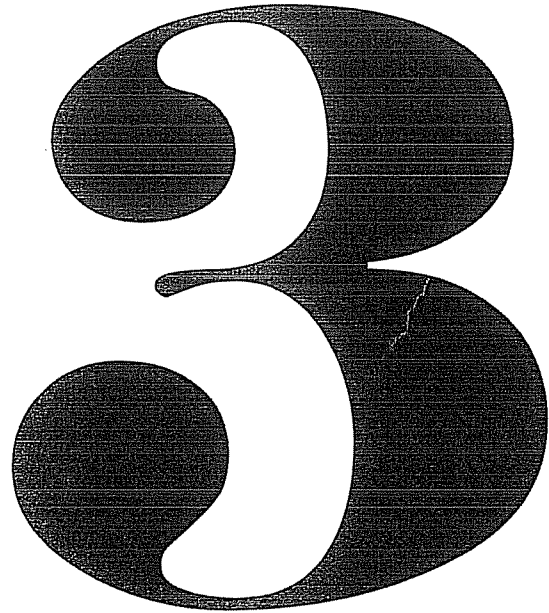
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Renee Roberts
District Secretary





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What is a “biological opinion”?

A biological opinion is a determination made by a federal agency—in this case the National Marine Fisheries Service (NMFS)—to help restore and protect threatened or endangered species. Biological opinions are prepared when federal government agencies consult with other federal agencies in a process spelled out in Section 7 of the Endangered Species Act.

In essence, biological opinions summarize the studies done during the Section 7 consultation process, analyze the impact of a specific project, and determine whether the project is likely to harm the survival and the recovery of the species. If the biological opinion finds that the species are likely to be harmed by the project, it includes “reasonable and prudent alternatives” that must be implemented. In this case the project is the ongoing water supply and flood control activities of the U.S. Army Corps of Engineers (Corps) on behalf of the Sonoma County Water Agency (SCWA) and the Mendocino County Russian River Flood Control and Water Conservation Improvement District in the Russian River watershed.

What problem is the Russian River biological opinion trying to solve?

The Russian River and its major tributaries are home to three species of fish that are threatened or endangered: steelhead, coho salmon, and Chinook salmon.

There are many reasons for the decline of these species, including historic overfishing, gravel mining, development near the river and its tributaries, increased sedimentation from logging and historic agricultural practices, and changing climate and ocean conditions. The reasons also include flood control and water supply projects in the river and in Dry Creek. The flood control and water supply projects are the sole focus of the biological opinion.

Essentially, the biological opinion addresses the following questions:

- 1) Do the flood control projects operated by the Corps and the water supply and flood control projects operated by SCWA threaten to jeopardize the continued existence of steelhead, coho, and Chinook?
- 2) If the answer to question #1 is yes, how can these projects or operations be changed to enable the survival and the recovery of the species? **SECT I, P 1**

What does this biological opinion find?

After more than 10 years of studies, NMFS finds that some aspects of flood control and water supply operations threaten to jeopardize steelhead and coho but not Chinook. This jeopardy opinion means that SCWA and the Corps must change operations. There are three areas of particular concern:

High summertime flows in the Russian River and Dry Creek

Contrary to what biologists believed in 1986, when the State Water Resources Control Board set minimum summertime Russian River flows in a ruling referred to as Decision 1610, biologists have concluded that fast-moving water in the river and Dry Creek makes it difficult for juvenile steelhead and coho to grow and thrive.

SECT IV, PP 164–84; SECT X, PP 243–48

The high velocity of water in Dry Creek in the summer

Fourteen-mile-long Dry Creek is the means by which water from Lake Sonoma gets to the Russian River. As described above, the fast-moving water makes it difficult for young fish to thrive. The biological opinion requires that, over a 15-year period, there be habitat enhancement and changes in the configuration of the channel to create slow-moving pools along six miles of the creek. **SECT IV, PP 172-77; SECT X, PP 260-67**

The current practice of "breaching" the sandbar at the estuary

Federal biologists believe that breaching negatively affects the estuary (the mouth of the river) by allowing more saltwater than is natural to flow into it and by keeping the amount of freshwater artificially low. The biological opinion requires SCWA to adopt "adaptive management" practices in the estuary, with the goal of keeping the sandbar closed in the summer months to create a freshwater lagoon in which young steelhead can grow. **SECT IV, PP 184-98; SECT X, PP 248-60**

What is a reasonable and prudent alternative?

When a biological opinion finds that current or proposed activities could threaten the continued existence of a threatened or endangered species, it includes steps for public agencies to take to avoid further problems. These steps are called "reasonable and prudent alternatives." In the case of the Russian River biological opinion, reasonable and prudent alternatives include the following:

- Reducing summertime flows in the river and Dry Creek **SECT X, PP 243-48**
- Enhancing six miles of habitat in Dry Creek **SECT X, PP 260-66**
- Creating a freshwater lagoon in the estuary during the summer months **SECT X, PP 248-60**
- Carefully monitoring both habitat and fish in Dry Creek, the estuary, and the river **SECT X, PP 258-60, 264-65**
- Eliminating impediments to fish spawning or improving habitat in several streams **SECT X, PP 267-72**
- Improving the existing coho broodstock program **SECT X, PP 273-74**

Who is involved?

The National Marine Fisheries Service, the Sonoma County Water Agency, the U.S. Army Corps of Engineers, the Mendocino County Russian River Flood Control and Water Conservation Improvement District, and the California Department of Fish and Game are the agencies involved, with SCWA and the Corps responsible for implementing the reasonable and prudent alternatives.

How long will this biological opinion be in effect?

The Russian River biological opinion is a 15-year plan.

What happens if SCWA fails to implement the biological opinion?

SCWA is committed to carrying out the biological opinion, but many of the projects envisioned in later years could change as data becomes available from projects implemented earlier and from the extensive studies and monitoring involved. Think of the biological opinion as a blueprint that can be adjusted by agreement as the situation evolves and new information becomes available.

How much will it cost?

Only a handful of items in the biological opinion include dollar amounts. SCWA and the Corps calculated the costs of the vast array of projects and developed a financial plan and a budget. While subject to change, it's currently estimated that the habitat enhancement, monitoring, and studies required of SCWA and the Corps will cost approximately \$150 million to \$165 million over 15 years. **SECT X, PP 267-72, 278**

Who will pay for it?

Funding will likely come from a variety of sources, including ratepayers, state and federal grants, and existing tax revenues that can be designated for this purpose.

Who will make sure it's implemented?

The biological opinion requires that SCWA conduct extensive monitoring and reporting. The data will be provided to NMFS and the California Department of Fish and Game, which will monitor the work.

How can the public get involved?

There are several ways the public can get involved:

- Environmental documents will be prepared for the different actions required to implement the biological opinion. The environmental review process includes many opportunities for people to comment.
- Staff from SCWA and NMFS regularly conduct informational presentations to community and neighborhood groups.

If you are interested in more information, visit www.sonomacountywater.org/rrifr.

What is an estuary? And why is it important to steelhead, coho, and Chinook?

An estuary is where a river meets the sea. The convergence of freshwater from the river and saltwater from the sea creates a dynamic environment that supports a broad diversity of fish, wildlife, and invertebrate and plant species. Estuaries play an important role in the life history of steelhead, coho, and Chinook. Salmon use estuaries to adapt to saline conditions prior to entering the ocean and to adapt to freshwater before migrating upstream to the spawning grounds. Some species, particularly steelhead, spend extended periods of time in estuaries.

I thought fish need lots of water, so why does the biological opinion require less water in the Russian River?

Biologists have concluded that current flow releases into the river are much higher during the summer than under natural conditions and are too high for young steelhead and coho. **SECT IV, PP 164–84**

Reducing summer flows in the Russian River would provide better habitat by reducing velocity, would eliminate the need to artificially breach the sandbar at the estuary, and may improve summer habitat in the estuary by allowing the formation of a freshwater lagoon. Reducing summer flows in the upper Russian River would also retain a greater amount of the cold-water pool in Lake Mendocino, which would be available to be released in the late summer and the early fall, benefiting Chinook returning to the river to spawn.

What is the process for changing the summertime flows in the Russian River?

Summertime flows are controlled by Decision 1610, the ruling that requires minimum flow levels at specified areas of the Russian River and Dry Creek. The minimum flow levels vary, depending on whether the year is "normal," "dry," or "critical." (Decision 1610 requires that SCWA release water from Lake Mendocino and Lake Sonoma to maintain these flows regardless of the amount of water that others take from the river and the creek.) **SECT III, PP 15–19**

The biological opinion requires that summertime flows be permanently reduced to replicate river conditions in dry years (although the biological opinion does acknowledge the complexity of operating the system and allows flows to vary). **SECT X, PP 244–48**

In September 2009, SCWA submitted a petition to the State Water Resources Control Board (State Board) that it will be asking for changes to Decision 1610. This request triggers a process, which could take several years. The State Board will weigh the information provided in an EIR (provided by SCWA) with other factors when making the ultimate decision on summertime flows. In addition, because the biological opinion requires lower flows beginning in 2010, annual interim changes to Decision 1610 will be necessary. **SECT X, PP 247–48**

Because Dry Creek is the conduit to get Lake Sonoma water to the Russian River, if there is less water in the creek, won't that mean less water for people?

The reasonable and prudent alternatives provide for habitat enhancement in Dry Creek. The goal is to naturalize the creek in a way that allows water to continue to flow to meet the current demands of people while creating slow-moving pools and shady areas for young steelhead and coho to grow. **SECT X, PP 260–67**

If less water is needed in the river, would the diversion of Eel River water end?

Pacific Gas & Electric's diversion of Eel River water through the Potter Valley Project is regulated by the Federal Energy Regulatory Commission. These diversions from the Eel River are not controlled by SCWA and will not

change as a result of the biological opinion.

Does the biological opinion require a pipeline to be built from Lake Sonoma to the Russian River?

No. The biological opinion does not require the construction of a pipeline. It does require a pipeline feasibility study, which is currently being conducted. If habitat enhancement projects in Dry Creek are determined to be unsuccessful, in year 10 (2018), the biological opinion requires a change in approach, which could result in additional pipeline studies. **SECT X, PP 264, 272**

How will less water in the river affect summertime recreation?

Canoeists, kayakers, swimmers, and people who just like to float down the river in inner tubes are an important part of the river culture. The EIR will include in-depth analyses of how lower flows might affect recreation on the river.

What problem in the estuary does the biological opinion attempt to address?

Tidal action builds a sandbar at the mouth of the Russian River that periodically closes the estuary. River water behind the sandbar rises high enough to threaten low-lying property in Jenner and further inland. SCWA holds permits to breach the sandbar to minimize the flooding risk. Based on studies of coastal lagoons elsewhere in California, some biologists believe that keeping the Russian River estuary closed in the summer would create better conditions for young steelhead to grow and thrive.

The biological opinion requires that SCWA adopt adaptive management practices that would keep the estuary closed in the summertime unless flooding is imminent. In the later years of the biological opinion, if the sandbar is repeatedly breached to avoid flooding, SCWA will be required to study alternative solutions, including modifying the existing jetty and elevating homes and other structures to prevent them from flooding. The plan also requires extensive biological, physical, and water-quality monitoring to help determine whether a closed summertime lagoon is better for salmon. **SECT X, PP 248-60**

Why doesn't the biological opinion assess impacts on humans?

Under the federal Endangered Species Act, biological opinions must assess the impacts of projects on threatened species, not on humans. The EIR that is required to change minimum summertime flows in the Russian River, however, will assess the impacts on humans, including potential effects on recreation.

Shouldn't the biological opinion address all the problems in the watershed?

The purpose of the biological opinion isn't to address all problems in the watershed but to address those problems related to specific SCWA and Corps operations.

How does the biological opinion address likely impacts of climate change in our area?

The biological opinion assumes that local impacts from global climate change will be limited and difficult to predict in the next 15 years. The effects of climate change as it relates to lowering the flows in the Russian River will be addressed in the environmental impact report. **SECT I, P 5**

What is an "incidental take statement"?

The federal Endangered Species Act prohibits the "take" (in essence, the killing, harassment, or harm) of threatened species. Agencies can be exempted from take by the regulating agency (in this case NMFS) if species are harmed incidentally as an unintentional result of lawful operations. The biological opinion includes an incidental take statement that exempts SCWA and the Corps from take that could result from specified lawful operations and from changes in operations as a result of the biological opinion so long as the terms and conditions of the statement are met. **SECT XI, PP 296-332**

Highlights – DRAFT DRY CREEK STUDIES

BACKGROUND

- In its 2008 Russian River Biological Opinion, National Marine Fisheries Service focused on three key opportunities for improving conditions for endangered coho salmon and threatened steelhead:
 - Reducing flows in the Russian River and Dry Creek during the summer;
 - Taking advantage of natural closures of the sand bar at the mouth of the Russian River to create a freshwater lagoon between May 15 and October 15;
 - Enhancing habitat in Dry Creek to provide places for young coho and steelhead to find shelter and shade and to escape fast-moving water during the summer.
- Projects are moving forward in all three areas, but **Dry Creek is the subject of two DRAFT studies released this month.**
- **These studies show the way forward to securing our current water supply and helping restore endangered coho salmon and threatened steelhead in Dry Creek.**

DRAFT Fish Habitat Enhancement Feasibility Study Report

THE PLAN – HABITAT ENHANCEMENT

- **“Plan A” for Dry Creek is the Fish Habitat Enhancement Feasibility Study.** The study is a blueprint for enhancing a total of six miles of habitat in Dry Creek, which will enable the Water Agency and the U.S. Army Corps to continue releasing water from Lake Sonoma to meet local water supply and flood control needs.
- **The first three miles of habitat enhancements MUST be created and evaluated** before a pipeline (Plan B) will even be considered. *(See attached timeline for Dry Creek schedule.)*
- **The report identifies 45 potential areas for successful habitat enhancement that will benefit coho and steelhead.** These habitat enhancements capitalize on Dry Creek’s current condition *(Chapter 5)*. They are not designed to return the creek to its historic condition.
- Specifically, the habitat enhancement study finds enhancement opportunities in all stretches of the creek:
 - The upper reach (below Warm Springs Dam) provides many opportunities for “constructed” habitat (log structures, side channels and backwaters) . *(Pages 79-80; 98-104)*
 - The lower end of Dry Creek (Westside road to the confluence with the Russian River) has conditions particularly amenable to constructing projects designed to let natural river processes do the work. *(Pages 79-80; 114-118)*
 - The middle segment of Dry Creek has opportunities for both habitat construction and locations where natural processes would be most effective. A site-specific approach to habitat enhancement will work best in the middle reach. *(Pages 79-80; 104-114)*
- **The study highlights the importance of working cooperatively with landowners** in Dry Creek and the importance of respecting critical farming operations and harvest schedules *(Pages 96-97)*. A group of willing landowners is working with the agency on a one-mile demonstration project.
- The next step in the process – a conceptual design – will provide detailed cost estimates. Currently, the Water Agency roughly projects costs of between **\$36 million – \$48 million to enhance and monitor six miles of habitat.**

DRAFT Project Feasibility Study for Dry Creek Bypass Pipeline Study

CONTINGENCY – “PLAN B”

- **The draft Project Feasibility Study for Dry Creek Bypass Pipeline Project is “Plan B.”** The pipeline *would only* be considered in the unlikely circumstance that Dry Creek habitat enhancements were unsuccessful. The pipeline study evaluated three project components:
 1. **Inlet .** Four different options were considered in getting water from Lake Sonoma into a pipe– adding a “head box” to the existing facility; developing a siphon over the dam; adding a new control tower on the left side of the dam; and partnering with the Corps to construct a new tunnel that would serve both water supply and hatchery purposes. *(Pages 11-13; 41-42)*
 2. **Alignment.** Three general pipeline routes were studied, including a northern route from Lake Sonoma to the Russian River near Cloverdale or Geyserville; a central route from the lake to the river, essentially following Dry Creek; and a southern route from Lake Sonoma to the Russian River near Forestville. *(Pages 13-16; 42-43)*
 3. **Outlet.** Three general outlet locations were studied (upper river, near Geyserville; middle river near Healdsburg; and lower Dry Creek). Four options were studied to get water from the pipe into the Russian River or Dry Creek, including a riverbank outfall structure and three types of diffusers. *(Pages 16-23; 43-50)*

PREFERRED ALTERNATIVE

- The study identified a preferred alternative (referred to as “4c”), which:
 - **Uses the existing facility at Warm Springs Dam**, plus the addition of a “head box” to allow gravity to convey the water the entire length of Dry Creek valley;
 - **An alignment that primarily follows Dry Creek Road** (an existing right of way) plus some agricultural roads;
 - An outlet that discharges the water into the **Russian River near the existing Highway 101 bridge**.
- Several other alternatives, all which use Dry Creek Road as the primary route, ranked very close to the preferred alternative. After the alternatives were ranked, a cost-benefit analysis was conducted, which resulted in the selection of a preferred alternative. *(Chapters 4, 7 & 8)*
- **The difficulties associated with getting water over the high elevation of Canyon Road and putting the water into the Russian River resulted in it ranking low** (16th and 17th out of 21 combined alternatives) as a potential route. The Canyon Road alternative(s) would require the costly construction of a new inlet tunnel in partnership with the Corps and the outlet options into the river near Geyserville aren’t favorable . *(Pages 41-42)*

COSTS, TIMELINE & OTHER ISSUES

- **The capital cost of the preferred alternative is \$141.5 million (2011 dollars).** A preliminary analysis, using the agency’s long-term financial model, projects that water rates would increase by roughly 25 – 30 percent. *(Chapter 8; table 8.6)*
- Because a pipeline could only be constructed after three miles of habitat have been enhanced, **the total costs of the Dry Creek project (construction plus required habitat enhancement) will be roughly \$162 million in today’s dollars.**
- The pipeline construction process would take an estimated six years (Figure 9-7).
- **The pipeline itself would be 72 inches in diameter.** This would allow it to convey 180 cubic feet per second – the volume of water the Water Agency has historically been allowed to release into Dry Creek during summer months.

Timeline of Projects Required in Dry Creek Valley

2008–2011

Conduct two studies, one to assess naturalizing Dry Creek and one to evaluate the feasibility of a pipeline from Warm Springs Dam to the Russian River.

Build restoration projects on tributaries of Dry Creek.

Monitoring

2013–2014

Enhance 1 mile of habitat in Dry Creek.

Monitoring

2015–2017

Enhance 2 additional miles of habitat in Dry Creek.

Monitoring

2018

Evaluate the success of the enhancement projects.

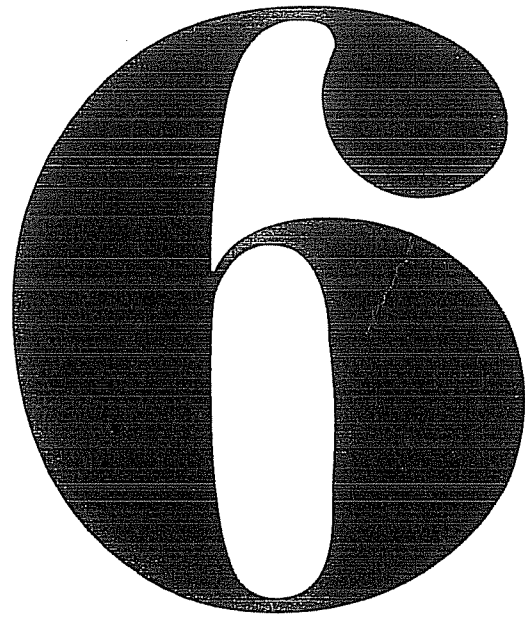
If the projects are successful:

2018–2020

Enhance 3 additional miles of habitat in Dry Creek for a total of 6 miles.

If the projects are unsuccessful:

Reassess the idea of a pipeline bypassing Dry Creek.



MEMORANDUM

To: Board of Directors

April 29, 2011

From: Chris DeGabriele, General Manager

Subject: Resolution of Appreciation to Retiring Employee – James D. Diggs

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RECOMMENDED ACTION: Approve attached Resolution of Appreciation

FINANCIAL IMPACT: None

Jim Diggs has decided to retire after nearly 25 years of service to North Marin Water District. It is appropriate that the Board adopt a Resolution of Appreciation recognizing Mr. Diggs's dedication and contributions to the District.

Recommendation:

Board approve the Resolution of Appreciation to James D. Diggs on his retirement effective April 30, 2011.

Approved by GM CD

Date 4/29/2011

**DRAFT
RESOLUTION 11-**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT**

WHEREAS: James D. Diggs was hired as a Pipeman Apprentice through the Veterans Training Program in 1986; and with recommendations from Mike Moretti and Aldo Paladini gained permanent employment status with the District in 1987, moved up to pipeman; and in 1989 was assigned to the valve and hydrant operations position where he became familiar with the distribution system; and

WHEREAS: In 1993, Jim was assigned to the Cross Connection Control and Backflow Program wherein his hard work resulted in bringing the District's Backflow Program up to State requirements and maintaining this effort for the past 18 years. During this time period the number of backflow devices have more than doubled to 2285; and

WHEREAS: Jim presented a competent and helpful demeanor to customers and persons he did business with on behalf of the District and pursued his work in a professional and businesslike fashion. Jim takes pride in his responsibility for the District's water quality when working with customers on potential backflow issues.

WHEREAS: Jim retired on April 30, 2011 after 25 years of service and will move to North Carolina with his family to fish, travel in his RV and enjoy life. His easy-going style will be missed.

THEREFORE BE IT RESOLVED:

That the Board of Directors of North Marin Water District hereby commends and expresses its appreciation to James D. Diggs for his many years of dedicated and loyal service and valued contributions to the District.

BE IT FURTHER RESOLVED:

That the Board of Directors, on behalf of the staff, officers and Directors of the North Marin Water District, extend to James D. Diggs sincere good wishes for a happy and well deserved retirement filled with all the good things of life.

Dated at Novato, California
May 3, 2011

John S. Schoonover, President
North Marin Water District

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 3rd day of May 2011 by the following vote:

AYES: Directors
NOES:
ABSENT:
ABSTAINED:

Renee Roberts, Secretary
North Marin Water District

(SEAL)



MEMORANDUM

To: Board of Directors

April 29, 2011

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Approve Text for *Water Line*, Volume 12, Issue 25

\\Nmwd\sr1\water conservation\Memos to Board\Spring 2011 WaterLine Text 0511.doc

RECOMMENDED ACTION: Approve Spring 2011 Novato "*Water Line*" Text

FINANCIAL IMPACT: \$6,000 (Included in FY 2010/2011 Budget)

Draft text and design for the Spring 2011 "*Water Line*", Volume 12, Issue 25 is attached for your review. This issue focuses on water supply and gives customer notification that water conservation rebate levels decrease effective July 2011. This year staff decided to direct customers to the www.nmwd.com website feature, allowing customers to log in and see a graph of their water use, rather than print the water use graphs on the letter. This change allowed the District to downsize to a two page letter and cut overall cost by approximately \$3,500.

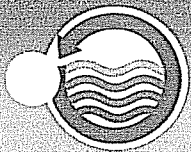
Should any Board member have individual comments please provide them to the General Manager at the Board meeting on May 3, 2011. It is expected the "*Water Line*" will be mailed in late May 2011 or early June 2011.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Spring 2011 Novato "*Water Line*", Volume 12, Issue 25.

Approved by GM *CD*

Date *4/29/2011*



**NORTH MARIN
WATER DISTRICT**

THE WATER LINE

NOVATO'S WATER CONSERVATION NEWSLETTER • VOLUME 12 ISSUE 25 SPRING 2011

Water Supply Update

Current Water Supply: On March 30, Governor Jerry Brown officially proclaimed the 3-year California "DROUGHT TO BE AT AN END." During summers of 2007 through 2009, Russian River water supplies were limited and Novato customers were required to reduce water use.

This year, rainfall has been above average for our region and sufficient water is now stored in Lake Mendocino and Lake Sonoma to meet in-stream flow needs for the endangered salmon populations on the Russian River as well as the needs for urban water users.

Locally, Stafford Lake is full and water production at the Stafford Lake Treatment Plant began in early March. Additionally, the Deer Island Recycled Water facility is delivering highly treated recycled water to StoneTree Golf Course for irrigation. NMWD will continue to utilize our local supplies to the fullest extent possible. There are no water use restrictions in the Novato service area other than normal prohibition of water waste. Even with adequate water supply this year, maintaining water use efficiency is important.

Future Water Supply: In 2009, the Sonoma County Water Agency Board abandoned further work on a decades-long plan to expand the Russian River water transmission system and acquire additional water rights that would be necessary to meet the future water supply needs for NMWD and other water contractors from Windsor to Petaluma. Even without the additional water rights, NMWD and other water retailers receiving Russian River supplies are still obligated to pay for necessary fishery enhancements on the Russian River system to protect coho and Chinook salmon and steelhead trout. Additionally, in November 2009, the state legislature mandated further water conservation for all California urban water retailers, including NMWD, requiring a 20% reduction in per capita water use by the year 2020.

What all this means for NMWD is reliance on our existing available supplies from the Russian River and Stafford Lake, expanded use of recycled water to offset potable supplies now used for outside irrigation and continued emphasis on water use efficiency. NMWD is also embarking on an Aqueduct Energy Efficiency Project, which will upsize the aqueduct transmission

line from Petaluma to Novato allowing NMWD to receive water without the energy or pumping costs associated with the Kastania Pump Station operation, and increase the future reliability of the aqueduct water deliveries.

The cost of stretching our existing water supplies coupled with the costs to meet fisheries obligations noted in this message, means that water rates are increasing. The current cost of water service for a typical Novato customer is a good value when compared to 16 other urban area retail water agencies (see the NMWD website).

Water Use Efficiency: To see a graph of your historical water use or determine the proposed rate increase impact, visit <http://www.nmwd.com/accountbalance.php> (follow the directions to log on). If you need assistance in becoming more water efficient, NMWD can help with a Water Smart Home Survey (see below) or a variety of other water efficiency programs (listed on page 2). Note that as a part of NMWD budget reduction measures, effective July 1, 2011, water use efficiency rebate values will be reduced, so act now to replace your toilet, washing machine, and turf lawn areas.

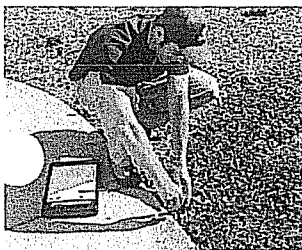
Free Water Smart Home Survey Program

This Spring and Summer NMWD will focus the Water Smart Home Survey on outdoor water use, however we will still perform the indoor portions of the survey upon request. The survey has also been

expanded to include commercial and other non-residential customers.

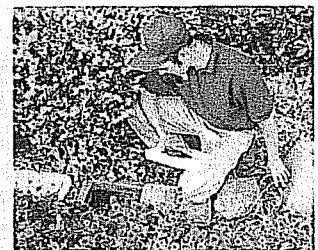
Our friendly, knowledgeable survey technicians can show you how to easily become more water use efficient and save

money, and we'll even help you program your irrigation controller. You'll also get free low-flow showerheads and aerators as needed to achieve maximum water use efficiency.

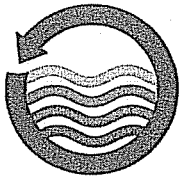


On the Survey we will inspect:

- Sprinklers & irrigation systems
- Flow and leaks
- Landscaping
- Water meter
- Faucets
- Showerheads
- Toilets
- Clothes washers
- Other water-using devices in the home



Call today to schedule your **Free Water Smart Home Survey:** 415-897-4133 ext. 8711



999 Rush Creek Place
PO Box 146
Novato, CA 94948
(415) 897-4133

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Water Smart Savings Program

More water saving programs at www.nmwd.com

North Marin Water District wants to help customers use water efficiently. That's why we've put all of our water saving promotions under one umbrella. The *Water Smart Savings Program* encompasses all you need to get started on saving water and saving money. Call (415) 897-4133 ext. 8421 for program details or visit www.nmwd.com. Act Now! Rebate amounts will be reduced on July 1, 2011.

Cash for Grass



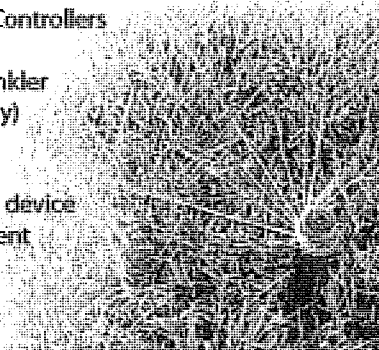
As part of the Water Smart Savings Program, you can get cash back when you remove your regularly mowed and irrigated lawn and re-landscape with California native low-water use plants or District approved synthetic turf. See website or call NMWD at 897-4133 ext. 8421 for complete program details and requirements. Pre-inspection and re-landscaping plan approval required. Call for rebate values and program participation details or visit www.nmwd.com.

Water Smart Landscape Efficiency Rebate

Water efficient landscapes can be achieved through a number of strategies including efficient irrigation devices and equipment, and soil maintenance.

You may be eligible for rebates when you install District-qualified water-efficient landscape equipment including (Call for rebate amounts and participation details or visit www.nmwd.com):

- Drip irrigation systems
- Weather Based Irrigation Controllers
- Check valves
- Multi-stream rotating sprinkler nozzles (for lawn areas only)
- Rain shut-off devices
- Mulch
- Water pressure-regulating device
- Soil conditioner/amendment



High-Efficiency Toilet Rebate

Don't flush money away. Now you can get a rebate when you replace your non-water-conserving toilets with a High-Efficiency Toilet (HET). HETs use 20% less water than standard ultra-low flush toilets, so not only will you save water, but you'll save money, too. HETs eligible for rebate must be on the District Approved List of Qualified Models. Call for rebate values and participation details or visit www.nmwd.com.



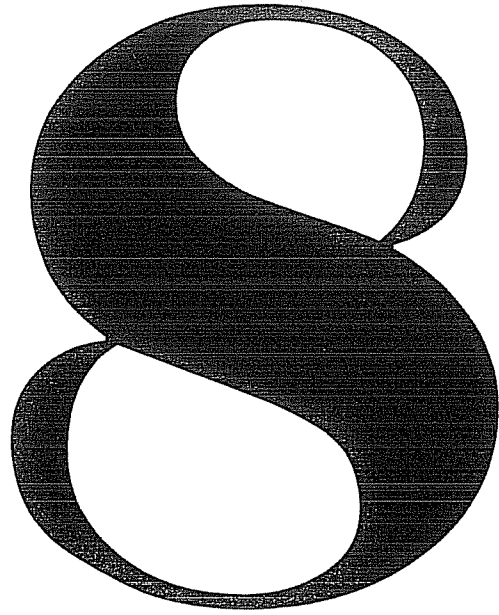
High-Efficiency Clothes Washer Rebate Program

High Efficiency clothes washers can save up to 50% of the water used and 65% of the energy used compared to conventional top-loading clothes washers. NMWD currently offers a rebate to customers when they purchase qualifying high-efficiency clothes washer. Call for rebate value and participation details, or visit www.nmwd.com.



NMWD is on Facebook

NMWD regularly updates the Facebook page with useful information on water use efficiency programs, water supply and other important NMWD information. Find North Marin Water District on Facebook and "Like", and receive a free hose nozzle. Just send us a private message on Facebook or send us an e-mail (info@nmwd.com) to let us know, and we can mail a hose nozzle directly to you, or arrange for you to pick one up at our office.



MEMORANDUM

To: Board of Directors

April 29, 2011

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Approve Text for West Marin's *Water Line*, Volume 9
\\Nrmwdsrv1\water conservation\Memos to Board\Spring 2010 WM WaterLine Text 0510.doc

RECOMMENDED ACTION: Approve 2011 West Marin "*WaterLine*"

FINANCIAL IMPACT: \$1,000 (included in WM Operating Budget)

Text for West Marin's Spring 2011 "*Water Line*", Volume 9 (Attached), is enclosed for your review and approval. Should any Board member have individual comments please provide them to the General Manager at the Board meeting on May 3, 2011. It is expected the "*Water Line*" will be mailed in late May 2011.

RECOMMENDATION

Board authorize the General Manager to approve text and design of "*Water Line*", Volume 9 for West Marin.

Approved by GM *GD*

Date *4/29/2011*

West Marin Water Supply

Chris DeGabriele, General Manager

Water supplied by North Marin Water District (NMWD) to our West Marin customers is diverted from shallow wells adjacent to Lagunitas Creek near the U.S. Coast Guard Housing Facility in Point Reyes Station. The State Water Resources Control Board (SWRCB) has determined that Lagunitas Creek is fully appropriated in summer months of dry years and has ordered NMWD to find an alternative source of water during July through October of dry years. (A dry year occurs when total precipitation from October 1 to April 1 is less than 28 inches measured at Marin Municipal Water District's Kent Lake.) NMWD has complied by purchasing a portion of the more senior Giacomini Ranch water right to use during those periods.

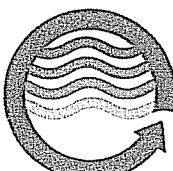
Rainfall at Kent Lake through April 1, 2011 totals over 45 inches. While this will not be a dry year, NMWD encourages West Marin customers to use water efficiently and participate in NMWD Water Conservation Programs (See back page).



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www.nmwd.com



Water Smart Savings Program

More water saving programs at www.nmwd.com

North Marin Water District wants to help customers use water efficiently. That's why we've put all of our water saving promotions under one umbrella. The *Water Smart Savings Program* encompasses all you need to get started on saving water and saving money. Call (415) 897-4133 ext. 8711 for program details or visit www.nmwd.com. **Act Now!** Rebate amounts will be reduced on July 1, 2011.

Cash for Grass



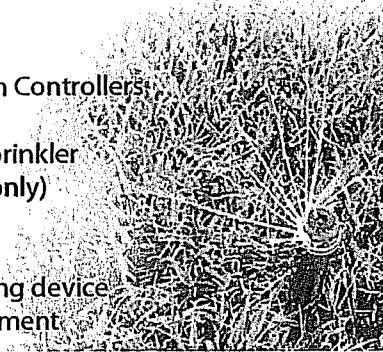
As part of the Water Smart Savings Program, you can get cash back when you remove your regularly mowed and irrigated lawn and re-landscape with California native low-water use plants or District approved synthetic turf. See website or call NMWD at 897-4133 ext. 8421 for complete program details and requirements. Pre-inspection and re-landscaping plan approval required. Call for rebate values and program participation details or visit www.nmwd.com.

Water Smart Landscape Efficiency Rebate

Water efficient landscapes can be achieved through a number of strategies including efficient irrigation devices and equipment, and soil maintenance.

You may be eligible for rebates when you install District-qualified water-efficient landscape equipment including (Call for rebate amounts and participation details or visit www.nmwd.com):

- Drip irrigation systems
- Weather Based Irrigation Controllers
- Check valves
- Multi-stream rotating sprinkler nozzles (for lawn areas only)
- Rain shut-off devices
- Mulch
- Water pressure-regulating device
- Soil conditioner/amendment



High-Efficiency Toilet Rebate

Don't flush money away. Now you can get a rebate when you replace your non-water-conserving toilets with a High-Efficiency Toilet (HET). HETs use 20% less water than standard ultra-low flush toilets, so not only will you save water, but you'll save money, too. HETs eligible for rebate must be on the District Approved List of Qualified Models. Call for rebate values and participation details or visit www.nmwd.com.



High-Efficiency Clothes Washer Rebate Program

High Efficiency clothes washers can save up to 50% of the water used and 65% of the energy used compared to conventional top-loading clothes washers. NMWD currently offers a rebate to customers when they purchase qualifying high-efficiency clothes washer. Call for rebate value and participation details, or visit www.nmwd.com.



NMWD is on Facebook

NMWD regularly updates the Facebook page with useful information on water use efficiency programs, water supply and other important NMWD information. Find North Marin Water District on Facebook and "Like", and receive a free hose nozzle. Just send us a private message on Facebook or send us an e-mail (info@nmwd.com) to let us know, and we can mail a hose nozzle directly to you, or arrange for you to pick one up at our office.

Other Water Smart Savings Programs

The District offers other rebates in our Water Smart Savings Program including pool cover rebates and flapper rebates along with free water smart sink aerators, showerheads and leak detection tablets at the NMWD headquarters. Visit www.nmwd.com for participation information on these and other water smart savings programs.



**NORTH MARIN
WATER DISTRICT**

Do your part. Get water smart.



9

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor
Subject: 2010 Consumer Confidence Report- Novato
P:\LAB\WQ Supv\CCR\2010\Memo to board re WQ report.doc

April 29, 2011

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$3300

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of our sources of water and treatment regimes, as well as general information about water and its constituents.

The water quality report will be mailed out along with the Waterline newsletter to save around \$4000 dollars in postage as opposed to mailing it on its own.

Recommendation:

Approve text of 2010 Annual Water Quality Report.

Approved by GM CD

Date 4/29/2011

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor
Subject: 2010 Consumer Confidence Report- Point Reyes
P:\LAB\WQ Supv\CCR\2010\Memo to board re WQ reportPR.doc

April 29, 2011

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$1600

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of our sources of water and treatment regimes, as well as general information about water and its constituents.

The water quality report will be mailed out along with the Waterline newsletter to save around \$4000 dollars in postage as opposed to mailing it on its own.

Recommendation:

Approve text of 2010 Annual Water Quality Report.

Approved by GM CD
Date 4/29/2011

MEMORANDUM

To: Board of Directors

April 29, 2011

From: Chris DeGabriele, General Manager *CD*

Subject: Revision to Inter Agency Agreements for Recycled Water with LGVSD & NSD

T:\GMAgreements\Recycled Water\BOD memo approve rev agreements 0511.doc

RECOMMENDED ACTION:

Board approve the Revision to Inter Agency Agreement for Recycled Water between Las Gallinas Valley Sanitary District and North Marin Water District; and approve Third Revised Inter Agency Agreement for Recycled Water between Novato Sanitary District and North Marin Water District

FINANCIAL IMPACT:

None at this time

The District is attempting to obtain State Revolving Fund financing for expansion of Recycled Water in the Novato North and Novato South service areas in cooperation with both Las Gallinas Valley Sanitary District and Novato Sanitary District. The State Water Resources Control Board staff has requested a laundry list of items to be addressed including revision to the Inter Agency Agreements, specifically calling out the minimum annual delivery quantity and a User Connection Schedule. Those quantities and reference to the User Connection Schedule are now included in the agreements at page 3, Section 2.a).

RECOMMENDATION

The Board authorize Revision 1 to the Inter Agency Agreement between LGVSD and NMWD and authorize the Third Revised Inter Agency Agreement between NSD and NMWD.

Approved by GM *CD*

Date 4/29/2011

**INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
LAS GALLINAS VALLEY SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT**

**MAY 2011
REVISION 1**

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Last printed 4/25/2011

TABLE OF CONTENTS

RECITALS	1
AGREEMENT PROVISIONS	2
ARTICLE A. INTRODUCTORY PROVISIONS	2
1. Definitions	2
2. Term and Renewal	2
ARTICLE B. RECYCLED WATER SERVICE PROVISIONS	2
1. Recycled Water Delivery Limitations	2
2. Recycled Water Delivery Quantities	3
3. Metering and Measurement of Flows	3
4. Recycled Water Quality and Pressure	4
5. Recycled Water Limitations of Use	5
6. Permits	5
ARTICLE C. RECYCLED WATER FACILITIES	5
1. Initial Construction	5
2. Master Plan	5
3. Construction of Facilities	6
4. Ownership, Operation and Maintenance of Facilities	7
5. Monitoring	8
6. Reporting	9
ARTICLE D. PAYMENT PROVISIONS	9
1. Recycled Water Pricing Policy	9
2. Recycled Water Rate Review	9
3. Billings	10
4. Obligation to Pay for Available Water	10
5. Time and Method of Payment	10
ARTICLE E. TERMINATION	10
1. General	10
2. Failure to Initiate Initial Construction	10
3. Non-Renewal	10
4. Cause	10
5. Failure to Approve Annual Funding	11
6. Decision by Distributor to Cease Distributing Recycled Water	11
7. Impasse over Rates	11
8. Buyout Upon Termination	11
ARTICLE F. GENERAL PROVISIONS	12
1. Good Faith	12
2. Amendments	12
3. Notices	12
4. Severability	13
5. Paragraph Headings	13
6. Successors and Assigns	13
7. Assignment	13
8. Remedies	13
9. Indemnification	13
10. Dispute Resolution	14

11. Governing Law	14
12. Further Assurances	14
13. Waiver	14
14. Presumptions	14
15. Counterparts	14
16. Entire Agreement	15
17. Insurance	15

1 INTER AGENCY AGREEMENT
2 FOR RECYCLED WATER
3 BETWEEN
4 LAS GALLINAS VALLEY SANITARY DISTRICT
5 AND
6 NORTH MARIN WATER DISTRICT
7

8 This Agreement is made and entered into on this _____ day of _____, 2011, (the
9 "Effective Date") between the Las Gallinas Valley Sanitary District (referred to as "Producer")
10 and the North Marin Water District herein (hereinafter referred to as "Distributor"). Producer and
11 Distributor may be referred to herein individually as a "Party" or collectively as the "Parties."

12 **RECITALS**

- 13 A. Producer and Distributor are actively involved in local and regional efforts to develop
14 recycled water supplies and promote recycled water use.
- 15 B. Producer and Distributor recognize that sustainable water resource management
16 requires integration of water supply and wastewater discharge limitations.
- 17 C. Provisions of this agreement are consistent with conditions established pursuant to
18 the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS)
19 for the North San Pablo Bay Restoration and Reuse Project (Project) also known as
20 the North Bay Water Recycling Program as published in the Code of Federal
21 Register (CFR) Volume 75, Number 108 dated June 7, 2010.
- 22 D. Included within said Project are facilities to treat such recycled water at the
23 Producer's wastewater treatment site, hereinafter referred to as the Recycled Water
24 Treatment Facility (the "RWTF").
- 25 E. The RWTF and recycled water distribution system will be permitted by the State of
26 California San Francisco Bay Regional Water Quality Control Board to treat and
27 distribute and use treated effluent as recycled water.
- 28 F. Recycled water to be delivered by Producer to Distributor will be disinfected tertiary
29 recycled water, in accordance with the provisions of Title 22 of the California Code of
30 Regulations and applicable requirements of the California Department of Public
31 Health.
- 32 G. Distributor has developed a recycled water master plan for future long-term
33 distribution of recycled water in the Novato area of Marin County, California.
- 34 H. Distributor wishes to acquire from Producer the quantity of recycled water which it
35 can sell to End Users (as defined in Article B2).
- 36 I. City of Novato, Novato Unified School District playing fields and residential common
37 area landscaping at Hamilton Field in South Novato will be the initial End Users of
38 recycled water and other end users may be served in the vicinity of the recycled
39 water pipeline to be constructed from the RWTF to Hamilton Field wherein said
40 projected future use of recycled water in the Distributor's Service Area is reflected in
41 the Distributor's Urban Water Management Plan.

1 **AGREEMENT PROVISIONS**

2 For and in consideration of the foregoing recitals and of the mutual promise and covenants
3 herein contained, the Parties hereto agree as follows:

4 **ARTICLE A. INTRODUCTORY PROVISIONS**

5 **1 Definitions**

6 When used in this Agreement, the following terms shall have the meanings
7 hereinafter set forth:

- 8 a) "End User" shall mean the ultimate user of recycled water.
- 9 b) "Fiscal Year" shall mean each 12-month period during the term of this
10 Agreement commencing July 1 of one year and terminating June 30 of the
11 next succeeding year, both dates inclusive.
- 12 c) "Operation and Maintenance Costs" shall mean the actual cost of: labor
13 (including general and administrative overhead plus tools and supplies
14 normally applied), equipment and vehicle charges, consumables (such as
15 chemicals and electrical power), and spare parts and/or replaced
16 components necessary to reliably treat and deliver recycled water to the End
17 Users pursuant to this agreement. Operation and Maintenance Costs shall
18 not include costs for major capital replacement or process changes.
- 19 d) "Point of Connection" shall mean a recycled water connection between
20 Producer's RWTF and Distributor's distribution system. See Exhibit "A"
21 attached hereto and incorporated herein by this reference.
- 22 e) "RWTF" shall mean the Recycled Water Treatment and Pumping Facilities
23 required to deliver recycled water from the Producer to the "Point of
24 Connection."
- 25 f) "Distribution" system shall mean the recycled water transmission/distribution
26 pipelines and storage facilities.

27 **2. Term and Renewal**

28 This Agreement shall commence on the Effective Date and be in force for
29 twenty (20) years. Following the original twenty (20) year Agreement term, the
30 Agreement term shall be automatically renewed and extended for consecutive
31 one (1) year terms, unless terminated in accordance with the provisions of
32 Article E herein.

33
34 **ARTICLE B. RECYCLED WATER SERVICE PROVISIONS**

35 **1. Recycled Water Delivery Limitations**

- 36 a) Distributor understands and acknowledges that Producer is charged with the
37 responsibility to operate its sewerage systems in a manner which it
38 reasonably determines to be most beneficial to the users thereof. The rights
39 of Distributor to recycled water under this Agreement pertain only to the
40 recycled water which actually is produced at the RWTF. Nothing contained
41 herein shall be construed to qualify in any manner Producer's right to
42 operate the RWTF at such rates of flow as Producer reasonably determines
43 to be appropriate so as to comply with Producer's NPDES permit.

- 1 b) Nothing herein shall be construed to commit any portion of the recycled
2 water from the RWTF beyond that which will be delivered by Distributor to its
3 customers for reasonable beneficial uses. Producer shall provide to
4 Distributor at least 30 days advance written notice of any non-emergency
5 planned reduction that would reduce the availability of recycled water to
6 Distributor. Distributor shall have ample opportunity to meet and confer with
7 the Producer on the issue of reduced availability of recycled water.
- 8 c) Any circumstances beyond Producer's control which cause an unplanned
9 reduction in the recycled water available for distribution from the RWTF may,
10 at the discretion of Producer, result in a temporary decrease in recycled
11 water available to Distributor under this Agreement. The reduced availability
12 of recycled water will continue in effect until such time as the RWTF has
13 been restored to normal operations, provided the Producer must use its
14 reasonable best efforts to restore the RWTF to normal operations as soon
15 as possible. Producer shall inform Distributor on a weekly frequency
16 regarding status of restoration of the RWTF to normal operation.
- 17 d) The Parties acknowledge that in unusual conditions, an emergency diversion
18 of recycled water by Producer may be necessary, and such diversion shall
19 be made to an effluent storage pond or wet weather basin, treatment plant or
20 other authorized location to receive such diversion by the Regional Water
21 Quality Control Board and shall not be deemed a violation of this Agreement.

22 2. Recycled Water Delivery Quantities

- 23 a) Subject to the provisions herein, Producer agrees to make available to
24 Distributor each Fiscal Year during the term hereof, recycled water produced
25 at the RWTF in the anticipated minimum annual delivery quantity of 220 acre
26 feet per year (the "Annual Delivery Quantity") pursuant to the User *
27 Connection Schedule (Exhibit C).
- 28 b) Annually, Producer and Distributor shall meet and confer in good faith to
29 mutually determine the Annual Delivery Quantity and anticipated production
30 schedule for each month for the ensuing Fiscal Year and to project minimum
31 Annual Delivery Quantities for the next ensuing three Fiscal Years. The
32 purpose of this determination is to provide the Producer with information
33 necessary to plan production at the RWTF including staffing, chemical
34 purchases, maintenance and coordination of operations at the RWTF.
- 35 c) Producer and Distributor acknowledge that circumstances such as drought
36 may require additional Annual Delivery Quantities or a prolonged schedule
37 of operation at the RWTF and agree to use reasonable best efforts to meet
38 such additional requirements.
- 39 d) Distributor shall make reasonable efforts to provide back-up source(s) of
40 water for the distribution system that will provide a reliable flow of water to
41 End Users in the event that circumstances beyond Producer's control cause
42 a reduction or temporary loss of flow of recycled water from Producer.

43 3. Metering and Measurement of Flows

- 44 a) Producer will measure all recycled water delivered to Distributor at the point
45 of connection. This point of connection delivery (master) metering will be in
46 addition to any retail (customer) metering conducted by the Distributor

1 and/or End Users (collectively, the "Customer Metering"). The Master
2 Metering shall govern billings to Distributor and shall also be used for
3 reporting Distributor's recycled water usage to regulatory agencies. Where
4 either Distributor or Producer acts as End Users, they shall also report
5 usage by metering.

- 6 b) The Producer shall field test the accuracy of the Master Metering not less
7 frequently than annually and provide the Distributor with a report of such
8 test. The Distributor shall have the right at any time and at its expense to
9 make additional tests of the Master Metering. If the Master Metering is found
10 to be reading 2 percent or more fast or slow, it shall immediately be
11 recalibrated, repaired or replaced by the Producer to bring it within 2 percent
12 accuracy.
- 13 c) Title to and risk of loss and responsibility for the handling and control of all
14 recycled water which meets the quality criteria shall pass from the Producer
15 to the Distributor at the point of connection. The Producer and Distributor
16 agree to exercise due diligence in inspecting their various pipelines and
17 appurtenances and take steps to guard against unreasonable loss of
18 recycled water. Should unreasonable loss of recycled water occur, the
19 parties shall meet in good faith to determine a fair allocation of the cost
20 thereof.

21 4. Recycled Water Quality and Pressure

- 22 a) All recycled water to be delivered by Producer to Distributor pursuant to the
23 terms of this Agreement will be of such quality that the same may be used
24 for all purposes from time to time allowed for disinfected tertiary recycled
25 water. The recycled water to be delivered to Distributor at the Point of
26 Connection pursuant to this Agreement shall range in pressure from XX to
27 80 pounds per square inch (psig) and conform to the quality requirements
28 set forth in the then current disinfected tertiary recycled water quality and
29 monitoring regulations specified in Title 22, Division 4, Chapter 3:
30 Wastewater Reclamation Criteria (California Code of Regulations), as further
31 regulated by the State of California Regional Water Quality Control Board,
32 the California Department of Public Health and all other federal, state and
33 local agencies having jurisdiction over recycled water quality.
- 34 b) The Parties recognize that factors beyond the control of Producer could
35 cause operational difficulties at the RWTF resulting in the temporary
36 production of recycled water which does not meet the current requirements
37 referenced in the previous subparagraph for the intended uses of the End
38 Users. In such cases, Producer shall temporarily suspend deliveries of
39 recycled water to Distributor from Producer's facilities. Producer shall use its
40 best efforts to reestablish the production of recycled water of a suitable
41 quality and pressure as soon as reasonably possible and shall reestablish
42 Distributor's supply of such water accordingly.
- 43 c) Producer shall immediately notify Distributor if recycled water from the
44 RWTF does not meet the currently applicable regulatory requirements and
45 its deliveries of recycled water will be suspended. Such notice shall be
46 given to Distributor, via control system alarm, e-mail (info@nmwd.com) or
47 telephone (415) 897-4133 with a follow-up written confirmation on the same
48 day automatic notice is given, or on the next business day if automatic notice

1 is not given during normal business hours. Said notice shall contain the date
2 and time delivery was interrupted and the date and time delivery resumed or
3 is scheduled to resume.

- 4 d) From time to time, it may be necessary for the parties to develop, agree
5 upon and implement detailed operating criteria and procedures. Distributor
6 agrees to provide real time recycled water storage level data to facilitate
7 such operating criteria for the RWTF.

8 **5. Recycled Water Limitations of Use**

9 Distributor agrees to provide the recycled water it receives hereunder only for
10 the use of those End Users who have obtained the appropriate permits to use
11 recycled water. Distributor shall be responsible for establishing the required
12 Administrative Procedures and End User Rules and Regulations, for issuing
13 permits to End Users, and for providing regulatory oversight of End User sites.

14 **6. Permits**

15 This Agreement is based on the necessary permitting requirements under the
16 San Francisco Regional Water Quality Control Board Order 96-011 General
17 Water Reuse Requirements for Wastewater and Water Agencies and the
18 Department of Public Health Title 22 water reuse criteria relating to the use of
19 recycled water and the development and construction of a recycled water
20 production and distribution system. Each of the Parties undertakes and agrees,
21 severally and jointly as appropriate, to file any and all applications and
22 Engineering Reports, and undertake such proceedings as may be necessary to
23 enable each Party to carry out the undertaking contemplated herein, and to
24 pursue each application and proceedings in good faith and due diligence.
25 Distributor will act as lead agency in obtaining, complying with and maintaining
26 the permits that are applicable to the construction and initial permitting of the
27 distribution system. Producer will act as lead agency in obtaining, complying
28 with, and maintaining the permits that are applicable to the operation of the
29 RWTF. However, both Producer and Distributor agree to cooperate in obtaining
30 and complying with permits necessary to carryout the provisions of this
31 agreement and are responsible, where applicable to their role as Producer or
32 Distributor, to comply with the requirements set forth in these permits.

33
34 **ARTICLE C. RECYCLED WATER FACILITIES**

35 **1. Initial Construction**

- 36 a) The Parties have worked together to develop planning, permitting and
37 preliminary engineering design for a RWTF and distribution system to serve
38 the City of Novato, Novato Unified School District playing fields and
39 residential common area landscaping at Hamilton Field as the first End User.

40 **2. Master Plan**

- 41 a) The Distributor has prepared and approved a focused master plan (the
42 "Master Plan") for contemplated expanded distribution and/or treatment
43 facilities for the distribution of recycled water in the service area of
44 Distributor (the "Expanded Facilities"). The focused Master Plan promotes
45 the use of recycled water throughout the service area of Distributor, and is
46 consistent with Distributor's overall water supply planning.

1 Arrangements between the parties relating to permitting, design and
2 construction of Expanded Facilities beyond that contemplated herein shall
3 be addressed in one or more future agreements.

4 **3. Construction of Facilities**

5 a) Each party shall be solely responsible for obtaining all permits, contracts,
6 approvals, easements, land rights, or other permission or consent necessary
7 to proceed with its recycled water facilities, as contemplated by this
8 Agreement.

9 b) Recycled water delivered to Distributor pursuant to this Agreement shall be
10 provided by Producer from the RWTF facility. Initial construction of the
11 RWTF shall be administered, managed and financed by the Producer with a
12 California State Water Resources Control Board State Revolving Fund low
13 interest loan, bank loan and/or grant funding.

14 Initial construction of Recycled Water distribution facilities shall be
15 administered, managed and financed by the Distributor with a California
16 State Water Resources Control Board State Revolving Fund Low Interest
17 Loan, bank loan and/or grant funding. Repayment of any said loan financing
18 shall be pursuant to Distributor Water Connection Fees paid by Distributor
19 customers.

20 c) Initial Construction Costs (including engineering support, construction
21 management and administration) for the RWTF are estimated to be
22 \$4,899,025 pursuant to the Phase 3 Engineering and Economic/Financial
23 Analysis Report for the Project by Camp Dresser McKee (CDM, June 2008)
24 with revised project summary costs (CDM, November 2009 costs) or 48% of
25 the total Initial Construction Costs, and allocated to the Producer.

26 Initial Construction Costs for the Recycled Water distribution facilities are
27 estimated to be \$5,385,900 pursuant to the revised CDM, November 2009
28 costs, or 52% of the total initial construction costs and allocated to the
29 Distributor.

30 d) **Federal Funding Grant Allocation**

31 The Producer has entered into an agreement with Sonoma County Water
32 Agency (SCWA) on behalf of Producer and Distributor for up to 25% federal
33 grant funding for the Expanded Facilities, also known as the "Novato South
34 Service Area Recycled Water" projects as defined by the North San Pablo
35 Bay Restoration and Reuse Project – EIR/EIS (ESA 2010). Federal grant
36 funds are anticipated from the American Reinvestment and Recovery Act
37 (ARRA) and Title XVI Grants awarded by the U.S. Bureau of Reclamation
38 (USBR). Until such a time that Distributor is a direct recipient of ARRA or
39 Title XVI grant funds from SCWA, Distributor agrees to abide by all the terms
40 and conditions of said agreement between Producer and SCWA, attached
41 hereto as Exhibit D.

42 i. **Allocation of ARRA Grant Funds**

43 It is anticipated that of the \$7,328,000 ARRA grant funds eligible for payment
44 to SCWA by USBR, \$1,425,500 is to be allocated by SCWA to Producer for
45 the Expanded Facilities Novato South Service Area Recycled Water. The
46 aforementioned ARRA grant fund allocation is based on the Expanded

1 Facilities Novato South Service Area project total cost estimate of
2 \$8,729,300, 39% allocated for Distributor's storage and pipeline
3 components, expected to include 3.4 miles of pipeline, and 61% allocated for
4 Producer's treatment and pumping components. It is agreed that the ARRA
5 grant funds will be shared proportionately between the Producer and
6 Distributor using the above-stated percentages after accounting for the grant
7 administration expenses.

8 The anticipated total ARRA grant funds available to Producer at this time is
9 16.3% of the above mentioned Expanded Facilities Novato South Service
10 Area project total cost estimate of \$8,729,300. Should additional ARRA
11 funds become available through the NBWRA Program, the Producer and
12 Distributor will share in those funds until each has reached a 25% federal
13 funding match.ii. Allocation of Title XVI Funds

14 Notwithstanding the allocation methodology provided above for the ARRA
15 grant allocation, any future Title XVI grant funding allocation will be based
16 upon the amounts identified in Exhibit C of the North Bay Water Reuse
17 Authority Second Amended Memorandum of Understanding (Exhibit D). It is
18 further anticipated that any future grant application and funding
19 disbursement will be structured so that SCWA distributes grant funds directly
20 to Distributor as a Member Agency of NBWRA and Recipient under a future
21 Agreement for Grant Facilitation Services for North San Pablo Bay
22 Restoration and Reuse Project.

23 It is also further understood that should Title XVI grant funds become
24 available that can reimburse the Producer up to 25% federal grant funding of
25 the Initial Construction Costs pursuant to Article C.3.c), that the Distributor
26 will support the Producer in securing those funds. Furthermore, the Producer
27 will support the Distributor in obtaining Title XVI grant funds to reach its 25%
28 federal grant funding of the Initial Construction Costs pursuant to Article
29 C.3.c), including the balance of pipeline work in the Novato South Service
30 Area distribution system.

31
32 e) State Funding Grant Allocation

33 Allocation of any grant funding from the State of California for the expanded
34 facilities shall be shared proportionately between the Producer and
35 Distributor using the percentages stated in Article C. Section 3.d)i.

36
37 f) Expansion of the RWTF and Expanded Distribution Facilities will be
38 undertaken from time to time as subject to any other future agreements
39 executed between Producer and Distributor.

40 Planned capital improvements or replacements projects to the RWTF shall
41 be coordinated with Distributor sufficiently in advance to ensure adequate
42 funds are available to carry out said projects

43 **4. Ownership, Operation and Maintenance of Facilities**

44 Distributor shall own, operate and maintain at no cost to Producer, all of its
45 distribution facilities from the Point of Connection up to the End User meter.

1 Producer shall own, operate and maintain at no cost to Distributor all of the
2 RWTF up to the Point of Connection. Distributor shall pay for recycled water
3 pursuant to Article D. Payment Provisions. At Distributor's request or as
4 necessary to comply with permit conditions of state or federal law, Producer
5 may assist with the maintenance and emergency repair of Distributor's
6 distribution facilities. Distributor shall reimburse Producer for reasonable and
7 necessary expenses incurred in carrying out such maintenance or repair. At
8 Producer's request or as necessary to comply with permit conditions of state or
9 federal law, Distributor may assist with the maintenance and emergency repair
10 of Producer's distribution facilities. Producer shall reimburse Distributor for
11 reasonable and necessary expenses incurred in carrying out such maintenance
12 or repair.

13 Producer agrees to provide the Distributor the uninterrupted right of ingress to
14 and egress from the recycled water pipeline route on Producer's property and
15 the right at all times to enter in, over and upon and to use said recycled water
16 pipeline route and every part thereof for all purposes connected with the laying
17 down, constructing, reconstructing, replacing, removing, repairing, maintaining,
18 operating and using said distribution facilities.

19 Producer agrees not to do anything which may interfere with Distributor's full
20 rights for the purposes noted above including without limitation the following:
21 placing or permitting to be placed on said recycled water pipeline route any
22 building or structure (including without limitation new fences not approved by
23 Distributor) or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50
24 pounds;

25 Subject to the foregoing provisions, Producer may excavate or change the
26 grade of the surface of said recycled water pipeline route way for the Producer's
27 continued operation and maintenance of the existing wastewater facility
28 operations, provided that before making any such change, Producer shall notify
29 Distributor of the proposed change and enable Distributor the opportunity to
30 raise or lower distribution facilities as solely determined by Distributor if
31 Distributor determines in its sole discretion that the change of the grade
32 necessitates that any Distributor facilities be raised or lowered.

33 Producer may cultivate and landscape the surface of said recycled water
34 pipeline route and may construct a roadway thereon provided that such actions
35 do not in any way conflict with or violate any of the preceding limitations.

36 Producer reserves the right to change the location of said recycled water
37 pipeline route on Producer's property to a new location agreeable to Distributor,
38 provided that the full expense of relocating the recycled water pipeline and
39 appurtenant facilities to the new location shall be funded from the Recycled
40 Water Capital Replacement and Expansion Fund.

41 Distributor shall be under no obligation to install or maintain a roadway or
42 pavement or other surfacing upon the recycled water pipeline route except such
43 as may be convenient for its own purposes. (Any surface changes, such as
44 paving, need to be approved by Producer.)

45 **5. Monitoring**

46 Producer's responsibility for management and monitoring the recycled water
47 delivered hereunder shall be limited only to recycled water production at the

1 RWTF and shall cease upon delivery to Distributor at the Point of Connection.
2 Operation, management, maintenance, permitting and monitoring of facilities
3 under the control of the Distributor shall be the sole responsibility of Distributor.
4 Distributor agrees to accept Producer's reporting responsibility for conformance
5 to all monitoring, reporting, and any other requirements assigned to the
6 "recycled water agency" in Title 22 of the California Code of Regulations, all
7 applicable regulations of the State of California Regional Water Quality Control
8 Board and the California Department of Health Services and Order 96-011
9 (General Water Reuse Requirements for Municipal Wastewater and Water
10 Agencies).

11 **6. Reporting**

12 As a condition of, and to provide assistance sufficient to enable Distributor to
13 carry out this reporting responsibility undertaken by Distributor, Producer shall
14 provide Distributor with the following reporting information:

- 15 a) Quarterly (or annual, at Distributor's option) recycled water production and
16 monitoring records certified by Producer to meet quality pursuant to Exhibit
17 B within 30 days of the close of each fiscal quarter (or Calendar Year, as the
18 case may be) to the extent permissible by law.
- 19 b) Adequate notifications of Producer inspections, start-ups, shutdowns and
20 disconnections, or violations, if any.

21 **ARTICLE D. PAYMENT PROVISIONS**

22 **1. Recycled Water Pricing Policy**

23 The Parties agree that the rates charged by Producer to Distributor shall be in
24 the amount required to reimburse Producer's actual RWTF Operation and
25 Maintenance Costs. Rates charged by Distributor to End Users shall cover
26 Producer's actual RWTF Operation and Maintenance Costs and Distributor's
27 actual Operation and Maintenance Costs of the distribution facilities, plus an
28 amount for maintenance and replacement. Any payments to the Distributor by
29 the End User in excess of actual costs (marginal payments) shall be deposited
30 in a Recycled Water Capital Replacement and Expansion Fund.

31 **2. Recycled Water Rate Review**

32 Producer shall charge for the delivery of recycled water in accordance with the
33 rate schedule for recycled water service as such rate schedule is established by
34 the producer and approved by Producer's governing board. Producer shall
35 review and establish said rate schedule based on the above-described policy of
36 reimbursing Producer's RWTF actual Operation and Maintenance Costs every
37 Fiscal Year. Distributor shall be given ample opportunity to meet and confer
38 upon the intended application of the pricing policy and Producer's proposed
39 recycled water rates with Producer prior to final determination of Producer's
40 recycled water rates, to ensure compatibility with the intent of this Agreement.

41 Notwithstanding any other provision of this Agreement, the cost of planned
42 capital improvements or replacement projects to the RWTF shall not be included
43 in Producer's recycled water rates but shall instead be reimbursed from the
44 Recycled Water Capital Replacement and Expansion Fund 30 days after receipt
45 of invoice.

1 **3. Billings**

2 Distributor agrees to make quarterly (or annual, at Producer's option) payments
3 for the total amount of recycled water delivered pursuant to Article B.3 in each
4 fiscal quarter (or Fiscal Year, as the case may be) at the rates set according to
5 the procedures herein.

6 **4. Obligation to Pay for Available Water**

7 Distributor is obligated to pay Producer for the Annual Delivery Quantity of
8 recycled water for each Fiscal Year, assuming such quantity of recycled water is
9 made available to it by Producer. Producer shall bill Distributor at the close of
10 each quarter (or each Fiscal Year) for the actual quantity of recycled water
11 taken by Distributor pursuant to Article B.3 during that quarter (or Fiscal Year).

12 **5. Time and Method of Payment**

13 Payments shall be made by Distributor in response to, and within 30 days of,
14 billing by Producer.

15 **6. Recycled Water Capital Replacement and Expansion Fund**

16 The Recycled Water Capital Replacement and Expansion Fund will be
17 maintained by the Distributor. Distributor shall provide annual reports of the
18 fund to the Producer. Any expenditure from the fund shall be jointly approved
19 by both the Producer and Distributor.

20 **ARTICLE E. TERMINATION**

21 **1. General**

22 This Agreement may be terminated upon the occurrence of the events
23 described in the following paragraphs.

24 **2. Failure to Initiate Initial Construction**

25 If the initial construction is not initiated by the second anniversary of the
26 Effective Date of this Agreement (the "Plan Date"), then either Party may elect
27 to terminate this Agreement by serving a written notice (the "Termination
28 Notice") on the other Party within 180 days following the Plan Date. In the event
29 of such termination:

30 a) This Agreement shall be deemed terminated as of the last day of the Fiscal
31 Year during which the Termination Notice was given.

32 **3. Non-Renewal**

33 Following the expiration of the original 20-year term of this Agreement, either
34 Party may serve upon the other no later than 30 days prior to the next occurring
35 anniversary of the Effective Date a notice of intent to terminate this Agreement.
36 Such termination shall become effective upon said next occurring anniversary of
37 the Effective Date.

38 **4. Cause**

39 This Agreement may be terminated by either Party at any time for good cause
40 upon 60-days' written notice to the other Party. However, if the good cause is
41 the breach of the other Party, this Agreement may not be terminated under this
42 section unless such breach is not cured by the breaching Party during such 60-
43 day period. Notwithstanding the foregoing, if a cure of any such breach by any

1 Party hereto cannot practicably be affected within such 60-day period, and the
2 breaching Party, upon receiving such written notice, promptly initiates efforts to
3 cure such failure within such 60-day period, and diligently pursues such cure,
4 this Agreement may not be terminated under this section.

5 **5. Failure to Approve Annual Funding**

6 The Parties acknowledge that each Party undergoes an annual budgeting
7 process and that neither Party is obligated to expend additional funds or to
8 construct additional facilities in any given year unless the applicable Party's
9 governing board has budgeted money for that purpose. Notwithstanding the
10 foregoing, failure to budget such funds may constitute good cause for
11 termination of this Agreement under paragraph 4 above.

12 **6. Decision by Distributor to Cease Distributing Recycled Water**

13 This Agreement shall be terminated in the event that Distributor determines that
14 it no longer intends to be a purveyor of recycled water within its service area.
15 Such termination shall be effective at the end of the Fiscal Year following the
16 Fiscal Year in which notice of Distributor's desire to terminate this Agreement
17 pursuant to this Paragraph is furnished to Producer.

18 In the event of termination pursuant to this Section, the Producer and Distributor
19 agree to meet and consider arrangements to insure water service is maintained
20 as necessary to customers historically receiving recycled water.

21 **7. Impasse over Rates**

22 If following mediation as provided for herein, Distributor is unwilling to accept a
23 new annual rate set for recycled water by Producer then this Agreement shall be
24 deemed terminated at the end of the Fiscal Year for which such impasse is
25 reached. Producer, following mediation as provided for herein, declares an
26 impasse due to Distributor setting rates that do not recover costs necessary to
27 adequately fund recycled water production, then this Agreement shall be
28 terminated at the end of the Fiscal Year for which such impasse is reached.

29 **8. Buyout Upon Termination**

30 If this Agreement is terminated in accordance with the provisions of Paragraphs
31 3, 4, 5, 6 or 7 of this Article, then Producer shall have the option to purchase
32 from Distributor those portions of the Distribution Facilities (along with any
33 appurtenances necessary to distribute recycled water in Producer's service
34 area) that have been constructed or are then under construction from
35 Distributor, including easements and any associated real estate required for
36 their use or maintenance. Producer may exercise this option on the following
37 terms:

- 38 a) Producer shall give written notice of its intent to purchase said facilities
39 within 180 days following the effective date of the termination.
- 40 b) The purchase price for Distributor's facilities shall be negotiated in good
41 faith. Upon request, Distributor shall furnish appropriate accounting data
42 and information to Producer to establish the purchase price.
- 43 c) Distributor shall assign to Producer all water delivery contracts with End
44 Users using the Distribution Facilities along with any applicable consulting
45 or construction contracts.

1 **ARTICLE F. GENERAL PROVISIONS**

2 **1. Good Faith**

3 This Agreement is the result of good faith negotiations entered into by the
4 Parties willingly, with due diligence, and with full advice of legal counsel, and it
5 is the intent of the Parties that all aspects of performance of this Agreement will
6 be undertaken in the same manner. The Parties acknowledge and agree that it
7 is not possible to anticipate every issue, situation or problem that might arise or
8 be encountered during the term of this Agreement. As to any issue, situation, or
9 problem not expressly provided for in this Agreement, each Party agrees to
10 refrain from doing anything (1) to injure the right of each other Party to receive
11 the benefits of this Agreement, or (2) to frustrate the purpose for which this
12 Agreement was executed. Each Party further agrees that in the event any such
13 unanticipated issue, situation or problem arises, they will meet and confer in
14 furtherance of the implied covenant of good faith and fair dealing in order to find
15 a mutually acceptable solution.

16 **2. Amendments**

17 This Agreement may be amended at any time by mutual written agreement of
18 the Parties. The Parties agree that in the event of action by an outside
19 governmental body producing a prospective change in the volume or use of
20 recycled water by Distributor's customers, the Parties will make such
21 amendments to this Agreement as the circumstance may reasonably and
22 equitably require.

23 **3. Notices**

24 All notices or other writings in this Agreement to be given by either Party to the
25 other, shall be deemed to have been given or when made in writing and either
26 (i) delivered personally, or (ii) sent by facsimile transmission to the Fax numbers
27 set forth below with the original deposited in the U.S. mail, postage pre-paid,
28 first class, addressed as set forth below, or (iii) deposited in the United States
29 mail, registered, or certified, postage prepaid, and addressed as follows:

30 To Distributor

31 General Manager
32 North Marin Water District
33 P.O. Box 146
34 Novato, CA 94948-0146
35 Phone: (415) 897-4133
36 FAX: (415) 892-8043

37 To Producer

38
39 General Manager
40 Las Gallinas Valley Sanitary District
41 300 Smith Ranch Road
42 San Rafael, CA 94903
43 Phone: (415) 472-1734
44 FAX: (415) 499-7715

1 The address of either Party may be changed upon written notice given by such
2 Party as above provided. Notices shall also be deemed given when delivered
3 by personal delivery, with a confirmation copy by first class mail.

4 **4. Severability**

5 If any one or more of the covenants or agreements set forth in this Agreement
6 on the part of Producer or Distributor, or either of them, to be performed should
7 be contrary to any provision of law or contrary to the policy of law to such extent
8 as to be unenforceable in any court of competent jurisdiction, then such
9 covenant or covenants, agreement or agreements, shall be null and void and
10 shall be deemed severable from the remaining covenants and agreements and
11 shall not affect the validity of this Agreement.

12 **5. Paragraph Headings**

13 Paragraph headings in this Agreement are for convenience only and are not to
14 be construed as part of this Agreement or any way limiting or amplifying the
15 provisions here.

16 **6. Successors and Assigns**

17 Subject to the provisions of the succeeding Paragraph hereof, this Agreement
18 and all the terms, covenants, agreements, and conditions herein contained shall
19 inure to the benefit of and be binding upon the successors and assigns of the
20 Parties hereto.

21 **7. Assignment**

22 No assignment or transfer by Distributor of this Agreement or any part hereof, or
23 of any rights hereunder or interest herein of Distributor, shall be valid unless
24 approved by Producer, which approval shall not be unreasonably withheld.

25 No assignment or transfer by Producer of this Agreement or any part hereof, or
26 of any rights hereunder or interest herein of Producer, shall be valid unless
27 approved by Distributor, which approval shall not be unreasonably withheld.

28 **8. Remedies**

29 Notwithstanding any other language in the Agreement, the Parties agree that
30 neither Producer nor Distributor shall be liable for monetary damages for a
31 breach of this Agreement, a tort relating to the Agreement or any other Cause of
32 Action. The Parties also agree that no third party is a beneficiary of this
33 Agreement such that any third party would have standing to seek either a
34 monetary or nonmonetary remedy regarding this Agreement. The Parties may
35 seek injunctive relief or mandamus relief under this Agreement to the extent
36 such a remedy exists.

37 **9. Indemnification**

38 Producer shall save Distributor, its officers, agents and employees, free and
39 harmless from any and all cost liability, damages or health-related claims arising
40 out of any act or omission to act, including any negligent act, by Producer, its
41 officers, agents or employees arising out of the Producer's performance of its
42 obligation under this Agreement. Distributor shall save Producer, its officers,
43 agents and employees, free and harmless from any and all cost liability,
44 damages or health-related claims arising out of any act or omission to act,
45 including any negligent act, by Distributor, its officers, agents or employees

1 arising out of the Distributor's performance of its obligation under this
2 Agreement.

3 **10. Dispute Resolution**

4 Any controversies between the Parties regarding the construction or application
5 of this Agreement, and claims arising out of this Agreement or its break, shall be
6 submitted to mediation within 30 days of the written request of a Party after the
7 service of that request on the other Party. The Parties may agree on one
8 mediator. If they cannot agree on one mediator, the Party demanding mediation
9 shall request that the Presiding Judge of the Superior Court of Marin County
10 appoint a mediator. The mediation meeting shall not exceed one day (eight
11 hours), unless the Parties agree to extend said time. The cost of the mediator
12 shall be borne by the Parties equally. Mediation under this section is a condition
13 precedent to filing an action in any court.

14 The Parties shall make good faith efforts to resolve all claims and disputes
15 related to this Agreement at the lowest possible cost. Unless the Parties agree
16 upon an alternative forum of dispute resolution, any litigation concerning claims
17 and disputes related to this Agreement shall be filed in and timely prosecuted to
18 conclusion in the Superior Court in and for Marin County, and each party hereby
19 waives its right to move to change venue.

20 **11. Governing Law**

21 This Agreement shall be governed, construed and enforced in accordance with
22 the laws of the State of California.

23 **12. Further Assurances**

24 Each of the Parties agrees to execute, and deliver to the other parties, such
25 documents and instruments, and take such actions, as may reasonably be
26 required to effectuate the terms and conditions of this Agreement; provided,
27 however, such covenant shall not have the effect of increasing the obligations of
28 any Party pursuant to this Agreement or require any representations and
29 warranties by any Party in addition to those of such party set forth herein.

30 **13. Waiver**

31 No waiver of any right or obligation of any of the parties shall be effective unless
32 in writing, specifying such waiver, executed by the party against whom such
33 waiver is sought to be enforced. A waiver by any of the parties of any of its
34 rights under this Agreement on any occasion shall not be a bar to the exercise
35 of the same right on any subsequent occasion or of any other right at any time.

36 **14. Presumptions**

37 Because all of the parties have participated in preparing this Agreement, there
38 shall be no presumption against any party on the ground that such party was
39 responsible for preparing this Agreement or any part hereof.

40 **15. Counterparts**

41 This Agreement may be executed in two or more counterparts, each of which
42 shall be deemed an original, but all of which shall constitute one and the same
43 instrument.

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16. Entire Agreement

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and thereof, and supersedes all prior or contemporaneous negotiations, understandings or agreements of the parties, whether written or oral, with respect to such subject matter.

17. Insurance

Each Party shall be responsible for requiring all contractors that it retains for the construction and construction-related tasks related to this Agreement to provide insurance in the amounts and with the coverages consistent with its policies and practice for projects involving similar construction costs and risks. Each Party shall be responsible for obtaining from each such contractor a certificate of insurance evidencing such coverage, and policy endorsements adding both Parties, and their respective directors, officers, employees, agents, and authorized volunteers as additional insureds to the contractor's Commercial General Liability and Comprehensive Automobile Liability insurance policies, which shall be provided to both Parties prior to the commencement of the construction and/or construction-related tasks.

1 IN WITNESS WHEREOF, Producer and Distributor have caused this Agreement to be
2 executed by their respective duly authorized officers effective as of the day and year first herein
3 written below.

4

LAS GALLINAS VALLEY SANITARY DISTRICT

NORTH MARIN WATER DISTRICT

By: _____
Board President

By _____
Board President

Dated: _____

Dated: _____

Attest: _____
Board Secretary

Attest: _____
Board Secretary

Approved as to Form:

Approved as to Form:

Las Gallinas Valley Sanitary District Attorney

North Marin Water District Attorney

5

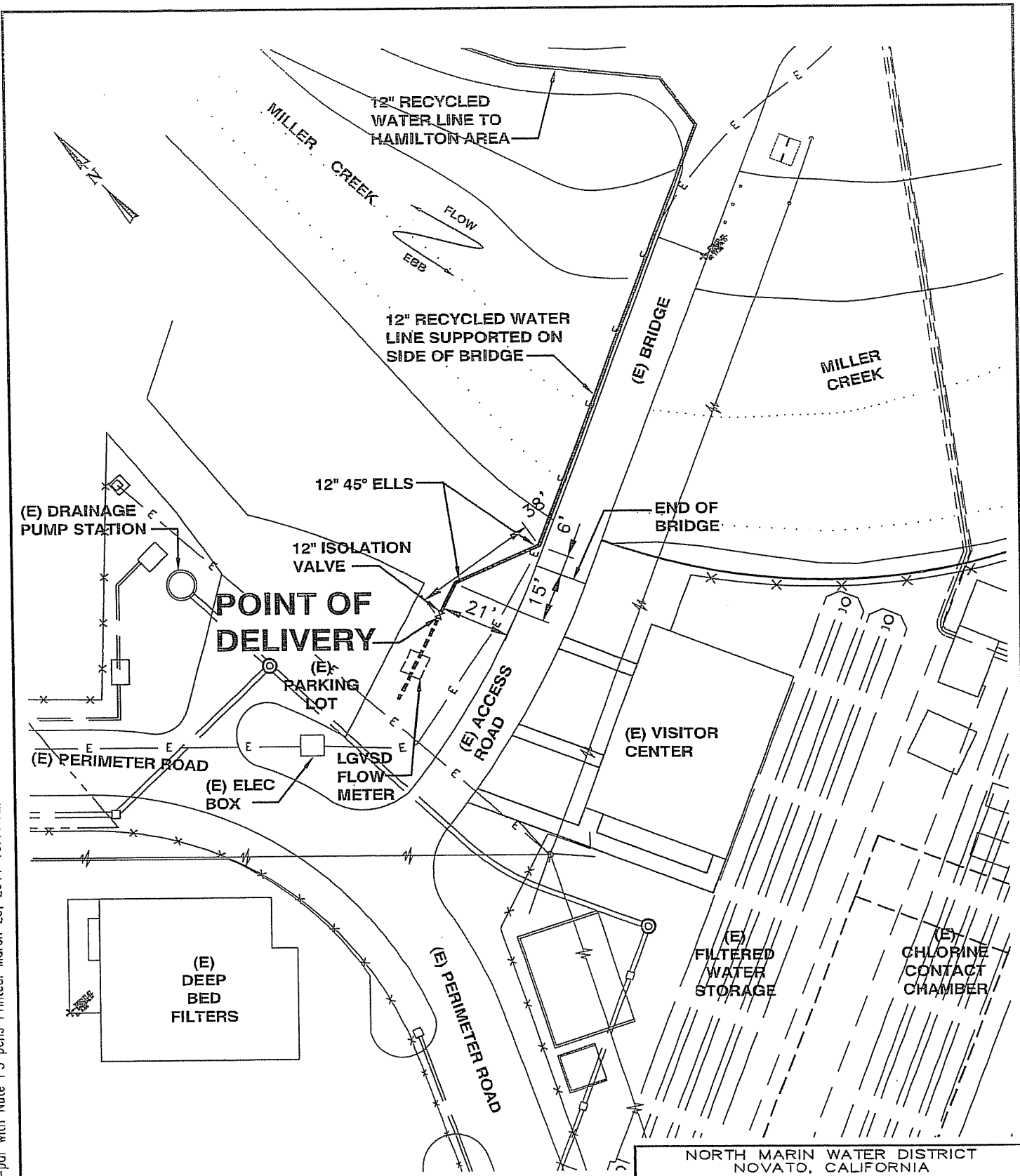
6

1 EXHIBITS:

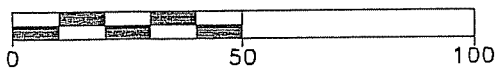
2 Exhibit A Point of Connection Detail

3 Exhibit B Producer's Schedule of Sampling and Analysis

4 Exhibit C User Connection Schedule



PLAN



SCALE IN FEET

NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA			
HAMILTON AREA RECYCLED WATER PROJECT LAS GALLINAS VALLEY SANITARY DISTRICT POINT OF DELIVERY			
DES	DR	CH	SCALE : AS SHOWN
		VEN	DATE :
APPROVED: CHIEF ENGINEER		SHEET NO. : 1 OF 1 SHEETS	
R.E. C40936	SERVICE AREA	JOB.NO. 7956	NO.

EXHIBIT B

PRODUCER'S SCHEDULE OF SAMPLING & ANALYSIS¹

Constituent (units)	Limit	Type of sample	Frequency
Flow Rate (gallons/day)	700,000	Observation	Daily
Total Coliform (MPN/100 ml)	2.2 median	Grab (7 days)	Daily
	23 maximum	Grab (not to exceed in more than 1 sample in a 30-day period)	Daily
Turbidity (NTU)			
	0.2 maximum	No more than 5% of the time in a 24 hr period	Continuous
	0.5 maximum	At any time	Continuous
Dissolved Oxygen (mg/l)	1.0 minimum	Grab	3/week
Dissolved Sulfide (mg/l)	0.1 maximum	Grab	3/week (only if D.O. ≤ 1.0 mg/l)

¹ Or as required under the applicable RWQCB order.

Recycled Water Expansion Project - South Service Area
North Marin Water District

CWSRF No. 5211-110
User Connection Schedule

Map Designation	User Site	User Site Owner	Estimated Usage (AFY) ¹	Type of Use ²	User Status Existing or Future ³	Projected Connection Date	User Assurance Type ⁴	Retrofit Required (Yes/No)	Current Fresh Water Supplier
SERVICE AREA S-6 (HAMILTON)									
Phase 1 - Services connected Sept 2013									
9	791 Hamilton Pkwy	City of Novato	9.4	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
12	600 Palm Drive	Unity in Marin	1.8	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
17	520 Bolling Circle	City of Novato	2.0	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
19	369 Bolling Circle	Meadow Park HOA	7.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
20	440 Bolling Circle	Meadow Park HOA	8.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
21	9 Hathaway Dr	Bay Vista Apartments	9.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
22	7 Hutchins Way	Bay Vista Apartments	7.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
30	9 Kelly Drive	Meadow Park HOA	8.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
31	20 Randolph Dr	Shea Properties	0.7	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
32	37 Kelly Drive	Shea Properties	9.5	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
36	89 Bolling Circle	Meadow Park HOA	7.8	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
37	18 Thinker Way	Meadow Park HOA	1.1	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
38	928 Bolling Circle	Meadow Park HOA	2.6	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
39	930 Bolling Circle	Meadow Park HOA	3.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
45	100 Moffet Ct	Meadow Park HOA	8.7	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
46	87 Bolling Circle	Meadow Park HOA	6.3	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
48	933 Bolling Circle	Meadow Park HOA	9.0	Landscape Irrigation	E	Sept 2013	See note 4	Y	NMWD
			Total Phase 1 =						
			103.0						
Phase 2 - Services connected Sept 2014									
2	60 Lovejoy Way	Lanham Village HOA	4.8	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
4	676 Hanger Ave	Hamilton Marin	9.7	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
6	1 Gann Way	Hamilton Park HOA	4.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
8	551 Hanger Ave	City of Novato	2.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
13	549 Hanger Ave	City of Novato	6.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
14	601 Hamilton Pkwy	Novato Public Finance Authority	4.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
16	1100 Hamilton Pkwy	City of Novato	2.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
18	781 Hamilton Parkway	City of Novato	2.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
23	940 C Street	Novato Unified School District	4.7	Landscape Irrigation	F	Sept 2014	See note 4	Y	NMWD
27	10 Hamilton Landing	Hamilton Marin LLC	4.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
33	Main Gate Rd	City of Novato	6.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
34	1 Main Gate Rd	Novato Unified School District	8.5	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
40	20 Captain Nurse Circle	Meadow Park HOA	5.1	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
44	80 Captain Nurse Circle	Meadow Park HOA	7.1	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
53	146 Alconbury Way	Hamilton Field of Marin HOA	0.6	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
56	205 Hanger Ave.	City of Novato Sports Field	7.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
59	1A San Pablo Ave	City of Novato	0.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
60	1 Alconbury Way	Hamilton Field of Marin HOA	0.2	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
61	206 Hanger Ave.	City of Novato	2.4	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
62	410 South Palm Ave.	Novato Senior Village LP	6.0	Landscape Irrigation	E	Sept 2014	See note 4	Y	NMWD
CG-1	Main Gate Rd/San Jose Ave	U S Government	15.7	Landscape Irrigation	F	Sept 2015	See note 4	Y	NMWD
CG-2	Hanger Ave/San Pablo Ave	U S Government	11.2	Landscape Irrigation	F	Sept 2015	See note 4	Y	NMWD
			Total Phase 2 =						
			116.9						

Average Annual Deliveries

- 1 Ag Irrigation, Landscape Irrigation, Industrial Use, Ground Water Recharge, Etc.
- 2 E = Use Site exists and currently uses fresh water
- 3 D = Use site under development and will be ready to take water upon completion of construction of water recycling project
- F = Use site will not be developed to take water until after completion of construction of water recycling project
- 4 Mandatory Use Ordinance or User Contract

**THIRD REVISED
INTER AGENCY AGREEMENT
FOR RECYCLED WATER
BETWEEN
NOVATO SANITARY DISTRICT
AND
NORTH MARIN WATER DISTRICT**

MAY 2011

TABLE OF CONTENTS

RECITALS	1
AGREEMENT PROVISIONS	2
ARTICLE A. INTRODUCTORY PROVISIONS	2
1. Definitions	2
2. Term and Renewal	2
ARTICLE B. RECYCLED WATER SERVICE PROVISIONS	3
1. Recycled Water Delivery Limitations	3
2. Recycled Water Delivery Quantities	3
3. Metering and Measurement of Flows	4
4. Recycled Water Quality and Pressure	4
5. Recycled Water Limitations of Use	5
6. Permits	5
ARTICLE C. RECYCLED WATER FACILITIES	6
1. Initial Construction	6
2. Master Plan	6
3. Construction of Facilities	6
4. Ownership, Operation and Maintenance of Facilities	8
5. Monitoring	9
6. Reporting	9
ARTICLE D. PAYMENT PROVISIONS	9
1. Recycled Water Pricing Policy	9
2. Recycled Water Rate Review	9
3. Billings	10
4. Obligation to Pay for Available Water	10
5. Time and Method of Payment	10
ARTICLE E. TERMINATION	10
1. General	10
2. Failure to Initiate Initial Construction	10
3. Non-Renewal	11
4. Cause	11
5. Failure to Approve Annual Funding	11
6. Decision by Distributor to Cease Distributing Recycled Water	11
7. Impasse over Rates	11
8. Buyout Upon Termination	11
ARTICLE F. GENERAL PROVISIONS	12
1. Good Faith	12
2. Amendments	12
3. Notices	12
4. Severability	13
5. Paragraph Headings	13
6. Successors and Assigns	13

7. Assignment	13
8. Remedies	13
9. Indemnification	14
10. Dispute Resolution	14
11. Governing Law	14
12. Further Assurances	14
13. Waiver	14
14. Presumptions	15
15. Counterparts	15
16. Entire Agreement	15
17. Insurance	15

1 INTER AGENCY AGREEMENT
2 FOR RECYCLED WATER
3 BETWEEN
4 NOVATO SANITARY DISTRICT
5 AND
6 NORTH MARIN WATER DISTRICT
7

8 This Agreement is made and entered into on this _____ day of _____, 2011, (the
9 "Effective Date") between the Novato Sanitary District (referred to as "Producer") and the North
10 Marin Water District herein (hereinafter referred to as "Distributor"). Producer and Distributor
11 may be referred to herein individually as a "Party" or collectively as the "Parties."

12 **RECITALS**

- 13 A. Producer and Distributor are actively involved in local and regional efforts to develop
14 recycled water supplies and promote recycled water use.
- 15 B. Producer and Distributor recognize that sustainable water resource management
16 requires integration of water supply and wastewater discharge limitations.
- 17 C. Producer and Distributor have previously cooperated in development of the Deer
18 Island Recycled Water Treatment Facility (Deer Island RWTF) and distribution
19 system to supply Stone Tree Golf Course and Novato Fire Protection District Station
20 No. 2 with recycled water pursuant to the April 2009 Revised Inter-Agency
21 Agreement for Recycled Water.
- 22 D. Provisions of this agreement are consistent with conditions established pursuant to
23 the Final Environmental Impact Report/Environmental Impact Statement (FEIR/EIS)
24 for the North San Pablo Bay Restoration and Reuse Project (Project) also known as
25 the North Bay Water Recycling Program as published in the Code of Federal
26 Register (CFR) Volume 75, Number 108 dated June 7, 2010.
- 27 E. Included within said Project are facilities to treat such recycled water at the
28 Producer's wastewater treatment site, hereinafter referred to as the Davidson Street
29 Recycled Water Treatment Facility (the "Davidson Street RWTF").
- 30 F. The Deer Island RWTF and recycled water distribution system is permitted by the
31 State of California San Francisco Bay Regional Water Quality Control Board to treat
32 and distribute and use treated effluent as recycled water.
- 33 G. The Davidson Street RWTF and recycled water distribution system will be permitted
34 by the State of California San Francisco Bay Regional Water Quality Control Board
35 to treat and distribute and use treated effluent as recycled water.
- 36 H. Recycled water to be delivered by Producer to Distributor will be disinfected tertiary
37 recycled water, in accordance with the provisions of Title 22 of the California Code of
38 Regulations and applicable requirements of the California Department of Public
39 Health.
- 40 I. Distributor has developed a recycled water master plan for future long-term
41 distribution of recycled water in the Novato area of Marin County, California.

- 1 J. Distributor wishes to acquire from Producer the quantity of secondary effluent and/or
2 recycled water which it can sell to End Users (as defined in Article B2).
- 3 K. City of Novato, Novato Unified School District playing fields, Valley Memorial Park
4 Cemetery and Fireman's Fund Business Park landscaping will be the initial End
5 Users of recycled water and other end users may be served in the vicinity of the
6 recycled water pipeline to be constructed from the RWTF's.

7 **AGREEMENT PROVISIONS**

8 For and in consideration of the foregoing recitals and of the mutual promise and covenants
9 herein contained, the Parties hereto agree as follows:

10 **ARTICLE A. INTRODUCTORY PROVISIONS**

11 **1 Definitions**

12 When used in this Agreement, the following terms shall have the meanings
13 hereinafter set forth:

- 14 a) "End User" shall mean the ultimate user of recycled water.
- 15 b) "Fiscal Year" shall mean each 12-month period during the term of this
16 Agreement commencing July 1 of one year and terminating June 30 of the
17 next succeeding year, both dates inclusive.
- 18 c) "Operation and Maintenance Costs" shall mean the actual cost of: labor
19 (including general and administrative overhead plus tools and supplies
20 normally applied), equipment and vehicle charges, consumables (such as
21 chemicals and electrical power), and spare parts and/or replaced
22 components necessary to reliably treat and deliver recycled water to the End
23 Users pursuant to this agreement. Operation and Maintenance Costs shall
24 not include costs for major capital replacement or process changes.
- 25 d) "Point of Connection" shall mean a secondary effluent connection between
26 the Producer's sewerage system and the Distributor's Deer Island RWTF
27 and distribution system (see Exhibit "A" attached hereto and incorporated
28 herein by this reference), or a recycled water connection between the
29 Producer's Davidson Street RWTF and Distributor's distribution system (see
30 Exhibit "B" attached hereto and incorporated herein by this reference).
- 31 e) "RWTF" shall mean the Recycled Water Treatment and Pumping Facilities
32 required to produce recycled water from the Producer's sewerage system to
33 the "Point of Connection."
- 34 f) "Distribution" system shall mean the recycled water transmission/distribution
35 pipelines and storage facilities.

36 **2. Term and Renewal**

37 This Agreement shall commence on the Effective Date and be in force for
38 twenty (20) years. Following the original twenty (20) year Agreement term, the
39 Agreement term shall be automatically renewed and extended for consecutive
40 one (1) year terms, unless terminated in accordance with the provisions of
41 Article E herein.

1 **ARTICLE B. RECYCLED WATER SERVICE PROVISIONS**

2 **1. Recycled Water Delivery Limitations**

- 3 a) Distributor understands and acknowledges that Producer is charged with the
4 responsibility to operate its sewerage systems in a manner which it
5 reasonably determines to be most beneficial to the users thereof. The rights
6 of Distributor to secondary effluent or recycled water under this Agreement
7 pertain only to that which actually is produced at the RWTF. Nothing
8 contained herein shall be construed to qualify in any manner Producer's right
9 to operate the sewerage system and Davidson Street RWTF at such rates of
10 flow as Producer reasonably determines to be appropriate so as to comply
11 with Producer's NPDES permit.
- 12 b) Nothing herein shall be construed to commit any portion of the recycled
13 water from the RWTF beyond that which will be delivered by Distributor to its
14 customers for reasonable beneficial uses. Producer to give to Distributor at
15 least 30 days advance written notice of any non-emergency planned
16 reduction that would reduce the availability of secondary effluent or recycled
17 water to Distributor. Distributor shall have ample opportunity to meet and
18 confer with the Producer on the issue of reduced availability of recycled
19 water.
- 20 c) Any circumstances beyond Producer's control which cause an unplanned
21 reduction in the recycled water available for distribution may, at the
22 discretion of Producer, result in a temporary decrease in recycled water
23 available to Distributor under this Agreement. The reduced availability of
24 recycled water will continue in effect until such time as operations have been
25 restored to normal, provided the Producer must use its reasonable best
26 efforts to restore normal operations as soon as possible. Producer shall
27 inform Distributor on a weekly frequency regarding status of restoration of
28 normal operation.
- 29 d) The Parties acknowledge that in unusual conditions, an emergency diversion
30 of recycled water by Producer may be necessary, and such diversion shall
31 be made to an effluent storage pond or wet weather basin, treatment plant or
32 other authorized location to receive such diversion by the Regional Water
33 Quality Control Board and shall not be deemed a violation of this Agreement.

34 **2. Recycled Water Delivery Quantities**

- 35 a) Subject to the provisions herein, Producer agrees to make available to
36 Distributor each Fiscal Year during the term hereof, secondary effluent
37 and/or recycled water produced at the Davidson Street RWTF in the
38 anticipated minimum annual delivery quantity of 186 acre feet per year (the
39 "Annual Delivery Quantity") pursuant to the User Connection Schedule *
40 (Exhibit F).
- 41 b) Annually, Producer and Distributor shall meet and confer in good faith to
42 mutually determine the Annual Delivery Quantity and anticipated production
43 schedule for each month for the ensuing Fiscal Year and to project minimum
44 Annual Delivery Quantities for the next ensuing three Fiscal Years. The
45 purpose of this determination is to provide the Producer and Distributor with
46 information necessary to plan production at the Davidson Street RWTF and

1 Deer Island RWTF respectively including staffing, chemical purchases,
2 maintenance and coordination of operations at the RWTF's.

- 3 c) Producer and Distributor acknowledge that circumstances such as drought
4 may require additional Annual Delivery Quantities or a prolonged schedule
5 of operation at the RWTF's and agree to use reasonable best efforts to meet
6 such additional requirements.
- 7 d) Distributor shall make reasonable efforts to provide back-up source(s) of
8 water for the distribution system at the Deer Island RWTF that will provide a
9 reliable flow of water to End Users in the event that circumstances beyond
10 Producer's control cause a reduction or temporary loss of flow of secondary
11 effluent or recycled water from Producer.

12 **3. Metering and Measurement of Flows**

- 13 a) Producer will measure all recycled water delivered to Distributor at the point
14 of connection. This point of connection delivery (master) metering will be in
15 addition to any retail (customer) metering conducted by the Distributor
16 and/or End Users (collectively, the "Customer Metering"). The Master
17 Metering shall govern billings to Distributor and shall also be used for
18 reporting Distributor's recycled water usage to regulatory agencies. Where
19 either Distributor or Producer acts as End Users, they shall also report
20 usage by metering.
- 21 b) The Producer shall test the accuracy of the Master Metering not less
22 frequently than annually and provide the Distributor with a report of such
23 test. The Distributor shall have the right at any time and at its expense to
24 make additional tests of the Master Metering. If the Master Metering is
25 found to be reading 2 percent or more, fast or slow, it shall immediately be
26 recalibrated, repaired or replaced by the Producer to bring it within 2 percent
27 accuracy.
- 28 c) Title to and risk of loss and responsibility for the handling and control of all
29 recycled water which meets the quality criteria shall pass from the Producer
30 to the Distributor at the point of connection. The Producer and Distributor
31 agree to exercise due diligence in inspecting their various pipelines and
32 appurtenances and take steps to guard against unreasonable loss of
33 recycled water. Should unreasonable loss of recycled water occur, the
34 parties shall meet in good faith to determine a fair allocation of the cost
35 thereof.

36 **4. Recycled Water Quality and Pressure**

- 37 a) All recycled water to be delivered pursuant to the terms of this Agreement
38 will be of such quality that the same may be used for all purposes from time
39 to time allowed for disinfected tertiary recycled water. The recycled water to
40 be delivered to Distributor at the Davidson Street RWTF Point of Connection
41 pursuant to this Agreement shall range in pressure from XX to 80 pounds
42 per square inch (psig) and conform to the quality requirements set forth in
43 the then current disinfected tertiary recycled water quality and monitoring
44 regulations specified in Title 22, Division 4, Chapter 3: Wastewater
45 Reclamation Criteria Section 60301.230 (California Code of Regulations), as
46 further regulated by the State of California Regional Water Quality Control

1 Board, the California Department of Public Health and all other federal, state
2 and local agencies having jurisdiction over recycled water quality.

- 3 b) The Parties recognize that factors beyond the control of Producer could
4 cause operational difficulties at the Davidson Street RWTF resulting in the
5 temporary production of recycled water which does not meet the current
6 requirements referenced in the previous subparagraph for the intended uses
7 of the End Users. In such cases, Producer shall temporarily suspend
8 deliveries of recycled water to Distributor from Producer's facilities, and
9 Distributor shall produce recycled water from the Deer Island RWTF or
10 provide a back-up source pursuant to Article B, Section 2.d) of this
11 agreement. Producer shall use its best efforts to reestablish the production
12 of recycled water of a suitable quality and pressure as soon as reasonably
13 possible and shall reestablish Distributor's supply of such water accordingly.
- 14 c) Producer shall immediately notify Distributor if recycled water from the
15 Davidson Street RWTF does not meet the currently applicable regulatory
16 requirements and its deliveries of recycled water will be suspended. Such
17 notice shall be given to Distributor, via control system alarm, e-mail
18 (info@nmwd.com) or telephone (415) 897-4133 with a follow-up written
19 confirmation on the same day automatic notice is given, or on the next
20 business day if automatic notice is not given during normal business hours.
21 Said notice shall contain the date and time delivery was interrupted and the
22 date and time delivery resumed or is scheduled to resume.
- 23 d) From time to time, it may be necessary for the parties to develop, agree
24 upon and implement detailed operating criteria and procedures. Distributor
25 agrees to provide real time recycled water storage level data to facilitate
26 such operating criteria for the RWTF.

27 **5. Recycled Water Limitations of Use**

28 Distributor agrees to provide the recycled water it receives hereunder only for
29 the use of those End Users who have obtained the appropriate permits to use
30 recycled water. Distributor shall be responsible for establishing the required
31 Administrative Procedures and End User Rules and Regulations, for issuing
32 permits to End Users, and for providing regulatory oversight of End User sites.

33 **6. Permits**

34 This Agreement is based on the necessary permitting requirements under the
35 San Francisco Regional Water Quality Control Board Order 96-011 General
36 Water Reuse Requirements for Wastewater and Water Agencies and the
37 Department of Public Health Title 22 water reuse criteria relating to the use of
38 recycled water and the development and construction of a recycled water
39 production and distribution system. Each of the Parties undertakes and agrees,
40 severally and jointly as appropriate, to file any and all applications and
41 undertake such proceedings as may be necessary to enable each Party to carry
42 out the undertaking contemplated herein, and to pursue each application and
43 proceedings in good faith and due diligence. Distributor will act as lead agency
44 in obtaining, complying with and maintaining the permits that are applicable to
45 the construction and initial permitting of the distribution system and Deer Island
46 RWTF. Producer will act as lead agency in obtaining, complying with, and
47 maintaining the permits that are applicable to the operation of the Davidson

1 Street RWTF. However, both Producer and Distributor agree to cooperate in
2 obtaining and complying with permits necessary to carryout the provisions of
3 this agreement and are responsible, where applicable to their role as Producer
4 or Distributor, to comply with the requirements set forth in these permits.

5
6 **ARTICLE C. EXPANDED NOVATO NORTH SERVICE AREA RECYCLED WATER**
7 **FACILITIES**

8 **1. Initial Construction**

9 a) The Parties have worked together to develop planning, permitting and
10 preliminary engineering design for a Davidson Street RWTF and distribution
11 system to serve various Novato North Service Area End Users including the
12 City of Novato, Novato Unified School District playing fields, Valley Memorial
13 Park Cemetery and Fireman's Fund Business Park landscaping.

14 **2. Master Plan**

15 a) The Parties have prepared and approved a focused master plan (the
16 "Master Plan") for contemplated expanded distribution and/or treatment
17 facilities for the distribution of recycled water in the service area of
18 Distributor (the "Expanded Facilities"). The focused Master Plan promotes
19 the use of recycled water throughout the service area of Distributor, and is
20 consistent with Distributor's overall water supply planning.

21 Arrangements between the parties relating to permitting, design and
22 construction of Expanded Facilities beyond that contemplated herein shall
23 be addressed in one or more future agreements.

24 **3. Construction of Facilities**

25 a) Each party shall be solely responsible for obtaining all permits, contracts,
26 approvals, easements, land rights, or other permission or consent necessary
27 to proceed with its recycled water facilities, as contemplated by this
28 Agreement.

29 b) Recycled water delivered to Distributor pursuant to this Agreement shall be
30 provided by Producer from the Davidson Street RWTF facility. Initial
31 construction of the Davidson Street RWTF shall be administered, managed
32 and financed by the Producer with a bank loan and/or grant funding.
33 Repayment of any said loan financing shall be pursuant to Producer
34 wastewater sewer service charges.

35 Initial construction of Recycled Water distribution facilities shall be
36 administered, managed and financed by the Distributor with a California
37 State Water Resources Control Board State Revolving Fund Low Interest
38 Loan, bank loan and/or grant funding. Repayment of any said loan financing
39 shall be pursuant to Distributor Water Connection Fees paid by Distributor
40 customers.

41 c) Initial Construction Costs (including engineering support, construction
42 management and administration) for the Davidson Street RWTF are
43 estimated to be \$5,450,000 pursuant to the Phase 3 Engineering and
44 Economic/Financial Analysis Report for the Project by Camp Dresser McKee
45 (CDM, June 2008) with revised project summary costs (RMC, August 2010

1 costs) or 52% of the total Initial Construction Costs, and allocated to the
2 Producer.

3 Initial Construction Costs for the Recycled Water distribution facilities are
4 estimated to be \$5,100,000 pursuant to the revised CDM, November 2009
5 costs, or 48% of the total initial construction costs and allocated to the
6 Distributor.

7 d) Federal Funding Grant Allocation.

8 The Producer has entered into an agreement with Sonoma County Water
9 Agency (SCWA) on behalf of Producer and Distributor for up to 25% federal
10 grant funding for the Expanded Facilities, also known as the "Novato North
11 and Central Service Area Recycled Water" projects as defined by the North
12 San Pablo Bay Restoration and Reuse Project – EIR/EIS (ESA 2010).
13 Federal grant funds are anticipated from the American Reinvestment and
14 Recovery Act (ARRA) and Title XVI Grants awarded by the U.S. Bureau of
15 Reclamation (USBR). Until such a time that Distributor is a direct recipient of
16 ARRA or Title XVI grant funds from SCWA, Distributor agrees to abide by all
17 the terms and conditions of said agreement between Producer and SCWA,
18 attached hereto as Exhibit D.

19 i. Allocation of ARRA Grant Funds

20 Of the \$7,203,000 in ARRA grant funds eligible for payment to SCWA by
21 USBR, \$2,637,500 is to be allocated by SCWA to Producer for the Expanded
22 Facilities Novato North Service Area Recycled Water. The aforementioned
23 ARRA grant fund allocation is based on the Expanded Facilities Novato
24 North Service Area project total cost estimate of \$10,550,000, 48% allocated
25 for Distributor's storage and pipeline components and 52% allocated for
26 Producer's treatment and pumping components. It is agreed that the ARRA
27 grant funds will be shared proportionately between the Producer and
28 Distributor using the above-stated percentages after accounting for the grant
29 administration expenses.

30 ii. Allocation of Title XVI Funds

31 Notwithstanding the allocation methodology provided above for the ARRA
32 grant allocation, any future Title XVI grant funding allocation will be based
33 upon the amounts identified in Exhibit C of the North Bay Water Reuse
34 Authority Second Amended Memorandum of Understanding (Exhibit E). It is
35 further anticipated that any future grant application and funding disbursement
36 will be structured so that SCWA distributes grant funds directly to Distributor
37 as a Member Agency of NBWRA and Recipient under a future Agreement for
38 Grant Facilitation Services for North San Pablo Bay Restoration and Reuse
39 Project.

40 e) State Funding Grant Allocation

41 Allocation of any grant funding from the State of California for the expanded
42 facilities shall be shared proportionately between the Producer and
43 Distributor using the percentages stated in Article C. Section 3.d)i.

44 f) Expansion of the Davidson Street RWTF and Expanded Distribution
45 Facilities will be undertaken from time to time as subject to any other future
46 agreements executed between Producer and Distributor.

1 Planned capital improvements or replacements projects to the Davidson
2 Street RWTF shall be coordinated with Distributor sufficiently in advance to
3 ensure adequate funds are available to carry out said projects

4 **4. Ownership, Operation and Maintenance of Facilities**

5 Distributor shall own, operate and maintain at no cost to Producer, The Deer
6 Island RWTF and all of its distribution facilities from the Point of Connection up
7 to the End User meters.

8 Producer leases the property on which the Deer Island RWTF is located from
9 the Marin County Flood Control and Water Conservation District. This lease
10 expires on July 1, 2023 with an option to extend it for an additional ten years.

11 Producer shall own, operate and maintain all of the Davidson Street RWTF up
12 to the Point of Connection. At Distributor's request or as necessary to comply
13 with permit conditions of state or federal law, Producer may assist with the
14 maintenance and emergency repair of Distributor's distribution facilities.
15 Distributor shall reimburse Producer for reasonable and necessary expenses
16 incurred in carrying out such maintenance or repair. At Producer's request or as
17 necessary to comply with permit conditions of state or federal law, Distributor
18 may assist with the maintenance and emergency repair of Producer's
19 distribution facilities. Producer shall reimburse Distributor for reasonable and
20 necessary expenses incurred in carrying out such maintenance or repair.

21 Producer agrees to provide the Distributor the uninterrupted right of ingress to
22 and egress from the recycled water pipeline route on Producer's property and
23 the right at all times to enter in, over and upon and to use said recycled water
24 pipeline route and every part thereof for all purposes connected with the laying
25 down, constructing, reconstructing, replacing, removing, repairing, maintaining,
26 operating and using said distribution facilities.

27 Producer agrees not to do anything which may interfere with Distributor's full
28 rights for the purposes noted above including without limitation the following:
29 placing or permitting to be placed on said recycled water pipeline route any
30 building or structure (including without limitation new fences not approved by
31 Distributor) or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50
32 pounds;

33 Subject to the foregoing provisions, Producer may excavate or change the
34 grade of the surface of said recycled water pipeline route way for the Producer's
35 continued operation and maintenance of the existing wastewater facility
36 operations, provided that before making any such change, Producer shall notify
37 Distributor of the proposed change and enable Distributor the opportunity to
38 raise or lower distribution facilities as solely determined by Distributor if
39 Distributor determines in its sole discretion that the change of the grade
40 necessitates that any Distributor facilities be raised or lowered.

41 Producer may cultivate and landscape the surface of said recycled water
42 pipeline route and may construct a roadway thereon provided that such actions
43 do not in any way conflict with or violate any of the preceding limitations.

44 Producer reserves the right to change the location of said recycled water
45 pipeline route on Producer's property to a new location agreeable to Distributor,
46 provided that the full expense of relocating the recycled water pipeline and

1 appurtenant facilities to the new location shall be funded from the Recycled
2 Water Capital Replacement and Expansion Fund.

3 Distributor shall be under no obligation to install or maintain a roadway or
4 pavement or other surfacing upon the recycled water pipeline route except such
5 as may be convenient for its own purposes. (Any surface changes, such as
6 paving, need to be approved by Producer.)

7 **5. Monitoring**

8 Producer's responsibility for management and monitoring the recycled water
9 delivered hereunder shall be limited only to recycled water production at the
10 Davidson Street RWTF and shall cease upon delivery to Distributor at the Point
11 of Connection. Operation, management, maintenance and monitoring of
12 facilities under the control of the Distributor shall be the sole responsibility of
13 Distributor. Distributor agrees to accept Producer's reporting responsibility for
14 conformance to all monitoring, reporting, and any other requirements assigned
15 to the "recycled water agency" in Title 22 of the California Code of Regulations,
16 all applicable regulations of the State of California Regional Water Quality
17 Control Board and the California Department of Health Services and Order 96-
18 011 (General Water Reuse Requirements for Municipal Wastewater and Water
19 Agencies).

20 **6. Reporting**

21 As a condition of, and to provide assistance sufficient to enable Distributor to
22 carry out this reporting responsibility undertaken by Distributor, Producer shall
23 provide Distributor with the following reporting information:

- 24 a) Quarterly (or annual, at Distributor's option) recycled water production and
25 monitoring records certified by Producer to meet quality pursuant to Exhibit
26 C within 30 days of the close of each fiscal quarter (or Calendar Year, as the
27 case may be) to the extent permissible by law.
- 28 b) Adequate notifications of Producer inspections, start-ups, shutdowns and
29 disconnections, or violations, if any.

30 **ARTICLE D. PAYMENT PROVISIONS**

31 **1. Recycled Water Pricing Policy**

32 The Parties agree that the rates charged by Producer to Distributor shall be in
33 the amount required to reimburse Producer's actual Davidson Street RWTF
34 Operation and Maintenance Costs. Rates charged by Distributor to End Users
35 shall cover actual RWTF Operation and Maintenance Costs and Distributor's
36 actual Operation and Maintenance Costs of the distribution facilities, plus an
37 amount for maintenance and replacement. Any payments to the Distributor by
38 the End User in excess of actual costs (marginal payments) shall be deposited
39 in a Recycled Water Capital Replacement and Expansion Fund.

40
41 **2. Recycled Water Rate Review**

42 Producer shall charge for the delivery of recycled water in accordance with the
43 rate schedule for recycled water service as such rate schedule is established by
44 the producer and approved by Producer's governing board. Producer shall
45 review and establish said rate schedule based on the above-described policy of

1 reimbursing Producer's Davidson Street RWTF actual Operation and
2 Maintenance Costs every Fiscal Year. Distributor shall be given ample
3 opportunity to meet and confer upon the intended application of the pricing
4 policy and Producer's proposed recycled water rates with Producer prior to final
5 determination of Producer's recycled water rates, to ensure compatibility with
6 the intent of this Agreement.

7 Notwithstanding any other provision of this Agreement, the cost of planned
8 capital improvements or replacement projects to the Davidson Street RWTF
9 shall not be included in Producer's recycled water rates but shall instead be
10 reimbursed from the Recycled Water Capital Replacement and Expansion Fund
11 30 days after receipt of invoice.

12 **3. Billings**

13 Distributor agrees to make quarterly (or annual, at Producer's option) payments
14 for the total amount of recycled water delivered pursuant to Article B.3 in each
15 fiscal quarter (or Fiscal Year, as the case may be) at the rates set according to
16 the procedures herein.

17 **4. Obligation to Pay for Available Water**

18 Distributor is obligated to pay Producer for the Annual Delivery Quantity of
19 recycled water for each Fiscal Year, assuming such quantity of recycled water is
20 made available to it by Producer. Producer shall bill Distributor at the close of
21 each quarter (or each Fiscal Year) for the actual quantity of recycled water
22 taken by Distributor pursuant to Article B.3 during that quarter (or Fiscal Year).

23 **5. Time and Method of Payment**

24 Payments shall be made by Distributor in response to, and within 30 days of,
25 billing by Producer.

26 **6. Recycled Water Capital Replacement and Expansion Fund**

27 The Recycled Water Capital Replacement and Expansion Fund will be
28 maintained by the Distributor. Distributor shall provide annual reports of the
29 fund to the Producer. Any expenditure from the fund shall be jointly approved
30 by both the Producer and the Distributor.

31 **ARTICLE E. TERMINATION**

32 **1. General**

33 This Agreement may be terminated upon the occurrence of the events
34 described in the following paragraphs.

35 **2. Failure to Initiate Initial Construction**

36 If the initial construction is not initiated by the second anniversary of the
37 Effective Date of this Agreement (the "Plan Date"), then either Party may elect
38 to terminate this Agreement by serving a written notice (the "Termination
39 Notice") on the other Party within 180 days following the Plan Date. In the event
40 of such termination:

- 41 a) This Agreement shall be deemed terminated as of the last day of the Fiscal
42 Year during which the Termination Notice was given.

1 **3. Non-Renewal**

2 Following the expiration of the original 20-year term of this Agreement, either
3 Party may serve upon the other no later than 30 days prior to the next occurring
4 anniversary of the Effective Date a notice of intent to terminate this Agreement.
5 Such termination shall become effective upon said next occurring anniversary of
6 the Effective Date.

7 **4. Cause**

8 This Agreement may be terminated by either Party at any time for good cause
9 upon 60-days' written notice to the other Party. However, if the good cause is
10 the breach of the other Party, this Agreement may not be terminated under this
11 section unless such breach is not cured by the breaching Party during such 60-
12 day period. Notwithstanding the foregoing, if a cure of any such breach by any
13 Party hereto cannot practicably be affected within such 60-day period, and the
14 breaching Party, upon receiving such written notice, promptly initiates efforts to
15 cure such failure within such 60-day period, and diligently pursues such cure,
16 this Agreement may not be terminated under this section.

17 **5. Failure to Approve Annual Funding**

18 The Parties acknowledge that each Party undergoes an annual budgeting
19 process and that neither Party is obligated to expend additional funds or to
20 construct additional facilities in any given year unless the applicable Party's
21 governing board has budgeted money for that purpose. Notwithstanding the
22 foregoing, failure to budget such funds may constitute good cause for
23 termination of this Agreement under paragraph 4 above.

24 **6. Decision by Distributor to Cease Distributing Recycled Water**

25 This Agreement shall be terminated in the event that Distributor determines that
26 it no longer intends to be a purveyor of recycled water within its service area.
27 Such termination shall be effective at the end of the Fiscal Year following the
28 Fiscal Year in which notice of Distributor's desire to terminate this Agreement
29 pursuant to this Paragraph is furnished to Producer.

30 In the event of termination pursuant to this Section, the Producer and Distributor
31 agree to meet and consider arrangements to insure water service is maintained
32 as necessary to customers historically receiving recycled water.

33 **7. Impasse over Rates**

34 If following mediation as provided for herein, Distributor is unwilling to accept a
35 new annual rate set for recycled water by Producer then this Agreement shall be
36 deemed terminated at the end of the Fiscal Year for which such impasse is
37 reached. Producer, following mediation as provided for herein, declares an
38 impasse due to Distributor setting rates that do not recover costs necessary to
39 adequately fund recycled water production, then this Agreement shall be
40 terminated at the end of the Fiscal Year for which such impasse is reached.

41 **8. Buyout Upon Termination**

42 If this Agreement is terminated in accordance with the provisions of Paragraphs
43 3, 4, 5, 6 or 7 of this Article, then Producer shall have the option to purchase
44 from Distributor those portions of the Distribution Facilities (along with any
45 appurtenances necessary to distribute recycled water in Producer's service

1 area) that have been constructed or are then under construction from
2 Distributor, including easements and any associated real estate required for
3 their use or maintenance. Producer may exercise this option on the following
4 terms:

- 5 a) Producer shall give written notice of its intent to purchase said facilities
6 within 180 days following the effective date of the termination.
- 7 b) The purchase price shall be equal to the newly reconstructed cost
8 (determined as of the date of the notice in paragraph 8.a) less depreciation
9 (RCNLD) of Distributor's improvements. Upon request, Distributor shall
10 furnish appropriate accounting data and information to Producer to
11 establish the purchase price.
- 12 c) Distributor shall assign to Producer all water delivery contracts with End
13 Users using the Distribution Facilities along with any applicable consulting
14 or construction contracts.

15 **ARTICLE F. GENERAL PROVISIONS**

16 **1. Good Faith**

17 This Agreement is the result of good faith negotiations entered into by the
18 Parties willingly, with due diligence, and with full advice of legal counsel, and it
19 is the intent of the Parties that all aspects of performance of this Agreement will
20 be undertaken in the same manner. The Parties acknowledge and agree that it
21 is not possible to anticipate every issue, situation or problem that might arise or
22 be encountered during the term of this Agreement. As to any issue, situation, or
23 problem not expressly provided for in this Agreement, each Party agrees to
24 refrain from doing anything (1) to injure the right of each other Party to receive
25 the benefits of this Agreement, or (2) to frustrate the purpose for which this
26 Agreement was executed. Each Party further agrees that in the event any such
27 unanticipated issue, situation or problem arises, they will meet and confer in
28 furtherance of the implied covenant of good faith and fair dealing in order to find
29 a mutually acceptable solution.

30 **2. Amendments**

31 This Agreement may be amended at any time by mutual written agreement of
32 the Parties. The Parties agree that in the event of action by an outside
33 governmental body producing a prospective change in the volume or use of
34 recycled water by Distributor's customers, the Parties will make such
35 amendments to this Agreement as the circumstance may reasonably and
36 equitably require.

37 **3. Notices**

38 All notices or other writings in this Agreement to be given by either Party to the
39 other, shall be deemed to have been given or when made in writing and either
40 (i) delivered personally, or (ii) sent by facsimile transmission to the Fax numbers
41 set forth below with the original deposited in the U.S. mail, postage pre-paid,
42 first class, addressed as set forth below, or (iii) deposited in the United States
43 mail, registered, or certified, postage prepaid, and addressed as follows:

44 To Distributor

45 General Manager

1 North Marin Water District
2 P.O. Box 146
3 Novato, CA 94948-0146
4 Phone: (415) 897-4133
5 FAX: (415) 892-8043
6

7 To Producer

8 General Manager/Engineer
9 Novato Sanitary District
10 500 Davidson Street
11 Novato, CA 94945
12 Phone: (415) 892-1694
13 FAX: (415) 898-2279

14 The address of either Party may be changed upon written notice given by such
15 Party as above provided. Notices shall also be deemed given when delivered
16 by personal delivery, with a confirmation copy by first class mail.

17 **4. Severability**

18 If any one or more of the covenants or agreements set forth in this Agreement
19 on the part of Producer or Distributor, or either of them, to be performed should
20 be contrary to any provision of law or contrary to the policy of law to such extent
21 as to be unenforceable in any court of competent jurisdiction, then such
22 covenant or covenants, agreement or agreements, shall be null and void and
23 shall be deemed severable from the remaining covenants and agreements and
24 shall not affect the validity of this Agreement.

25 **5. Paragraph Headings**

26 Paragraph headings in this Agreement are for convenience only and are not to
27 be construed as part of this Agreement or any way limiting or amplifying the
28 provisions here.

29 **6. Successors and Assigns**

30 Subject to the provisions of the succeeding Paragraph hereof, this Agreement
31 and all the terms, covenants, agreements, and conditions herein contained shall
32 inure to the benefit of and be binding upon the successors and assigns of the
33 Parties hereto.

34 **7. Assignment**

35 No assignment or transfer by Distributor of this Agreement or any part hereof, or
36 of any rights hereunder or interest herein of Distributor, shall be valid unless
37 approved by Producer, which approval shall not be unreasonably withheld.

38 No assignment or transfer by Producer of this Agreement or any part hereof, or
39 of any rights hereunder or interest herein of Producer, shall be valid unless
40 approved by Distributor, which approval shall not be unreasonably withheld.

41 **8. Remedies**

42 By reason of the specialized nature of the recycled water service to be
43 rendered, and for the further reason that the extent of any damage caused to a
44 party by any breach of this Agreement by the other party may be extremely
45 difficult to determine in monetary terms, it is agreed by the Parties hereto that an

1 action for monetary damages is an inadequate remedy for any breach, and that
2 specific performance, without precluding any other remedy available in equity or
3 at law, will be necessary to furnish either Party hereto with an adequate remedy
4 for the breach hereof.

5 **9. Indemnification**

6 Producer shall save Distributor, its officers, agents and employees, free and
7 harmless from any and all cost liability, damages or health-related claims arising
8 out of any act or omission to act, including any negligent act, by Producer, its
9 officers, agents or employees arising out of the Producer's performance of its
10 obligation under this Agreement. Distributor shall save Producer, its officers,
11 agents and employees, free and harmless from any and all cost liability,
12 damages or health-related claims arising out of any act or omission to act,
13 including any negligent act, by Distributor, its officers, agents or employees
14 arising out of the Distributor's performance of its obligation under this
15 Agreement.

16 **10. Dispute Resolution**

17 Any controversies between the Parties regarding the construction or application
18 of this Agreement, and claims arising out of this Agreement or its break, shall be
19 submitted to mediation within 30 days of the written request of a Party after the
20 service of that request on the other Party. The Parties may agree on one
21 mediator. If they cannot agree on one mediator, the Party demanding mediation
22 shall request that the Presiding Judge of the Superior Court of Marin County
23 appoint a mediator. The mediation meeting shall not exceed one day (eight
24 hours), unless the Parties agree to extend said time. The cost of the mediator
25 shall be borne by the Parties equally. Mediation under this section is a condition
26 precedent to filing an action in any court.

27 The Parties shall make good faith efforts to resolve all claims and disputes
28 related to this Agreement at the lowest possible cost. Unless the Parties agree
29 upon an alternative forum of dispute resolution, any litigation concerning claims
30 and disputes related to this Agreement shall be filed in and timely prosecuted to
31 conclusion in the Superior Court in and for Marin County, and each party hereby
32 waives its right to move to change venue.

33 **11. Governing Law**

34 This Agreement shall be governed, construed and enforced in accordance with
35 the laws of the State of California.

36 **12. Further Assurances**

37 Each of the Parties agrees to execute, and deliver to the other parties, such
38 documents and instruments, and take such actions, as may reasonably be
39 required to effectuate the terms and conditions of this Agreement; provided,
40 however, such covenant shall not have the effect of increasing the obligations of
41 any Party pursuant to this Agreement or require any representations and
42 warranties by any Party in addition to those of such party set forth herein.

43 **13. Waiver**

44 No waiver of any right or obligation of any of the parties shall be effective unless
45 in writing, specifying such waiver, executed by the party against whom such
46 waiver is sought to be enforced. A waiver by any of the parties of any of its

1 rights under this Agreement on any occasion shall not be a bar to the exercise
2 of the same right on any subsequent occasion or of any other right at any time.

3 **14. Presumptions**

4 Because all of the parties have participated in preparing this Agreement, there
5 shall be no presumption against any party on the ground that such party was
6 responsible for preparing this Agreement or any part hereof.

7 **15. Counterparts**

8 This Agreement may be executed in two or more counterparts, each of which
9 shall be deemed an original, but all of which shall constitute one and the same
10 instrument.

11 **16. Entire Agreement**

12 This Agreement constitutes the entire agreement between the parties regarding
13 the subject matter hereof and thereof, and supersedes all prior or
14 contemporaneous negotiations, understandings or agreements of the parties,
15 whether written or oral, with respect to such subject matter.

16 **17. Insurance**

17 Each Party shall be responsible for requiring all contractors that it retains for the
18 construction and construction-related tasks related to this Agreement to provide
19 insurance in the amounts and with the coverages consistent with its policies and
20 practice for projects involving similar construction costs and risks. Each Party
21 shall be responsible for obtaining from each such contractor a certificate of
22 insurance evidencing such coverage, and policy endorsements adding both
23 Parties, and their respective directors, officers, employees, agents, and
24 authorized volunteers as additional insureds to the contractor's Commercial
25 General Liability and Comprehensive Automobile Liability insurance policies,
26 which shall be provided to both Parties prior to the commencement of the
27 construction and/or construction-related tasks.

28

1 IN WITNESS WHEREOF, Producer and Distributor have caused this Agreement to be
2 executed by their respective duly authorized officers effective as of the day and year first herein
3 written below.

4

NOVATO SANITARY DISTRICT

By:

Board President

Dated: _____

Attest:

Board Secretary

Approved as to Form:

Novato Sanitary District Attorney

NORTH MARIN WATER DISTRICT

By

Board President

Dated: _____

Attest:

Board Secretary

Approved as to Form:

North Marin Water District Attorney

5

6

1 EXHIBITS:

- 2 Exhibit A Point of Connection Detail – Deer Island RWTF
- 3 Exhibit B Point of Connection Detail – Davidson Street RWTF
- 4 Exhibit C Producer’s Schedule of Sampling and Analysis
- 5 Exhibit D Agreement for Grant Facilitation Services for North San Pablo Bay
- 6 Restoration and Reuse Project
- 7 Exhibit E North Bay Water Reuse Authority Second Amended Memorandum of
- 8 Understanding
- 9 Exhibit F User Connection Schedule

Recycled Water Expansion Project - North Service Area
North Marin Water District

CWSRF No. 5211-110
User Connection Schedule (REVISED)

Item No.	User Site	Use Site Owner	Estimated Usage (AFY) ¹	Type of Use ²	User Status Existing or Future ³	Projected Connection Date	User Assurance Type ⁴	Retrofit Required Yes/No	Current Fresh Water Supplier
1	Valley Memorial Park Cemetery	Bahia Valley Memorial Park	43	Landscape Irrigation/dual plumbing	E	2012	See note 4	Y	NMWD
2	Novato Horsemann	Novato Horsemann Inc.	1	Landscape Irrigation	E	2012	See note 4	Y	NMWD
3	Green Point Nursery	James Balestrieri	4	Landscape Irrigation	E	2012	See note 4	Y	NMWD
4	Fireman's Fund -777 San Marin Drive	Novato FF Property LLC	53	Landscape Irrigation	E	2012	See note 4	Y	NMWD
5	Fireman's Fund -777 San Marin Drive	Novato FF Property LLC	34	Landscape Irrigation	E	2012	See note 4	Y	NMWD
6	7472 Redwood Blvd (Median)	City of Novato	2	Landscape Irrigation	E	2013	See note 4	Y	NMWD
7	7588 Redwood Blvd (Median)	City of Novato	3	Landscape Irrigation	E	2013	See note 4	Y	NMWD
8	Redwood Offices - 7655 Redwood Blvd	Redwood Blvd Investments	2	Landscape Irrigation	E	2013	See note 4	Y	NMWD
9	Olive Gardens	Olive Gardens HOA	2	Landscape Irrigation	E	2013	See note 4	Y	NMWD
10	100 Wood Hollow Drive	Lexington Woodhollow	7	Landscape Irrigation	E	2013	See note 4	Y	NMWD
11	Redwood Crossroads Office	Dean Partners, LP	5.5	Landscape Irrigation	E	2013	See note 4	Y	NMWD
12	Olive Elementary	Novato Unified School District	7	Landscape Irrigation	E	2013	See note 4	Y	NMWD
13	Olive Park	City of Novato	8	Landscape Irrigation	E	2013	See note 4	Y	NMWD
14	Alherton Ranch	Alherton Ranch HOA	4.5	Landscape Irrigation	E	2014	See note 4	Y	NMWD
15	Nova Ro III	Nova Ro Corporations	2	Landscape Irrigation	E	2014	See note 4	Y	NMWD
16	2 Elmwood Ct	City of Novato	2	Landscape Irrigation	E	2014	See note 4	Y	NMWD
17	Other		6	Landscape Irrigation	F	2014	See note 4	Y	NMWD
		Total	186						

Average Annual Deliveries
¹ Ag Irrigation, Landscape Irrigation, Industrial Use, Ground Water Recharge, Etc.
² E = Use Site exists and currently uses fresh water
³ D = Use site under development and will be ready to take water upon completion of construction of water recycling project
 F = Use site will not be developed to take water until after completion of construction of water recycling project
⁴ Mandatory Use Ordinance or User Contract
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12

MEMORANDUM

To: Board of Directors

April 29, 2011

From: Drew McIntyre, Chief Engineer *DM*
Carmela Chandrasekera, Associate Engineer *CC*

Re: Recycled Water Expansion to the North Service Area – Plum Street Tank
Rehabilitation Project – Approve Bid Advertisement

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RECOMMENDED ACTION: Board Authorize Bid Advertisement of the Recycled Water Expansion to the North Service Area – Plum Street Tank Rehabilitation Project

FINANCIAL IMPACT: \$400,000

Background

Recycled Water Expansion to North Service Area project (see Attachment 1) consists of installation of three pipeline segments (totaling 5 miles in length) and rehabilitation of the 0.5 MG out of service Plum Street tank for recycled water storage. The aforementioned projects are to be performed under four separate contracts. At the March 1, 2011 meeting, the Board approved bid advertisement of the Segment 1 pipeline project. The Segment 1 bids were opened on April 19, 2011 and the staff is currently analyzing the bids. The design of the Plum Street Recycled Water Tank Rehabilitation Project has been completed by the District staff and is ready to move forward to the bid phase.

The following project schedule identifies key dates including the proposed bid advertising date.

SCHEDULE

Advertise Project	May 6, 2011
Plans & Specs available	May 10, 2011
Pre-Bid Meeting	May 26, 2011
Bid Opening	June 14, 2011
Board Authorization of Award (tentative)	June 21, 2011
Notice of Award (tentative)	June 24, 2011
Notice to Proceed	July 27, 2011
Construction Complete (150 days)	December 24, 2011

Project Description and Costs

The Plum Street Tank is located at the end of an access easement from Zandra Place off of Plum Street in Novato. The tank has been out of service for more than a decade. The

Approved by GM. *CD*

algalan

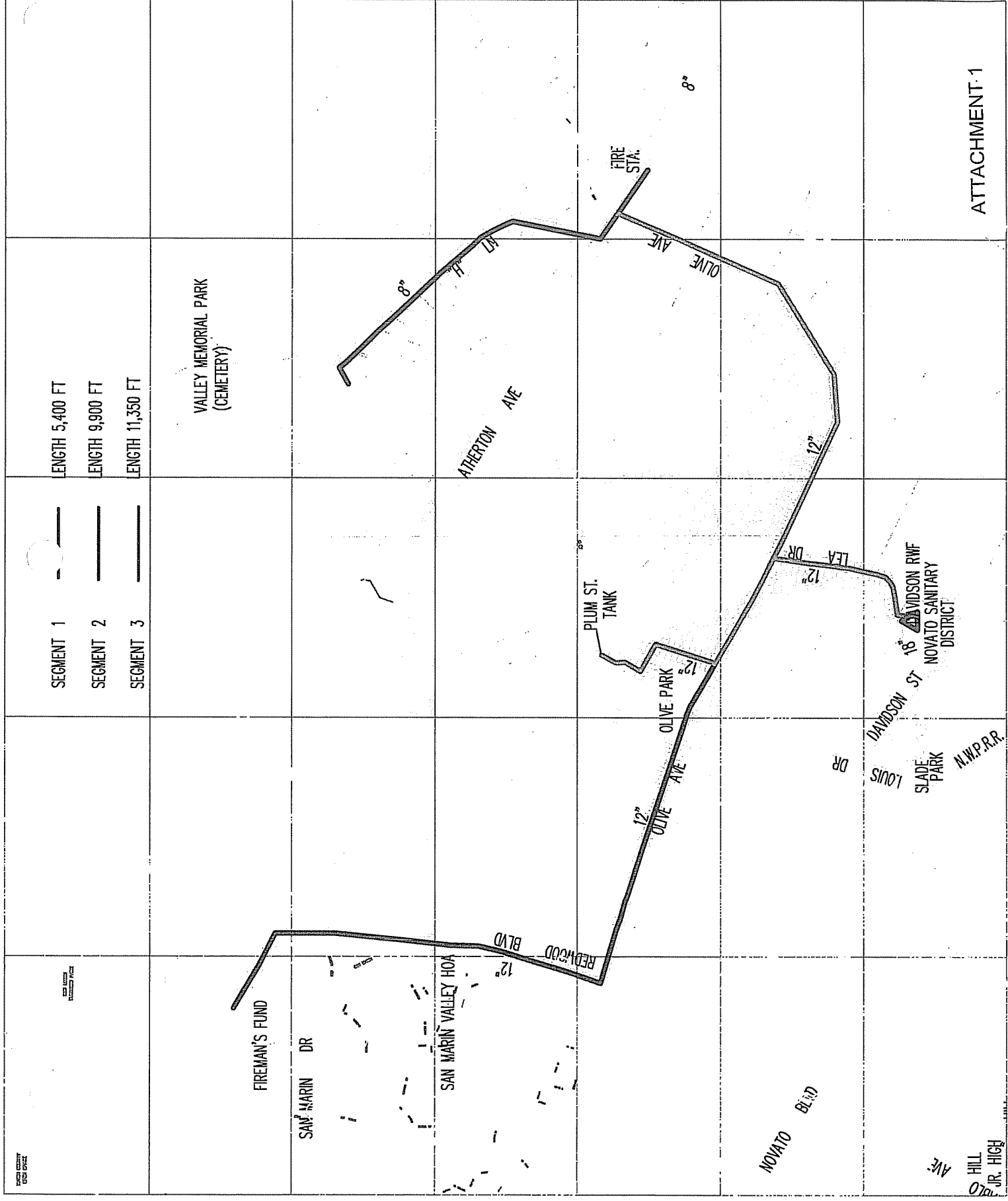
rehabilitation project includes repair and re-coating of the interior and exterior of the tank and addition of miscellaneous appurtenances including cathodic protection system and solar powered radio transmission system to the tank for use as recycled water storage for the Novato North Service Area.

The project receives 25% federal grant funding from the American Recovery and Reinvestment Act of 2009 via Bureau of Reclamation awarded to the North Bay Water Reuse Authority. The project will also receive a State Revolving Fund loan to finance the balance cost of the project.

The engineer's cost estimate for the rehabilitation project is \$400,000. This estimate will be updated again as soon as bids are received.

RECOMMENDATION

Board authorize bid advertisement of the Recycled Water Expansion North Service Area – Plum Street Recycled Water Tank Rehabilitation project.



13

MEMORANDUM

To: Board of Directors

Date: April 29, 2011

From: Drew McIntyre, Chief Engineer
Carmela Chandrasekera, Associate Engineer



Subject: Recycled Water Expansion to North Service Area Project - Construction Management Services Contract Award

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RECOMMENDATION: Board authorize the General Manager to execute an agreement between The Covello Group and the District for construction management services.

FINANCIAL IMPACT: \$549,533 plus a \$55,000 contingency

On February 18, 2011, staff issued a request for proposal (RFP) for the Recycled Water (RW) Expansion to North Service Area Project Construction Management (CM) Services. The CM scope covers all three pipeline segments and Plum Street Tank in the RW North Service Area. The RFP was sent to 25 bay area firms. Seven firms submitted proposals to the District for this project. Three short-listed firms, Harris and Associates, Coastland Civil Engineering, and The Covello Group (Covello), were chosen for interviews.

Selection Process

Proposals were received by the District on March 11, 2011. After review of the proposals, the three aforementioned firms were invited for oral interviews on Wednesday, April 6, 2011 at the District office. A selection committee including myself, Carmela Chandrasekera and Dave Jackson participated in the interviews. The qualifications of each firm were ranked separately by each panel member against the following selection criteria.

- Firm's qualifications and experience
- Firm's understanding of the project's needs
- Project team organization
- Project approach, and
- Relative experience of proposed construction manager and inspector(s).

The greatest weight (i.e., 80 out of 100 points) was given to the project approach and experience of the proposed construction manager and inspector. Upon completion of the interviews and ranking, Covello was ranked highest. The primary factor was the experience of Covello's project team. Overall, Covello's project team experience was more extensive and relevant to this project than that of the other two firms. It should be noted that the District recently successfully completed the Stafford Treatment Plant Backflow Meter/Check Valve construction project (albeit a small project) utilizing Covello as the Inspector of Record.

Staff has been negotiating the scope of work and fee with Covello over the last couple of weeks. The attached contract (Attachment A) includes the final scope of work and fee schedule. Although construction management services are typically a qualifications-based selection process, it is important to note that Covello's total construction management labor hours were more than Harris' but less than Coastland's. The scope and fee includes materials testing and American Recovery and Reinvestment Act (ARRA) labor compliance monitoring. The construction management fee is 14% of total estimated construction costs of which 3% is associated with materials testing and labor compliance monitoring.

Project billing is structured on a time and expense (T&E) basis with a not to exceed limit (without prior authorization). A T&E contract is appropriate for this type of work based upon the variability of effort for administration related to processing a currently unknown number of inquiries, change orders, etc., and material testing. Most of the expenses for this contract will be incurred in the FY11-12 budget year since all construction must be complete by September 2012 (per ARRA grant funding requirements).

RECOMMENDATION

Board authorize the General Manager to execute an agreement between The Covello Group and the District for construction management services on a time and expense basis with a not-to-exceed limit of \$549,533 plus a \$55,000 contingency.

**NORTH MARIN WATER DISTRICT
RECYCLED WATER EXPANSION TO NORTH SERVICE AREA PROJECT
THE COVELLO GROUP, INC. – SCOPE OF WORK**

I. PRECONSTRUCTION PHASE:

1. Plan and Specification Review

- a. Covello will provide a biddability/constructability review for Segment 2 and Segment 3. Based on the 50 and 95 percent design plans and technical specifications provided by the District, we will review the documents for:
1. Conflicts, omissions, and ambiguities between the plans and specifications
 2. Completeness of the bidding documents
 3. Potential claim areas

The B&C reviews will concentrate on the areas where our past experience has shown the greatest potential for value is generally found. The B&C reviews will not include a review for building code compliance, design peer review, design plan check or value engineering. We also do not guarantee that all deficiencies in the bidding documents will be found during the B&C review. The main purpose of a B&C review is to mitigate potential costly problems and changes during construction. The review can reduce and minimize contractual disputes that often arise during the actual construction of the project. Elimination of changes, design errors or omissions, and conflicts in the design are never completely achieved.

Detailed written review comments will be provided electronically. Review comments will include plan number and specification number, comment and/or suggestion, Covello reviewer, space for designer's response, weighted system (critical, general or editorial), space for including follow-up notes.

- b. **Review Meeting:** Covello will meet with the District to review the findings of each of our B&C reviews.

2. **Pre-Bid Meeting:** Covello will attend the pre-bid meeting which will be facilitated by the District. Covello will prepare the record of discussion of the meeting to be distributed as an addendum for the bid documents. (Not applicable to pipeline Segment 1)
3. **Bid Review:** Covello will assist the District with the review of the three (3) lowest bids including preparation of the bid tabulation, reference checks and general review of compliance with bid documents.
4. **SRF Documentation:** Covello will assist the District in the preparation of the Approval to Award documentation that will be submitted to the State.
5. **Preconstruction Conference:** Covello will prepare the agenda for the meeting, facilitate the meeting, address administrative and non-design issues, and prepare record of discussions of the meeting for distribution.
6. **Administration & Office Set-up:** Covello will set up the files for the project prior to commencement of construction.

II. CONSTRUCTION PHASE

1. Construction Administration

- a. **Project Coordination:** Covello will act as the project coordinator and the point of contact for all communications with the Contractor. Covello will coordinate the activities of the District

and Contractor.

- b. Document Tracking System: Covello will implement and maintain a system for tracking all correspondence and documents on the project.
- c. Construction Administration Services: Covello will provide administrative and management services. Covello will receive all correspondence from the Contractor and will address all inquiries from the Contractor and all construction related correspondence. The District will be responsible for providing any design input.
- d. Progress Reports: Covello will prepare Progress Reports monthly which include budget review, schedule analysis, outstanding items and digital photographs of current construction progress. A summary of the project status will be presented orally on a quarterly basis at the District's Board meeting.

2. Meetings

- a. Covello will prepare the agenda for the bi-weekly progress meetings and other construction meetings required during the project.
- b. Covello will facilitate and prepare the record of discussions for the bi-weekly progress and other construction meetings.

3. Coordination with Outside Agencies and Public

- a. ARRA Coordination: Covello will assist in providing all required documentation for the American Recovery and Reinvestment Act of 2009.
 1. Covello will assist the District by providing construction-related back-up documentation and/or assist with the preparation of the quarterly and final reports to fulfill the ARRA requirements. Covello will meet with the District to verify all construction-related documentation required for ARRA.
 2. Covello will work with the Contractor to educate them on the necessity to comply with the Buy American requirements of the Contract Documents for the ARRA funding. Covello will obtain proper documentation for the materials supplied to support the buy American requirements.
 3. Covello will prepare and maintain a log of ARRA required Contractor compliance actions. The log will identify all action, frequency of action, and will be updated to show status.
- b. Labor Compliance: As a part of the ARRA requirements, Covello will retain RGM & Associates to implement a Labor Compliance Program to provide all reporting, documentation and oversight as required by ARRA. RGM's scope of work and Budget Estimate is included as Attachment A. If the Contractor's operations or the project schedules vary from their assumptions, an amendment to their scope of work and budget may be necessary.
- c. Outside Agency Coordination: Covello will provide field coordination with outside agencies and work to see that the Contractor obtains any necessary permits and complies with the all restrictions.
- d. Public Outreach Assistance, including:
 1. Covello will create a file for public inquiries and Covello response.
 2. Covello will provide project information to the District to assist in the District's preparation and issuance of any project information to the public.
 3. Meetings with the public may be facilitated by either Covello or the District.
 4. Covello will be the District's representative for public inquiries and be available to the community to provide an open forum for communication and public relations.
 5. Covello will refer all media inquiries to the District.

4. Submittals

- a. Covello will implement and coordinate the submittal processing.
- b. Covello will receive the submittals from the Contractor and check for general conformity

with the Contract requirements. If obvious deficiencies are apparent in the submittal, Covello will send the submittal back to the Contractor for correction.

- c. Covello will route the submittal to the District for review and will route the reviewed submittal back to the Contractor. Covello will review comments on submittals to determine if additional follow-up with the Contractor is warranted and to identify prospective scope changes.
- d. Covello will maintain a log and tracking system for submittals. Covello will track the status of submittal review with the Designer and the status of shop drawing resubmittals with the Contractor.
- e. The District will review all design related submittals and submittals related to temporary facilities for compliance with the contract documents.

5. Clarification Processing

- a. Covello will implement and coordinate the system for processing clarifications.
- b. Covello will receive all requests for information (RFIs) from the Contractor and determine if the request is a valid RFI; if not, Covello will return the RFI to the Contractor with an appropriate response, if required.
- c. Covello will provide a response to the Contractor for any administrative and general RFIs.
- d. Covello will route all other RFIs to the District.
- e. The District will review RFIs and provide design response.
- f. Covello will review the District's response, verify acceptability of response and transmit the Clarification Response to the Contractor. If the response materially affects the design, it will be reviewed with the District, as necessary, to verify that it is required. If it is required, Covello will issue a change request to the Contractor.
- g. Covello will maintain a system for logging and tracking RFIs. Covello will track the status of RFI review with the District.
- h. The District will prepare Design Clarifications where design issues are identified by Covello or the District. Covello will prepare the Clarification Letter for transmittal to the Contractor of the District's Design Clarification and other clarifications.

6. Change Order Preparation, Negotiation & Processing

- a. The District will prepare design details for change requests.
- b. Covello will prepare and issue the change request to the Contractor with the appropriate design documents.
- c. Covello will prepare an independent cost estimate and/or verify the acceptability of the Contractor's cost proposal for each change request. The District's input may be requested for specific equipment and material costs.
- d. In the event the Contractor encounters a time sensitive problem where time is not available to negotiate a settlement, Covello will issue a field order. All work done under a field order will be completed on a time and material basis. As soon as practical, dependent on field conditions, Covello will advise the District of the issuance of such field orders, and the District will execute the field order.
- e. Covello will negotiate and prepare change orders for execution by the District and Contractor.
- f. Covello will implement and maintain a system for logging and tracking changes.
- g. Covello will establish and maintain Issues Files. The issues files will compile all data related to specific items that arise that may have cost or time impacts.

7. Progress Payment

- a. Covello will review the initial cost breakdown prepared by the Contractor. Covello will review and process the progress payment requests as required in the Contract Documents and by the California Public Contract Code.
- b. Covello will verify the quantity and acceptability of stored materials.

- c. Covello will verify the Contractor's construction progress as it relates to the progress billing procedure.
- d. Covello will perform the administration, preparation and processing of the monthly progress payments.
- e. Covello will prepare the summary cover sheet for the progress payments which will be executed by Covello, the Contractor, and the District.

8. Scheduling

- a. Covello will review and work with the Contractor in the development of the initial Baseline schedule. Covello will review and work with the Contractor in their review and preparation of the schedule updates. Covello will provide written comments to the Contractor on the Baseline and update schedules.
- b. Covello will prepare a summary level master schedule to track the progress of all construction projects associated with this scope.

9. Field Quality Control

- a. Covello will provide field inspection/observation services to monitor compliance with the Contract Documents.
- b. Covello will prepare a daily inspection report documenting field activities, field crews, Contractor equipment, and field problems.
- c. Covello will maintain a Corrective Work Item List. The list will provide a current inventory of required corrections to aid in timely completion of such items.
- d. Covello will provide photographic and video documentation of the project prior to construction. Covello will provide and maintain photographs of field activities for status monitoring of the project.
- e. Covello will monitor the record documents on a monthly basis to determine if they are being maintained by the Contractor. Covello will also maintain one set of Contract Documents with up-to-date information for all contracts.
- f. Covello will review and monitor Contractor's traffic control and public safety plans for compliance with Contract Documents. Covello will coordinate these activities with the authority having jurisdiction.
- g. Covello will contract with Miller Pacific to furnish the material testing and special inspections specified in the Contract Documents to be furnished by the District for the Project.
 - 1. Covello will schedule and coordinate the specialty inspections and material testing.
 - 2. Covello will have oversight responsibility for the specialty inspections and testing services.
 - 3. Miller Pacific's scope of work and budget are provided as Attachment B. The scope of work and actual costs will be dependent on the final design requirements and the Contractor's operations. An amendment to this Task Order may be necessary if the allowance is not adequate to cover the actual work required.
- h. No provision has been included in the scope of work or budget for observation, testing and handling of hazardous material. It is understood that lead paint abatement is required for the Pump Street Tank and it is not expected that any special provisions to monitor that work will be required by the Construction Management/Inspection staff.
- i. Covello will contract with Bay Area Coating Consultants to furnish coating inspections necessary for the Plum Street Tank Renovations.
 - 1. Covello will schedule and coordinate the specialty inspections and material testing.
 - 2. Covello will have oversight responsibility for the specialty inspections and testing services.
 - 3. An allowance is included in the Budget Estimate for this work. Covello will review Bay Area Coating Consultants scope of work and budget with the District prior to executing their agreement. The scope of work and actual costs will be dependent on the final

design requirements and the Contractor's operations. An amendment to this Task Order may be necessary if the allowance is not adequate to cover the actual work required.

10. EIR Conformance

- a. Covello will coordinate with the District environmental consultant during the Project.
- b. This environmental consulting firm will be responsible for environmental reporting, monitoring and surveying as required by the Environmental Impact Report (EIR).
- c. Covello will schedule and coordinate the work of the environmental consultant.
- d. SWPPP Implementation:
 - a. Covello will assist the District with updating the SWPPP requirements in the Contract Documents to comply with the new Construction Storm Water General Permit. Covello will assist the District in determining the necessary actions to be taken prior to bidding Segments 2 & 3 and identifying the roles and responsibilities during construction.
 - b. Covello will assist the District with establishing its SMARTS site and registration of the Legally Responsible Person (LRP).
 - c. Covello will assist with uploading required documents to the SMARTS site for certification by the District's LRP.
 - d. Covello will retain Valley Environmental Consulting to conduct the Risk Level/Type Assessment which is to be applied to all project segments. It is anticipated that the Project will be Risk Level/Type 1 (low). Should it be determined that the project is Risk Level/Type 2 or 3 (medium or high) special monitoring and testing may be required that is not included in this scope. Valley Environmental will also prepare the Site Map which is required to be uploaded to the SMARTS site.
 - e. Covello will assist with preparation of the NOI which will cover all project segments and will assist with uploading the NOI to the SMARTS system for certification by the District.
 - f. Covello will coordinate and monitor Contractor performance with SWPPP compliance including their preparation of a SWPPP for each segment, their preparation of the Annual Report, and their uploading of all such documents to the SMARTS site for certification by the District's LRP.

11. Means and Methods of Construction

- a. Covello will not have responsibility for directing the means and methods of construction. The Contractor shall be solely responsible for the means and methods of construction.

12. Safety

- a. Covello will comply with appropriate regulatory, project and District regulations regarding necessary safety equipment or procedures used during performance of Covello's work and shall take necessary precautions for safe operation of Covello's work, and the protection of Covello's personnel from injury and damage from such work.

Neither the professional activities of Covello, nor the presence of Covello's employees or sub-consultants at the construction/project site, shall relieve the Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending, or coordinating their work in accordance with the Contract Documents, District regulations, and any health or safety precautions required by any regulatory agencies. Covello and its personnel have no authority to exercise any control over any Contractor or other entity or their employees in connection with their work or any health or safety precautions.

13. Testing & Training

- a. The scope and budget do not include Covello's participation in factory witness testing.
- b. Covello will coordinate training requirements and activities.
- c. Covello will provide oversight and administration of testing and training.

14. Corrective Work Item List

- a. Covello will prepare the Corrective Work Item list with input from the District and DC.
- b. Covello will confirm that the items identified in the Corrective Work Item list are completed in preparation for issuance of the Substantial Completion Certificate.
- c. Covello will prepare the Substantial Completion Certificate for execution by the District and Contractor when the Corrective Work Items are completed to the District's and Covello's satisfaction.

15. Final Inspection and Punchlist

- a. Final Inspection
 1. Covello will have primary responsibility for conducting the final inspection.
 2. The District will participate and provide input on the final inspection.
 3. Covello will have oversight and final review responsibility for the final inspection.
- b. Covello will prepare the list of outstanding deficiencies.
- c. Covello will prepare and issue the punchlist(s) from the list of deficiencies.
- d. Covello will have primary responsibility for verifying that punchlist work is complete.

16. Warranty Coordination

- a. Covello will maintain a warranty file.
- c. Coordination of warranty work after the Contract Period is not included in this Scope of Work or budget. If the District determines at a later date that it desires Covello to provide this service, an amendment is issued for additional budget and Covello will coordinate warranty work with the District and Contractor during the warranty period.

17. Project Closeout:

- a. Covello will prepare necessary District documentation recommending acceptance of the completed work by the Board.
- b. Covello will turnover project documentation to the District in an orderly manner. Covello will retain all issue files at the end of the project. The District shall have the right to request review and/or copies of the issue files.
- c. Covello shall have full and complete access available to all files created by Covello during the Project for up to ten (10) years after the completion of the Project. Such access shall include the right to copy any and/or all such files at Covello's expense.

18. Dispute Resolution:

- a. Resolution, when possible, of routine disagreements through the normal efforts of the day-to-day project site staff will be performed.
- b. Dispute resolution services using third parties or special processes (e.g. Mediation, Arbitration, Mini-Trials, Dispute Consultants), or those requiring extraordinary efforts by Covello are not included in this Scope of Work. If such non-routine dispute resolution services are required, either an amendment or a separate task order will be executed.

14

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor
Subject: Point Reyes Wells Salinity Intrusion Notice Threshold
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April 29, 2011

RECOMMENDED ACTION: Consider modifying the Point Reyes Well Salinity Notice Threshold.

FINANCIAL IMPACT: None at this time.

The NMWD Emergency Operations Plan (EOP) includes a section on salinity intrusion to the Point Reyes Wells. The EOP identifies "off tide" pumping procedures dependent on Lagunitas Creek stream flows (measured at the "Gallagher" gauge) and Golden Gate tide height. Originally NMWD adopted the "policy" in the EOP that if chlorides in the Point Reyes water supply exceeded 100mg/L, customers would be notified by means of a public notice placed in the *Point Reyes Light* newspaper each week that the problem existed at or above that level.

This notice procedure was first used during high salinity intrusion period of the 1976-77 drought, from February 11, 1976 to early April, 1976; and from the end of January 1977 until the end of May, 1977; and on two subsequent occasions: during high salinity intrusion period probably from mid December, 1980 to later March, 1981, as well as one later short-impact period.

The 100mg/L chloride level was set as a lower warning level. Public health authorities recommend an upper aesthetic standard of 250 mg/L with higher levels permitted for short term use. The chloride level was selected since it was easier to monitor and is associated with an increase in sodium which is a concern to some individuals, although it has not been shown to be proportionate to chlorides during intrusion events. The laboratory tested for sodium and indicated the levels in press releases.

In 2003, as part of a settlement with environmental groups (Tomales Bay Association, Trout Unlimited, and Sierra Club-Marin Chapter) regarding the change of place/purpose of use for water right license 4324B, NMWD changed the noticing constituent to sodium. Since that time NMWD has been notifying residents in our West Marin service area when salinity intrusion causes sodium to rise above 50 mg/L. The 50 mg/L threshold is an arbitrary one; it has no basis in regulation or health guidance. In the past few years as salinity intrusion to the Point Reyes wells has become more common and long lasting, weekly notices published in the Point Reyes light have become an impractical method of communication for a commonplace occurrence. Most recently we have seen salinity levels that have not returned to their historical baseline levels and

have even increased despite above average rain and stream flows. If we offer notification about salinity in a more permanent fashion and with more in depth information on health implications, it would be more practical to deliver and the community better served.

I recommend that we raise the threshold for notification via the Point Reyes Light to 100mg/L, and place a permanent notice on our website with discussion about the cause, links to dietary guidance on sodium, and a recommendation to speak with a doctor.

Facts about dietary considerations for sodium:

- USDA Recommended maximum sodium intake for healthy adults= 2300 milligrams
- Recommended sodium intake for those in the sodium sensitive group (high blood pressure, diabetes, African-Americans, and all others aged over 50 years or over) =1500 milligrams
- Water intake recommendations vary widely by age, weight, physical activity and resident climate. A general recommendation based on the average adult in a temperate climate is about 2 liters per day.
- At the current notification level of 50mg/L sodium concentration, dietary contribution from drinking water would be 100 mg of sodium per adult per day, around 7 percent of the recommended sodium amount for those in the sodium-sensitive group.
- At 100mg/L sodium concentration, the contribution would be 200 mg of sodium per adult per day, around 13 percent of the recommended sodium amount for the sodium sensitive group.

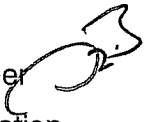
The General Manager has informed the environmental groups that staff believes the noticing threshold should be changed

Recommendation

Authorize staff to meet with the environmental groups party to the 2003 settlement agreement and pursue changing the Salinity Intrusion Notice Threshold.

15

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: West Marin Rate Increase Notification
t:\ac\word\budget\wm\12\rate increase plan.docx

April 29, 2011

RECOMMENDED ACTION: Approve Plan to Notify Residents of Rate Increase Hearings

FINANCIAL IMPACT: None at this time

The Board is scheduled to meet in Point Reyes Station on July 5, 2011. To hold a rate increase hearing for West Marin Water and Oceana Marin Sewer customers that night, by law the District must mail a notification letter to each customer no later than May 21, 2011. Staff recommends that both the water and sewer rates be increased. If the Board concurs, a notification letter will be prepared for Board approval at its May 17 meeting.

West Marin Water

A 9% commodity rate increase was implemented in each of the past six years, and last year a 9% minimum service charge increase (to \$15 bimonthly for the typical customer with a 5/8" meter) was also implemented, with the exception that no increase in the minimum service charge was implemented for Paradise Ranch Estates (PRE) customers. The five-year financial plan calls for two more 9% increases.

West Marin Water owed \$372,000 to Novato Water at March 31, 2011. The plan to fully repay this money by 2014 with the addition of two more 9% rate increases will now be delayed by the need to design and construct a \$720,000 60,000 gallon solids-handling facility for the treatment plant. Staff recommends implementing another 9% increase this year, and reviewing the revenue plan again once the actual cost of the solids handling facility is known, and financing possibilities are vetted.

Staff recommends the increase be structured consistent with that proposed in Novato, i.e., an increase in the bimonthly service charge to \$20 (from \$15 for a 5/8" meter) coupled with a 6% increase in the commodity charge. PRE customers would be exempt from the service charge increase as their existing \$37 charge adequately covers the PRE revenue bond debt service with sufficient remaining to pay their equivalent share of the service charge (see analysis attached). The proposed increase would generate 9% more revenue, and maintain a consistent service charge between Novato and West Marin.

West Marin Water Revenue Summary

	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
Service Charge	\$95,000	\$117,000	23%
Commodity Charge	\$494,000	\$524,000	6%
Total	\$589,000	\$641,000	9%

Oceana Marin Sewer

The \$55 monthly sewer service charge in Oceana Marin has remained unchanged since 2004. The cost to replace several thousand feet of 6" asbestos-cement pipe with PVC (at \$100/foot) in high-risk areas where the pipe runs cross-country will draw-down this small improvement district's \$279,000 reserve balance. Staff recommends a 5% rate increase, to \$58 per month, to generate an additional \$8,000 annually to assist in paying for the pipeline replacement.

Recommended Action:

Authorize staff to prepare notification letters along the lines indicated above for West Marin Water and Oceana Marin Sewer customers for Board consideration at the May 17, 2011 meeting.

West Marin Water Bimonthly Charge Analysis

4/22/11

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Meter Size	Accounts	Bimonthly Service Charge	Annual Service Charge	Proposed Bimonthly Service Charge	Proposed Annual Service Charge
5/8"	482	\$15.00	\$43,380	\$20.00	\$57,840
1" Res Fire Svc	75	\$15.70	\$7,065	\$22.00	\$9,900
1"	24	\$30.00	\$4,320	\$40.00	\$5,760
1.5"	13	\$36.75	\$2,867	\$49.00	\$3,822
2"	3	\$57.25	\$1,031	\$76.00	\$1,368
3"	2	\$113.00	\$1,356	\$151.00	\$1,812
4"	2	\$181.25	\$2,175	\$242.00	\$2,904
PRE	152	\$37.00	\$33,744	\$37.00	\$33,744
	<u>753</u>		<u>\$95,937</u>		<u>\$117,150</u>

PRE Service Charge Analysis

Meter Size	Count	Existing Bimonthly Service Charge	Annual Revenue
0.625	97	\$37.00	\$21,534
1.000	54	\$37.00	\$11,988
1.500	1	\$37.00	\$222
	<u>152</u>		<u>\$33,744</u>
FY11 Revenue Bond Payment			<u>(\$14,500)</u>
Net Service Charge			<u><u>\$19,244</u></u>

Absent the Revenue Bond Charge, PRE Service Charge Revenue would be:

Meter Size	Count	Charge Absent Revenue Bond	Annual Revenue
0.625	97	\$20.00	\$11,640
1.000	54	\$22.00	\$7,128
1.500	1	\$49.00	\$294
	<u>152</u>		<u><u>\$19,062</u></u>

Conclusion - no increase in the PRE Service Charge is warranted this FY

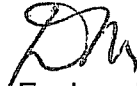
16/17

MEMORANDUM

To: Board of Directors

Date: April 29, 2011

From: Drew McIntyre, Chief Engineer



Subject: Third Quarter Progress Report – Engineering Department

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The purpose of this memo is to provide a third quarter status report to the Board on the District's performance in completing budgeted FY10-11 Improvements Projects (IP). The following information is being provided to supplement the progress report summary provided to the Board each month. A detailed project milestone schedule is provided in Attachment A.

SUMMARY

	<u>Annual Project Costs</u>		<u>Project Completion %</u>		<u>Earned Value (\$)</u>	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato System	5,624,000	3,570,500	69	76	2,439,080	2,648,350
West Marin	419,000	222,000	57	51	278,300	134,100

The above table summarizes the detailed tabulation of IP expenditures for both Novato and West Marin (including Oceana Marin) systems provided in Attachment B. In summary, IP expenditures for both Novato and West Marin service areas will not exceed approved FY10-11 budget levels. For Novato, the above tabulation shows that IP expenditures are forecast to be \$3,570,500 (64% of the approved budget, versus a forecast of 47% at this time last year). Actual District performance in completing IP projects (i.e., 76%) is above planned performance (i.e., 69%). With respect to West Marin (including Oceana Marin), IP expenditures are forecast to total approximately 53% of the approved FY10-11 budget value (versus a forecast of 81% at this time last year). Actual District performance in completing West Marin IP projects (i.e., 51%) is below planned performance (i.e., 57%).

Project Cost Variances

Novato Service Area

Most of the FY10-11 Novato IPs are projected to be completed at or below budget. As shown in Attachment B, five projects will exceed the budget (4" Storm Drain Lowering – Sunset, MSN Aqueduct Relocation, Stafford Lake Sediment Survey, STP Capacity/Solids Disposal Study, and NBWRA Grant Outreach). Two new projects were added (PB Replacement – Leslie Ct/San Blas Ct/Spinosa Way and STP Training Program Development) during the third quarter of the fiscal year. However, with the reduced expenditure on other projects (primarily due to delays in the Stafford Treatment Plan Solar Energy Project) the total expenditure for Novato will be significantly below the approved budget of \$5,624,000. Accordingly, no budget augmentation will be needed throughout the remainder of this fiscal year.

West Marin Service Area – Including Oceana Marin

All of the FY10-11 West Marin IPs are projected to be completed at or below original budget as shown in Attachment B. With the reduced expenditure on some projects (primarily due to deferred projects and delays in the Pt. Reyes Tank Seismic Upgrades), the total expenditure for West Marin will be below the approved budget of \$419,000. Accordingly, no budget augmentation will be needed throughout the remainder of this fiscal year.

Engineering Department IP Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water and wastewater facilities. The development work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., IP) Projects. Out of approximately 14,900 engineering labor hours available annually, the FY10-11 labor budget for Developer Projects and District Projects was 2,180 (15% of total) and 3,178 (21% of total), respectively. A chart of actual hours expended versus budget for both Developer and District projects during FY10-11 is provided in Attachment C. At third quarter, Engineering labor hours for Developer work total 739 (vs. 1,555 hours in FY 09-10) compared against a third quarter forecast of 1,635 hours (45% of forecast). With respect to District projects, 5,792 engineering labor hours (vs. 4,480 hours in FY09-10) have been expended on Improvement Projects compared against a third quarter estimate of 3,640 hours (160% of forecast). In summary, labor hours for Developer Projects have continued to lag during the third quarter while District projects labor efforts track significantly higher than budgeted hours (primarily due to work on the Recycled Water Expansion Project).

FY10_11 IMPROVE PROJECTS

4th Qtr. 3rd Quarter 2nd Quarter 1st Quarter

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

ID	Task Name	Start	Finish	% Compl
1	1 A PIPELINE REPLACEMENTS/ADDITIONS	Thu 7/1/10	Thu 6/30/11	100%
2	1B MAIN/PIPELINE ADDITIONS	Mon 11/1/10	Tue 3/1/11	100%
3	1B1 Bel Marin Keys Looping	Mon 11/1/10	Tue 3/1/11	100%
4	1C PB SERVICE LINE REPLACEMENTS	Mon 8/2/10	Wed 6/1/11	72%
5	1C1 Holistrom Cir/Jan Way	Mon 8/2/10	Mon 11/1/10	100%
6	1C2 San Domingo Way	Fri 10/1/10	Tue 2/1/11	100%
7	1C3 Sanchez Way	Wed 12/1/10	Wed 6/1/11	40%
8	1D RELOCATIONS TO SYNC W/CITY & COUNTY CIP	Thu 7/1/10	Thu 6/30/11	75%
9	1D1 City Paving Coordination (Measure B)	Thu 7/1/10	Thu 6/30/11	75%
10	2 SYSTEM IMPROVEMENTS	Thu 7/1/10	Thu 6/30/11	84%
11	2A Sampling Stations	Wed 12/1/10	Thu 6/30/11	60%
12	2B System & Tank Cathodic Protection Maint/Upgrade	Mon 1/3/11	Mon 5/30/11	75%
13	2C RTU Upgrades	Thu 7/1/10	Thu 3/31/11	100%
14	2D Emergency Power Connections	Thu 7/1/10	Wed 3/30/11	100%
15	2E BMK Cross-Connect Upgrades	Fri 10/1/10	Thu 6/30/11	75%
16	3 BUILDING, YARD, STP IMPROVEMENTS	Thu 7/1/10	Thu 6/30/11	63%
17	3A ADMIN BUILDING	Thu 7/1/10	Thu 6/30/11	56%
18	3A1 Admin/Office/Lab/Yard Remodel Design DEFERRED	Mon 2/28/11	Thu 6/30/11	0%
19	3A2 Other Admin Bldg Improvements	Thu 7/1/10	Thu 6/30/11	75%
20	3B CORP YARD/WAREHOUSE/CONSTRUCTION OFFICE	Thu 7/1/10	Thu 6/30/11	75%
21	3B1 Other Yard Improvements	Thu 7/1/10	Thu 6/30/11	75%
22	3C STAFFORD TREATMENT PLANT	Thu 7/1/10	Thu 6/30/11	63%
23	3C1a Watershed Erosion Control - Straw Project	Mon 8/2/10	Wed 12/15/10	100%
24	3C1b Watershed Erosion Control - Dairy Nutrient Containment	Thu 7/1/10	Tue 5/31/11	50%
25	3C2 Solar Panel Installation DEFERRED	Mon 1/3/11	Thu 6/30/11	0%
26	3C4 Leveroni Creek Bank Repair - Permits	Thu 7/1/10	Thu 6/30/11	75%
27	3C5 Lake Sediment Survey/Dredging Specs	Thu 7/1/10	Thu 6/30/11	75%

Legend: Current Baseline Progress

Date: Fri 4/29/11

NIMWD

Engineering/non job issues/MS project files/FY10-11

PROJECT STATUS AS OF: March 31, 2011

Page 1

FY10_11 IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complet	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
28	3C6 Disinfection Building Roof Replacement	Thu 7/1/10	Thu 9/30/10	100%	█	█	█									
29	3C7 Replace T1 Line from STP	Thu 3/31/11	Thu 6/30/11	0%												
30	3C8 Dam Concrete Apron Repairs	Fri 10/1/10	Fri 12/31/10	100%	█	█	█									
31	4 STORAGE TANKS/PUMP STATIONS	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
32	4A CONSTRUCTION	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
33	4A1 Crest Tank #2	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
34	4B REHABILITATION	Thu 7/1/10	Thu 6/30/11	22%				█								
35	4B1 Lynwood PS Motor Control Center	Thu 7/1/10	Thu 3/31/11	25%				█								
36	4C Pacheco Tank C12 Mixing System	Thu 7/1/10	Thu 6/30/11	20%				█								
37	5 WATER CONSERVATION	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
38	5A Residential	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
39	5A Residential	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
40	5B Commerical	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
41	5C Public Outreach/Information	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
42	5D Large Landscape	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
43	6 PRELIMINARY PROJECT ENGINEERING & STUDY	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
44	6A Facility Map Database	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
45	6B STP Solids Disposal Study	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
46	6D Aqueduct Relocation - Hwy 101 Widening	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
47	6H Urban Water Management Plan	Thu 7/1/10	Thu 6/30/11	80%	█	█	█	█								
48	6I Local Water Supply Enhancement Study - DEFERRED	Fri 10/1/10	Thu 6/30/11	67%	█	█	█	█								
49	7 RECYCLED WATER	Thu 7/1/10	Thu 6/30/11	81%	█	█	█	█								
50	7A NBWRA Grant Outreach	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
51	7B Reservoir Hill Tank Property Transfer	Thu 7/1/10	Mon 2/28/11	100%	█	█	█									
52	7C RW Expansion to North Area	Thu 7/1/10	Thu 6/30/11	75%	█	█	█									
53	8 WEST MARIN WATER SYSTEM IMPROVEMENTS	Thu 7/1/10	Thu 6/30/11	34%				█								
54	SYSTEM IMPROVEMENTS	Thu 7/1/10	Thu 6/30/11	34%				█								

Date: Fri 4/29/11

Current ████ Baseline ██████████ Progress ██████████



NIMWD

ID	Task	Start	Finis.	% Complt	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
55	8A Tank Seismic Upgrades	Thu 7/1/10	Thu 6/30/11	10%	█	█										
56	8B TP Solids Handling & Land Acquisition	Thu 7/1/10	Thu 6/30/11	75%	█	█	█	█	█	█						
57	8C Cable Connection to TP - DEFERRED	Fri 4/1/11	Thu 6/30/11	0%												
58	8D Replace PRE Tank #4A - DEFERRED	Fri 10/1/10	Thu 6/30/11	0%												
59	8E Replace Retaining Wall at PRE 2	Wed 9/1/10	Wed 12/1/10	100%	█	█	█	█	█	█	█	█	█	█	█	█
60	SPECIAL PROJECTS/STUDIES	Thu 7/1/10	Thu 6/30/11	47%	█	█	█	█	█	█						
61	8G Water Conservation Program	Thu 7/1/10	Thu 6/30/11	75%	█	█	█	█	█	█						
62	8H Water System Master Plan Update - DEFERRED	Wed 12/1/10	Thu 6/30/11	0%												
63	9 OCEANA MARIN SEWER SYSTEM	Thu 7/1/10	Thu 6/30/11	42%	█	█	█	█	█	█						
64	9A Infiltration Study & Repair	Thu 3/31/11	Thu 6/30/11	0%												
65	9B Oceana Marin Remote Alarms	Fri 10/1/10	Thu 6/30/11	60%	█	█	█	█	█	█	█	█	█	█	█	█
66	9C Replace Siphon Dosage Tank	Tue 2/1/11	Thu 6/30/11	10%	█											
67	9D Cross Country Sewer Line Rehab	Mon 11/1/10	Thu 6/30/11	10%	█											
68	9E Equipment Replacement/Upgrade	Thu 7/1/10	Thu 6/30/11	75%	█	█	█	█	█	█						

Date: Fri 4/29/11



NMWD

Current Baseline Progress

NOVATO SYSTEM IMPROVEMENT PROJECTS SUMMARY FY10-11
AS OF MARCH 31, 2011

STATUS ¹	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				1. PIPELINE REPLACEMENTS/ADDITIONS						
PC	Eng	1	1.a.1	So. Novato/Rowland Main Break #2	\$0	\$150,000	0	20	\$0	\$30,000
C	Eng	2	1.b.1	Bel Marin Keys Looping	\$100,000	\$100,000	100	100	\$100,000	\$100,000
C	Eng	3	1.c.1	PB Repl - Holstrom Cir/Jan Way	\$46,000	\$30,000	100	100	\$46,000	\$30,000
C	Eng	4	1.c.2	PB Repl - San Domingo Way	\$64,000	\$40,000	100	100	\$64,000	\$40,000
PC	Eng	5	1.c.3	PB Repl - Sanchez Way	\$60,000	\$60,000	99	40	\$59,400	\$24,000
C	Eng	6	1.c.4	PB Repl - Cheda Knolls	\$0	\$18,000	100	100	\$0	\$18,000
Eng	Eng	7	1.c.5	PB Repl - Leslie Ct/San Blas Ct/Spinosa Way	\$0	\$65,000	0	0	\$0	\$0
Eng	Eng	8	1.d.1	City Paving Coordination (Meas. B)	\$20,000	\$15,000	75	75	\$15,000	\$11,250
Eng	Eng	9	1.d.2.a	Storm Drain Lowering - Sunset	\$20,000	\$30,000	100	100	\$20,000	\$30,000
Eng	Eng	10	1.d.2.b	County Relocation - Atherton Ave	\$10,000	\$10,000	100	100	\$10,000	\$10,000
Eng	Eng	11	1.e.1-5	MSN Aqueduct Relocation	\$300,000	\$550,000	75	75	\$225,000	\$412,500
				SubTotal	\$620,000	\$1,068,000				
				2. SYSTEM IMPROVEMENTS						
PC	Eng	12	2.a	Sampling Stations	\$24,000	\$24,000	57	60	\$13,680	\$14,400
PC	Maint	13	2.b	System Cathodic Protection Maintenance/Upgrades	\$20,000	\$5,000	60	75	\$12,000	\$3,750
C	Maint	14	2.c	RTU Upgrades	\$50,000	\$40,000	100	100	\$50,000	\$40,000
C	Maint	15	2.d	Emergency Power Connections	\$25,000	\$25,000	100	100	\$25,000	\$25,000
PC	Maint	16	2.e	BMK Cross-Connect Upgrades	\$45,000	\$45,000	67	75	\$30,150	\$33,750
C	Maint	17	2.f	Inaccurate Meter Replacement Program	\$0	\$4,000	0	100	\$0	\$4,000
C	Maint	18	2.g	Detector Check Assy Repl FY10	\$0	\$13,000	0	100	\$0	\$13,000
				SubTotal	\$164,000	\$156,000				
				3. BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
Maint	Maint	19	3.a.1	Admin-Office/Lab/Yard-Remodel-Design - DEFER	\$100,000	\$0	0	0	\$0	\$0
PC	Maint	20	3.a.2	Other Admin Bldg Improvements	\$20,000	\$5,000	75	75	\$15,000	\$3,750
PC	Maint	21	3.b.1	Other Yard Improvements	\$15,000	\$10,000	75	75	\$11,250	\$7,500
C	Ops	22	3.c.1.a	Watershed Erosion Control - Straw Project	\$9,000	\$3,000	100	100	\$9,000	\$3,000
PC	Ops	23	3.c.1.b	Watershed Erosion Control - Dairy Nutrient Containment	\$50,000	\$25,000	82	50	\$41,000	\$12,500
Maint	Maint	24	3.c.2	Solar Panel Installation - DEFER	\$2,400,000	\$0	0	0	\$0	\$0
PC	Eng	25	3.c.4	Leveroni Creek Bank Repair	\$30,000	\$30,000	75	75	\$22,500	\$22,500
PC	Eng	26	3.c.5	Lake Sediment Survey/Dredging Specs	\$25,000	\$37,000	100	75	\$25,000	\$27,750
C	Maint	27	3.c.6	Disinfection Building Roof Replacement	\$50,000	\$10,000	100	100	\$50,000	\$10,000
Ops	Ops	28	3.c.7	Replace T1 Line from STP	\$15,000	\$15,000	2	0	\$1,000	\$0
C	Const	29	3.c.8	Dam Concrete Apron Repairs	\$50,000	\$40,000	100	100	\$50,000	\$40,000
C	Maint	30	3.c.9	GAC Building Rehab/Paving	\$0	\$22,000	100	100	\$0	\$22,000
C	Eng	31	3.c.10	BF Meter/Check Valve CDPH Grant	\$0	\$5,000	0	100	\$0	\$5,000
C	Maint	32	3.c.11	Chlorine Dioxide Generator	\$0	\$61,000	0	100	\$0	\$61,000
				SubTotal	\$2,764,000	\$263,000				
				PROJECT FORECAST REVISED						
- Completed				Baseline projects with revised forecast/budget increases (indicated by shaded box)						
- Partially completed				Baselined projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				Prior year projects carried over (indicated in italics)						

NOVATO SYSTEM IMPROVEMENT PROJECTS SUMMARY FY10-11

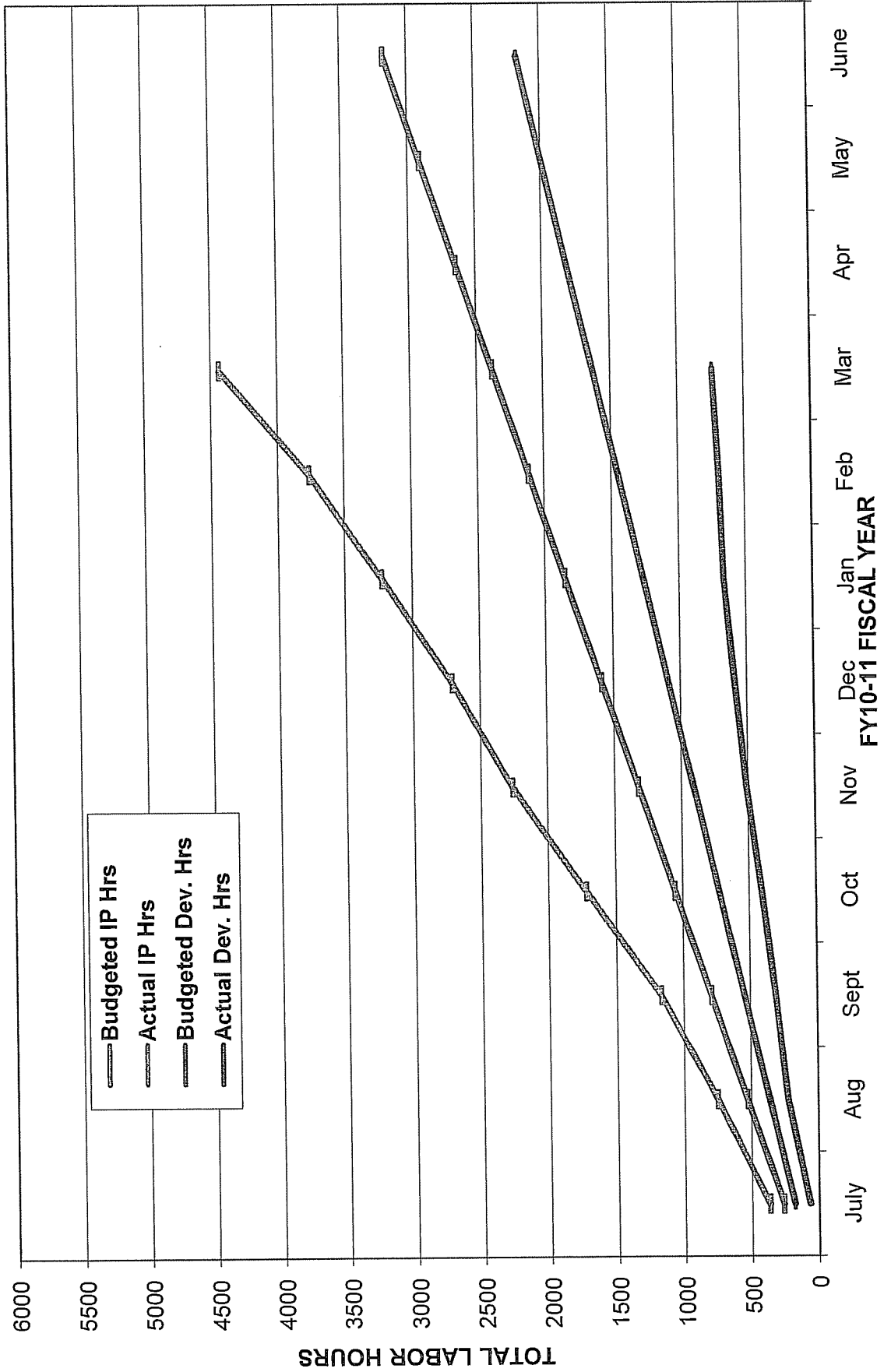
AS OF MARCH 31, 2011

STATUS/DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
				Budget	Forecast	Baseline	Actual	Planned	Actual
			4. STORAGE TANKS & PUMP STATIONS						
PC	31	4.a.1	Crest Tank #2	\$1,000,000	\$900,000	75	75	\$750,000	\$675,000
PC	32	4.b.1	Lynwood PS Motor Control Center	\$188,000	\$35,000	100	25	\$188,000	\$8,750
PC	33	4.c	Pacheco Tank C12 Mixing System (Part 1)	\$75,000	\$6,000	100	20	\$75,000	\$1,200
			SubTotal	\$1,263,000	\$941,000				
			5. PRELIMINARY PROJECT ENGINEERING & STUDY						
PC	34	5.a	Facility Map Database	\$20,000	\$20,000	75	75	\$15,000	\$15,000
PC	35	5.b	STP Capacity/Solids Disposal Study	\$25,000	\$30,000	75	75	\$18,750	\$22,500
PC	36	5.c	Urban Water Management Plan	\$15,000	\$15,000	75	80	\$11,250	\$12,000
C	37		STP Training Program Development	\$0	\$7,500	0	100	\$0	\$7,500
			5.d Local Water Supply Enhancement Study - DEFER	\$100,000	\$0	34	0	\$5,100	\$0
			SubTotal	\$160,000	\$72,500				
			6. RECYCLED WATER FACILITY						
PC	38	6.a	NBWRRA Grant Outreach	\$35,000	\$120,000	75	75	\$26,250	\$90,000
C	39	6.b	Reservoir Hill Tank Property Transfer	\$5,000	\$2,000	100	100	\$5,000	\$2,000
PC	40	6.c	Expansion to North Service Area	\$613,000	\$613,000	75	75	\$459,750	\$459,750
PC	41	6.d	Expansion to South Service Area	\$0	\$400,000	0	75	\$0	\$300,000
			SubTotal	\$653,000	\$1,135,000				
			TOTALS	\$5,624,000	\$3,635,500	69	76	\$2,439,080	\$2,648,350
			PROJECT FORECAST REVISED						
			Baseline projects with revised forecast budget increases (indicated by shaded box)						
			Baselined projects to be deferred (indicated in bold)						
			New projects added (indicated in bold)						
			Prior year projects carried over indicated in <i>italics</i>						

WEST MARIN SYSTEM IP PROJECT SUMMARY FY10-11
AS OF MARCH 31, 2011

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				1. PROJECTS BENEFITING BOTH WATER SYSTEMS						
				System Improvements						
PC	Eng	1		1.a Tank Seismic Upgrades	\$60,000	\$5,000	75	10	\$45,000	\$500
PC	Ops	2		1.b TP Solids Handling	\$100,000	\$75,000	75	75	\$75,000	\$56,250
				1.c Cable-Connection-to-IP- DEFER	\$13,000	\$0	50	0	\$6,500	\$0
PC	Eng	3		1.d Replace PRE Tank #4A	\$55,000	\$25,000	67	50	\$36,850	\$12,500
C	Const	4		1.e Replace Retaining Wall at PRE 2	\$30,000	\$30,000	100	100	\$30,000	\$30,000
C	Maint	5		1.f Pt. Reyes Well #3 Rehab	\$0	\$15,000	0	100	\$0	\$15,000
					\$258,000	\$150,000				
				Special Projects/Studies						
				1.h Water-System-Master-Plan-Update- DEFER	\$10,000	\$0	15	0	\$0	\$0
PC		6		1.i Water Rights Legal/Staff Time	\$0	\$9,000	0	75	\$0	\$6,000
				6-8 SubTotal	\$10,000	\$9,000				
				1-8 Subtotal	\$268,000	\$158,000				
				2. Oceana Marin Sewer System						
				2.a Infiltration Study & Repair	\$15,000	\$15,000	0	0	\$0	\$0
PC	Maint	8		2.b Oceana Marin Remote Alarms	\$15,000	\$15,000	67	60	\$10,050	\$9,000
PC	Maint	9		2.c Replace Siphon Dosage Tank	\$11,000	\$11,000	40	10	\$4,400	\$1,500
PC	Eng	10		2.d Cross Country Sewer Line Rehab	\$100,000	\$20,000	63	10	\$63,000	\$1,100
PC	Maint	11		2.e Equipment Replacement/Upgrade	\$10,000	\$3,000	75	75	\$7,500	\$2,250
				SubTotal	\$151,000	\$64,000				
				TOTALS	\$419,000	\$222,000	57	51	\$276,300	\$134,100
1C - Completed				PROJECT FORECAST REVISED						
PC - Partially completed				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baseline projects to be deferred (indicated in bold)						
				New projects added (indicated in bold)						
				Prior year projects carried over (indicated in <i>italics</i>)						

ENGR. DEPT DEVELOPER & DISTRICT (IP) PROJECTS



17

MEMORANDUM

To: Board of Directors

April 29, 2011

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Water Conservation Quarterly Update (July-March 2010/2011)

\\Nmwdsrv1\water conservation\Memos to Board\Quarterly Reports\Water Conservation FY 2010_2011 QTR 3 Summary Report.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Water Conservation:

This memo provides an update on water conservation activities implemented during the first three quarters of Fiscal Year 2010/2011 (FY 11). The District Water Conservation and Public Outreach Programs are operating 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 three quarters of the current and previous two fiscal years are summarized in Table 1 below.

Table 1: Water Conservation Program Participation (July through March)

Program	FY 11	FY 10	FY 09
Water Smart Home Surveys	267	235	178
Water Smart Commercial Surveys	16	38	12
High Efficiency Toilet Rebates (Residential)	410	431	331
High Efficiency Toilet Rebates (Commercial)	50	12	133
High Efficiency Toilets Distributed	0	0	205
Retrofit on Resale (Dwellings Certified)	215	232	296
High Efficiency Washing Machine Rebates	371	267	402
Cash for Grass Rebates	31	76	40
Water Smart Landscape Rebates	11	22	13
Smart Irrigation Controller Rebates (Residential)	0	1	4
Smart Irrigation Controller Replacement (Commercial)	0	19	4
Swimming Pool Cover Rebates	0	1	17
New Development Sign-offs (Residential)	18	82	9
New Development Sign-offs (Commercial)	16	16	40
Large Landscape Audits (measured by number of meters)	1	16	6
Large Landscape Budgets (measured by number of accounts)	435	433	431

(1)Cash for Grass participants removed 25,139 square feet of turf.

Water Conservation program participation overall has been slightly down in FY11 when compared to last fiscal year, especially in the Cash for Grass Program, though participation in the High Efficiency Toilet (HET) Rebate Program and the High Efficiency Washer Rebate Program have re-

mained consistent, and Water Smart Home Survey participation has increased. Detailed Water Conservation Program summaries of each program will be provided to the Board in the Water Conservation Year-End Report.

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 three quarters of FY 11, the District sent out 1000 high impact direct mailers, advertising the Water Smart Home Survey Program, to a target audience of customers using over 600 gallons per day. The District also distributed the Fall Water Line in November 2010 and is working to distribute the Spring Water Line in May 2011. The District has also placed advertisements in three Novato Advance publications and continues to increase utilization of social marketing outlets, like Facebook.com.

Budget

Table 2 summarizes expenditures for FY11 to date compared to the last two fiscal years (July-March). Expenditures are significantly down in FY11, mainly due to the decreased level of Cash for Grass participation and the reduction in the Clothes Washing Machine rebate value (from \$150 down to \$75).

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

	FY11	FY 10	FY 09
Total Budget	\$500,000	\$500,000	\$424,000
July-December Expenditures	\$272,588	\$371,806	\$338,849

18

19

MEMORANDUM

To: Board of Directors

April 29, 2011

From: David L. Bentley, Auditor-Controller

Subj: Initial Review – FY11/12 Proposed Novato Operations Budget

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RECOMMENDED ACTION: Information Only – Initial Review

FINANCIAL IMPACT: None at this time - \$17.6 Million Expenditure Plan for FY12

Budget Summary

The fiscal year 11/12 budget proposed herein projects a net "bottom line" deficit of \$269,000. A rate increase of 11% has been factored into the budget effective June 1, 2011. This proposed 11% increase adds \$1.4 million to budgeted revenue during FY11/12.

The \$269,000 deficit, which will be funded from reserves, compares to a FY10/11 budgeted deficit of \$700,000 and projected actual deficit of \$1.1 million. Reduced water sales volume and reduced connection fee revenue from new development are the major factors in the ongoing deficits. Water sales volume is budgeted at 2.7 billion gallons, on par with the current year estimated actual, and at level last seen in the early 1980s. Development in Novato is forecast to continue to be slow. A \$2.7 million loan is included in the budget to finance the contemplated Aqueduct Energy Efficiency Project, predicated on the assumption that the environmental review will be approved in July. Looking simply at operating revenue (water sales) less operating expenditures, the budget projects an operating net income of \$2.5 million (before \$2.3 million in depreciation expense) next fiscal year. Total budgeted expenditures, at \$17.6 million, are down 6% from the \$18.8 million budgeted in FY10/11.

Under the proposed budget, residential customers would see a water cost increase of 11%, which equates to \$60 annually for the median single-family-detached residential customer (\$5.00 per month, or \$10.00 per bimonthly bill). The median non-residential customer, who has a larger meter and consumes more water than the typical residential customer, would see a 14% increase, equating to \$99 annually (\$8 per month). Customers using less water than the median would pay less, and who use more would pay more.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.7 billion gallons, on par with the current fiscal year estimated actual, but 18% below the 10-year average. See the chart on page 6 of the budget document for a history of billed consumption.

The 11% increase is structured as a 39% increase in the fixed service charge (\$2.80 per month for most customers) and a 6% increase in the commodity rate. The proposed rate increase would generate \$1.4 million in additional revenue next fiscal year, compared with leaving rates unchanged.

Other Revenue – Connection Fee revenue is budgeted at \$570,000 based upon the District’s development forecast. This revenue projection compares with \$290,000 estimated revenue for the current fiscal year.

PROJECT	Description	DU	Gov't / Comcl Sq Ft	EDU	Projected FRC Contribution
999 Grant	Commercial		19,200	6	\$171,600
Other / Unidentified	SF/Govt/Comcl			14	400,400
			19,200	20 ¹	\$570,000

¹ 20 EDU is consistent with the five-year financial plan.

Wheeling charges to Marin Municipal Water District are budgeted at \$70,000 (\$10/AF for 7,000AF, or 2.3 billion gallons). Historically, about 75% of the Russian River water wheeled to MMWD is taken off-season (November through May).

Funds in the District's treasury are budgeted to earn an average interest rate of 0.75%. Miscellaneous Revenue includes income from the lease with Verizon Wireless (\$15,450), Indian Valley Golf Club lease (\$9,500), three grazing leases (\$2,400), rental of the District's security apartment (\$10,100), rental of the Point Reyes home (\$24,800 – includes in-lieu labor), and rental of the Pacheco Valle tennis courts (\$1,950).

Finally, loan funds of \$2.7 million are budgeted to finance the proposed FY12 Aqueduct Energy Efficiency Project work.

Operating Expenditures

Total Operating Expenditures are projected to decrease 6% (\$780,000) from the FY10/11 budget and increase 5% over the FY10/11 estimated actual operating expense. Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to decrease 14% (\$632,000) from this year’s budget. Volume purchased from SCWA will remain consistent with this year’s estimated actual at 1,900 MG.

Sonoma County Water Agency's wholesale water rate will increase 5.4% to \$2,119 per MG. The rate increase will add \$210,000 to the District's cost of purchased water. Stafford production, budgeted at 800 MG (2,450 acre-feet), will make up the balance of demand, resulting in a total budgeted potable production of 2,700 MG.

Water Treatment is budgeted to increase 10% (\$162,000) from this year's budget. Chemical cost will increase by \$100,000 (30%) and sludge disposal by \$20,000 (42%). When compared to the FY10/11 estimated actual, expenses will increase 5%. Power cost is budgeted at 17¢/kWh consistent with the Photovoltaic Power Purchase Agreement just executed. With Stafford Lake full going into summer, production of 800 MG is budgeted.

Transmission & Distribution is budgeted to decrease 8% (\$202,000) from this year's budget, due primarily to reduced Construction Department staffing. Construction is budgeted at 10 regular employees supplemented with 3,000 hours of seasonal help (11.7 full-time equivalent) compared to 12 regular employees and 1,000 hours of seasonal help in the current budget (12.6 FTE). Man-hours allocated to maintenance tasks are reduced by 1 FTE in the proposed budget, and the average hourly labor cost is reduced by 3% due to the additional seasonal help.

Water Conservation expense is budgeted to decrease 20% (\$100,000) as budgeted rebates are cut in half in accordance with the 5-Year Financial Plan.

General Administration is budgeted to increase 10% (\$195,000) from this year's budget. FY12 includes \$60,000 for County Election Department expense, \$80,000 for updating the District Master Plan (updated every five years), and \$15,000 for preparation of a Greenhouse Gas Emissions Action Plan. Retiree health expense is budgeted to increase \$19,000 next year as a new retiree is added (33 annuitants now receive subsidy) and an 8% group medical insurance cost increase is projected effective January 1. Insurance expense (Property, liability, etc.) is budgeted to increase 5% (\$10,000) pending receipt of insurance proposals in late May.

Other Operating Expense is comprised primarily of recovered overhead and is budgeted to reduce total operating expense by \$493,000, an increase of \$198,000 from the current budget. Other Operating Expense primarily captures the General and Administrative (G&A) expense

that is capitalized as a component of developer and District projects. At the recommendation of the District's financial advisor, projects exceeding \$5,000 in cost with a useful life of at least 2 years are now being capitalized. The G&A cost distributed to these projects is also capitalized, thereby reducing operating expense, and increasing net income.

Staffing - The proposed budget includes a staffing level of 52.5 full-time equivalent (FTE) employees, down 2.8 FTE (5%) from the current year budget. This brings total staffing down 6.6 FTE (11%) from the adopted FY08 budget.

<u>FTE Staffing</u>	<u>FY12</u>	<u>FY11</u>	<u>Position Impacted</u>
Administration	7.6	8.6	Storekeeper
Customer Accounting	7.2	7.2	
Construction/Maintenance	10.0	12.0	Pipe Worker (2)
Engineering	8.7	8.7	
Maintenance	8.0	9.0	Pipeworker (DCV program)
Operations	6.0	5.0	Distribution/TP Operator
Water Quality	5.0	4.8	Part-time Lab Tech to Fulltime
	<u>52.5</u>	<u>55.3</u>	

Temporary staffing has been increased by 2,000 hours to 9,190 hours. Temporary hours are budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY11</u>	<u>FY10</u>	<u>Reason for Change</u>
Administration	0	0	
Customer Accounting	1,000	1,000	
Construction/Maintenance	3,000	1,000	Add'l Seasonal Labor
Engineering	2,500	2,500	
Maintenance	1,190	1,190	
Operations	1,500	1,500	
Water Quality	<u>0</u>	<u>0</u>	
	<u>9,190</u>	<u>7,190</u>	

For budgeting purposes, a 2% cost-of-living salary increase has been factored into the budget effective October 1, 2011. A 2% adjustment would increase total salaries by \$80,000, pushing up the total overheaded cost of payroll by \$109,000 (1.7%).

The CalPERS retirement contribution rate will increase 2.8% (to 26.2%), adding \$116,000 to the payroll. The CalPERS Board has yet to approve group health insurance rates for 2012. For budgeting purposes an 8% increase effective January 1, 2012 is assumed, which

is the average rate of increase over the past 5 years, and which increases budgeted labor cost by \$28,000. The cost for worker's compensation insurance is projected at \$135,000, consistent with the current year premium. In the event proposals received for workers' compensation insurance increase significantly, the District is making preparation to return to self-insurance.

Total budgeted operating expenditures are down \$780,000 compared to the adopted FY10/11 budget. An analysis of the significant differences between the FY10/11 budget and the proposed FY11/12 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY11 Budget	% Change
Materials, Services & Supplies	\$82,000	3%
Vehicle Expense	(8,000)	-3%
Labor	(70,000)	-1%
Distributed G&A	(154,000)	-21%
Purchased Water Cost	(630,000)	-14%
Net Decrease	<u>(\$780,000)</u>	<u>-6%</u>

This budget draft will be fine-tuned in conjunction with preparation of the West Marin Budgets, additional review of the Improvement Projects budget, and with additional information regarding the medical and insurance costs as they become available, and will be presented for additional review at the May 17 meeting.

Proposed
BUDGET

Initial Review

Novato
Operating Budget

FISCAL YEAR

2011-12

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
PROPOSED 2011/12 OPERATING BUDGET

Budget Summary.....	1
Operating Budget Detail	2
 <u>Supplemental Information</u>	
Source and Use of Funds Pie Chart.....	5
Novato Water - Billed Consumption History	6
Novato Water - Operating Expense History	7
District Organizational Memberships	8
District Subscriptions.....	10

**NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2011/12**

	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1 Water Sales	\$13,660,000	\$12,470,000	\$13,940,000
2 Wheeling & Misc Service Charges	238,000	216,000	217,000
3 Total Operating Income	\$13,898,000	\$12,686,000	\$14,157,000
OPERATING EXPENDITURES			
4 Source of Supply	\$3,912,000	\$3,642,000	\$4,544,000
5 Pumping	320,000	249,000	347,000
6 Operations	570,000	569,000	571,000
7 Water Treatment	1,802,000	1,724,000	1,640,000
8 Transmission & Distribution	2,223,000	2,338,000	2,425,000
9 Consumer Accounting	553,000	540,000	530,000
10 Water Conservation	400,000	364,000	500,000
11 General Administration	2,127,000	1,802,000	1,932,000
12 Other Operating Expense	(493,000)	(345,000)	(295,000)
13 Total Operating Expenditures	\$11,414,000	\$10,883,000	\$12,194,000
14 NET OPERATING INCOME (LOSS)	\$2,484,000	\$1,803,000	\$1,963,000
OTHER SOURCES OF FUNDS			
15 Interest Revenue	\$48,000	\$71,000	\$118,000
16 Connection Fees	570,000	290,000	1,140,000
17 Loan Funds	2,700,000	550,000	2,522,000
18 Miscellaneous	143,000	76,000	148,000
19 Total Other Sources	\$3,461,000	\$987,000	\$3,928,000
OTHER USES OF FUNDS			
20 Capital Equipment Expenditures	\$237,000	\$137,000	\$155,000
21 Capital Improvement Projects	4,286,000	2,354,000	4,931,000
22 Bond & Loan Debt Service	1,671,000	1,392,000	1,527,000
23 Miscellaneous	20,000	10,000	20,000
24 Total Other Uses	\$6,214,000	\$3,893,000	\$6,633,000
25 NET SURPLUS/(DEFICIT)*	(\$269,000)	(\$1,103,000)	(\$742,000)
26 Depreciation (not included above)	\$2,300,000	\$2,320,000	\$2,312,339

* Line 14+19-24

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Proposed Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
WATER TREATMENT								
31	\$104,000	\$124,000	\$102,000	\$122,312	\$113,175	\$99,218	\$101,646	\$105,468
32	310,000	297,000	267,000	365,305	247,309	357,877	363,204	278,396
33	425,000	402,000	325,000	415,486	293,888	221,597	63,179	61,336
34	68,000	81,000	48,000	69,209	40,163	49,299	34,844	2,713
35	97,000	83,000	96,000	83,411	115,686	91,550	79,359	96,146
36	135,000	111,000	168,000	157,642	204,217	203,622	90,608	115,003
37	108,000	128,000	80,000	129,930	99,184	113,732	88,596	43,077
38	555,000	498,000	554,000	495,239	479,970	398,173	401,520	417,745
39	\$1,802,000	\$1,724,000	\$1,640,000	\$1,838,534	\$1,593,592	\$1,535,068	\$1,222,956	\$1,119,884
TRANSMISSION & DISTRIBUTION								
40	\$352,000	\$469,000	\$519,000	\$528,659	\$560,968	\$524,345	\$522,663	\$490,471
41	101,000	80,000	102,000	98,187	74,786	105,509	48,957	53,594
42	465,000	429,000	466,000	448,650	420,639	439,348	395,866	401,962
43	163,000	164,000	168,000	164,316	149,759	129,944	115,457	122,069
44	164,000	172,000	149,000	190,255	131,094	107,354	165,842	131,770
45	120,000	150,000	102,000	102,633	108,752	143,525	119,713	158,048
46	80,000	138,000	72,000	93,754	86,630	108,835	76,174	64,245
47	215,000	172,000	244,000	199,807	211,630	181,161	233,355	223,527
48	296,000	336,000	310,000	263,714	250,024	287,813	258,788	164,930
49	39,000	23,000	33,000	41,557	30,488	26,483	34,177	16,798
50	175,000	147,000	166,000	143,691	148,112	135,370	125,337	113,891
51	53,000	58,000	94,000	77,038	62,794	74,700	42,474	42,936
52	\$2,223,000	\$2,338,000	\$2,425,000	\$2,352,261	\$2,235,676	\$2,264,387	\$2,138,803	\$1,984,241
CONSUMER ACCOUNTING								
53	\$160,000	\$148,000	\$162,000	\$142,956	\$140,851	\$132,653	\$146,286	\$133,744
54	291,000	284,000	262,000	260,428	236,740	225,062	221,764	219,236
55	19,000	18,000	19,000	18,590	18,504	18,513	18,292	17,649
56	65,000	71,000	65,000	64,698	58,062	51,960	49,729	44,136
57	29,000	28,000	30,000	35,190	28,022	13,507	10,412	16,280
58	7,000	9,000	8,000	5,048	14,471	14,585	17,208	8,459
59	(18,000)	(18,000)	(16,000)	(15,694)	(15,147)	(14,205)	(14,200)	(13,218)
60	\$553,000	\$540,000	\$530,000	\$511,216	\$481,503	\$442,075	\$449,491	\$426,286

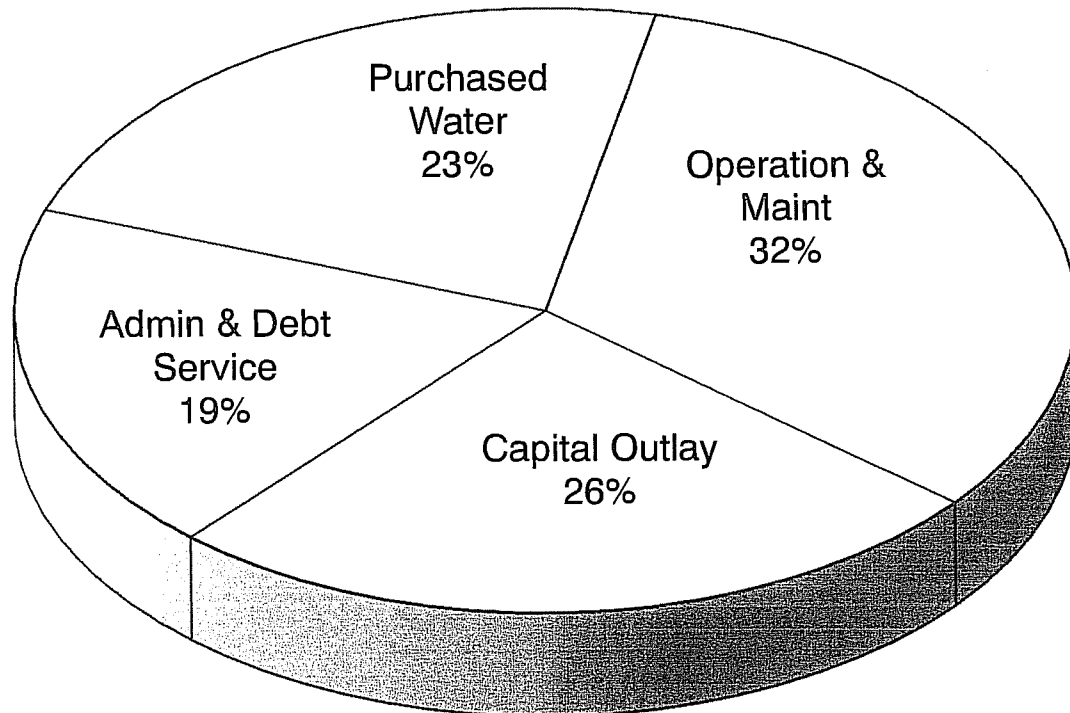
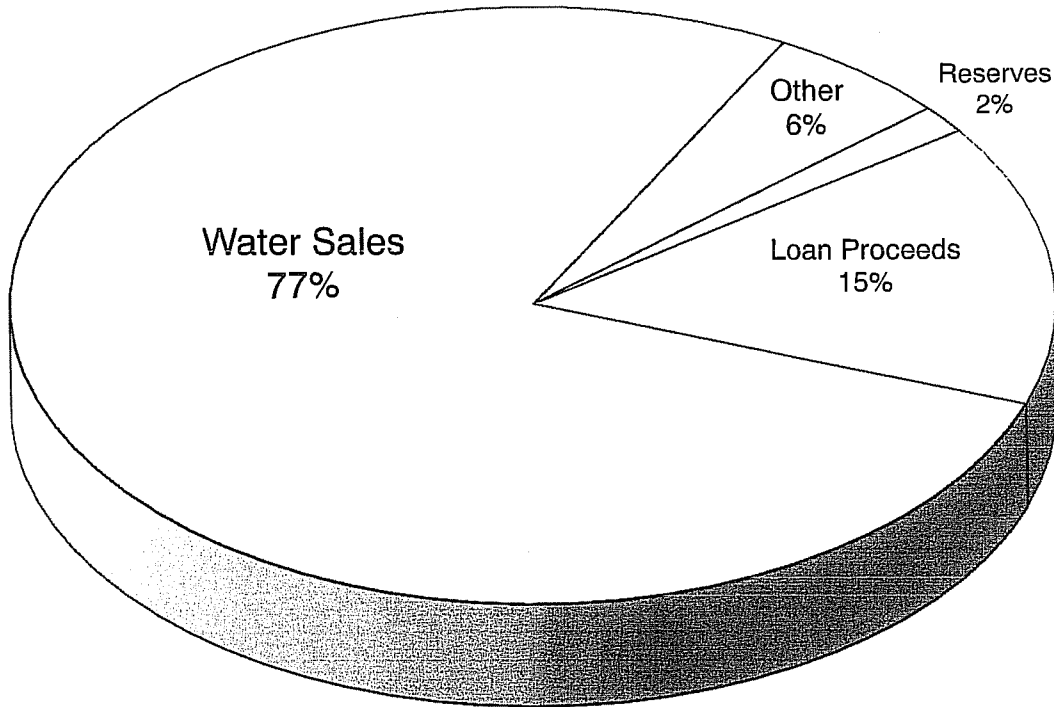
NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Proposed Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
WATER CONSERVATION								
61 Residential	\$298,000	\$326,000	\$382,000	\$438,668	\$438,588	\$457,600	\$253,540	\$176,965
62 Commercial	18,000	16,000	28,000	2,707	28,344	9,415	11,454	1,232
63 Public Outreach/Information	63,000	15,000	63,000	26,548	20,679	27,483	24,515	17,571
64 Large Landscape	21,000	7,000	27,000	10,695	19,649	26,120	16,751	81,200
TOTAL WATER CONSERVATION	\$400,000	\$364,000	\$500,000	\$478,618	\$507,260	\$520,618	\$306,260	\$276,968
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$15,000	\$15,000	\$16,200	\$15,000	\$14,600	\$14,300	\$17,400
66 Legal Fees	11,000	8,000	11,000	59,818	9,933	7,824	34,013	15,395
67 Auditing Services	29,000	28,000	28,000	31,100	30,000	22,000	15,250	15,250
68 Human Resources	31,000	29,000	30,000	33,080	31,848	26,923	37,051	12,970
69 Consulting Services/Studies	96,000	40,000	40,000					
70 General Office Salaries	1,233,000	1,155,000	1,197,000	1,166,410	1,125,232	1,020,823	980,772	940,318
71 Office Supplies	49,000	36,000	50,000	47,363	56,621	32,193	37,525	29,941
72 Employee Events	10,000	5,000	8,000	11,366	3,881	4,585		
73 Other Administrative Expense	21,000	17,000	20,000	20,090	21,313	20,246	23,149	19,675
74 Election Cost	60,000	0	0	250	0	51,262	0	250
75 Dues & Subscriptions	49,000	49,000	49,000	49,208	42,004	40,738	32,203	29,357
76 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,193	8,112	8,112
77 Meetings, Conf & Training	143,000	109,000	138,000	114,985	112,985	107,411	108,228	109,126
78 Telephone, Water, Gas & Electricity	31,000	29,000	33,000	27,203	29,595	30,018	35,324	29,073
79 Building & Grounds Maintenance	49,000	32,000	47,000	53,907	44,268	47,389	41,312	44,193
80 Office Equipment Expense	96,000	76,000	101,000	85,550	91,052	78,962	98,577	83,557
81 Insurance Premiums & Claims	133,000	116,000	123,000	117,023	132,928	198,297	182,754	113,664
82 Retiree Medical Benefits	173,000	156,000	154,000	138,105	182,220	182,003	180,771	158,631
83 G&A Distributed to Other Operations	(110,000)	(106,000)	(120,000)	(100,811)	(92,969)	(86,742)	(73,004)	(65,249)
TOTAL GENERAL & ADMINISTRATION	\$2,127,000	\$1,802,000	\$1,932,000	\$1,878,959	\$1,844,023	\$1,806,725	\$1,756,337	\$1,561,663
OTHER OPERATING EXPENSE								
84 Expensed Improvement Projects	\$0	\$0	\$0	\$1,699,235	\$1,785,255	\$1,480,093	\$1,607,599	\$1,067,410
85 Expensed Equipment Purchases	6,000	41,000	33,000	31,266	34,204	8,531	2,427	11,922
86 G&A Applied to Construction Projects	(359,000)	(250,000)	(199,000)	(153,213)	(224,590)	(212,502)	(172,336)	(202,956)
87 (Gain)/Loss on Overhead Charges	(140,000)	(136,000)	(129,000)	(214,770)	(157,888)	(277,413)	(414,082)	(443,118)
TOTAL OTHER OPERATING EXPENSE	(\$493,000)	(\$345,000)	(\$295,000)	\$1,362,518	\$1,436,981	\$998,709	\$1,023,608	\$433,258
TOTAL OPERATING EXPENSE	\$11,414,000	\$10,883,000	\$12,194,000	\$12,706,271	\$12,899,897	\$12,140,840	\$12,205,982	\$11,071,721
OPERATING INCOME/(LOSS)	\$2,484,000	\$1,803,000	\$1,963,000	(\$1,225,013)	(\$1,260,506)	(\$1,158,526)	(\$1,011,784)	(\$1,346,438)
91 Non-budgeted Depreciation	2,300,000	\$2,320,000	\$2,400,000	\$2,312,339	\$2,087,598	\$1,530,000	\$1,377,612	\$968,939

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2011-12**

SOURCE OF FUNDS = \$17,628,000



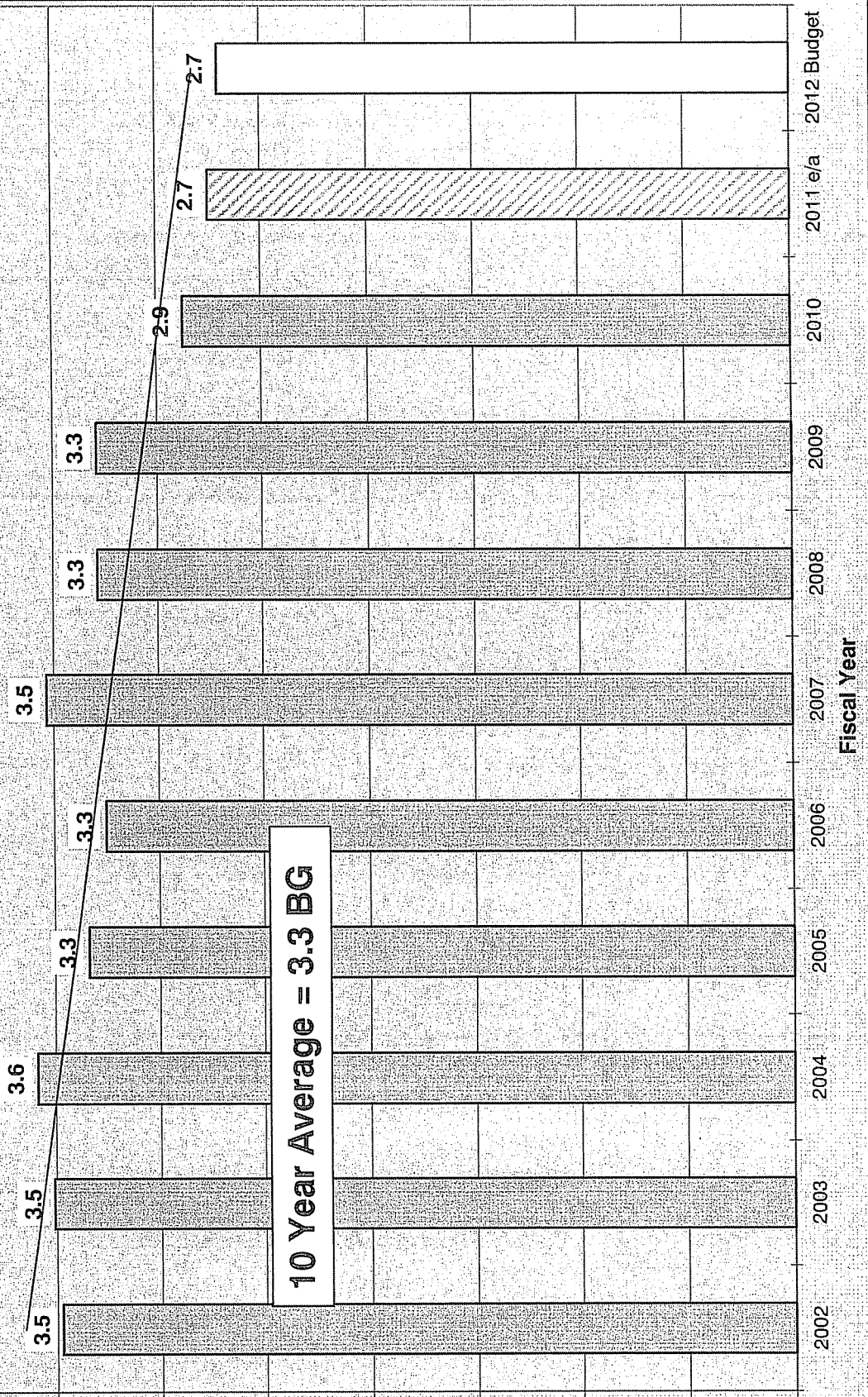
USE OF FUNDS = \$17,628,000

4/19/11

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Novato Water Billed Consumption 10 Year History

Billion
Gal
4.0

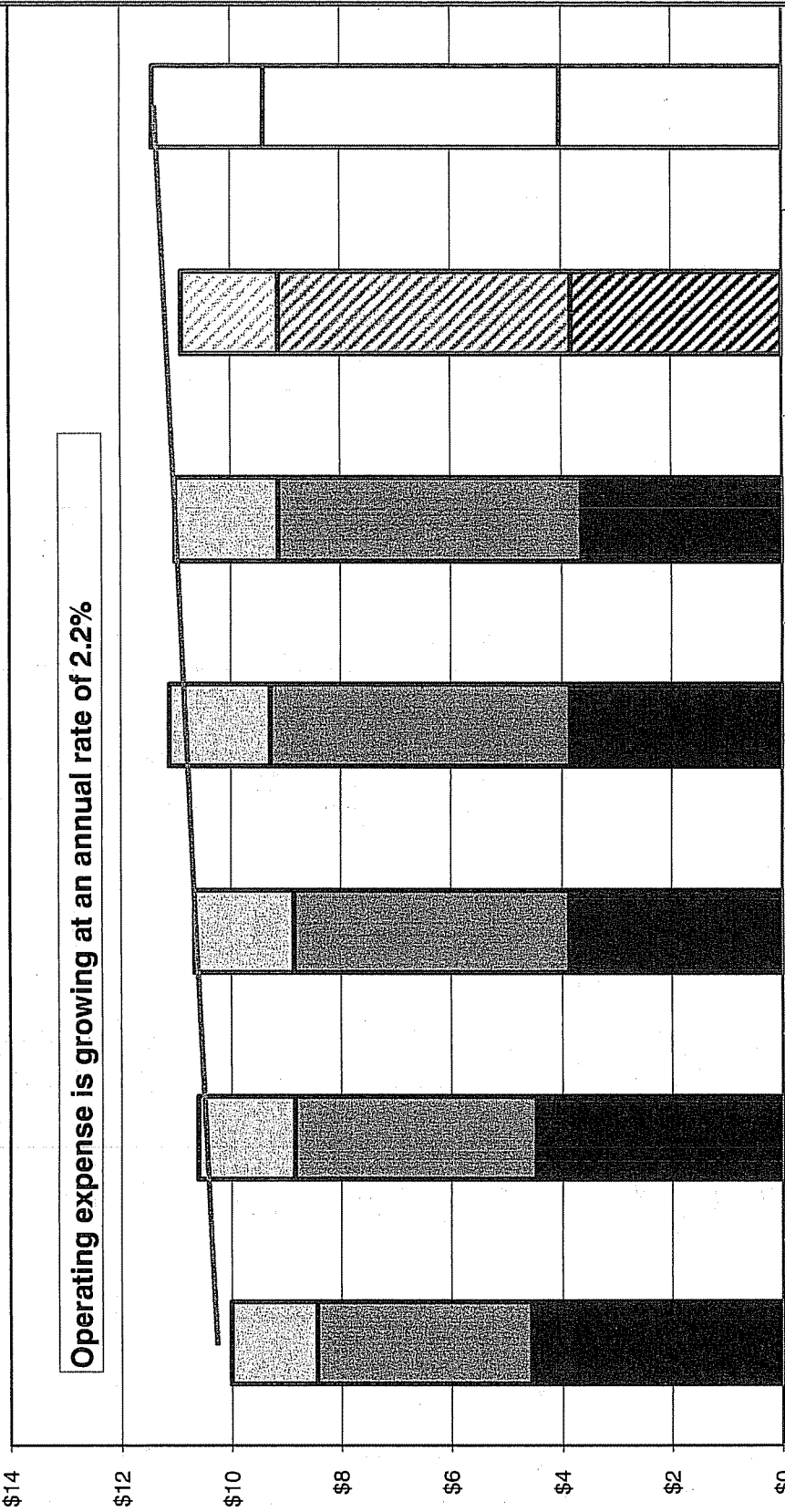


10 Year Average = 3.3 BG

Novato Water Operating Expense History

Operating expense is growing at an annual rate of 2.2%

Million \$



Admin	\$1.8
O&M	\$5.3
Purch Wtr	\$3.8
Total	\$10.9
Regression	\$11.2

Fiscal Year

North Marin Water District
Memberships/Certifications
Sorted by Organization & Dept

4/28/11

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	Organization	Employee	Dept	Last Renewed	Renewal Period	FY11 Paid	FY12 Budget
1	ADTS Drug Testing Program	Moore	41	12/15/10	1/11-12/11	\$585	\$600
2	Alliance for Water Efficiency	Grisso	21	7/14/10	7/10-6/11	\$214	\$230
3	American Water Works Association	DeGabriele*	10	11/17/10	1/11-12/11	\$3,474	\$3,600
4	American Water Works Association	Chandraseker	21				\$255
5	Assoc of State Dam Safety Officials	McIntyre	21	11/3/10	10/10-9/11	\$47	\$50
6	Association of CA Water Agencies	DeGabriele	10	12/29/10	1/11-12/11	\$16,425	\$17,425
7	AWWA - Lab Analyst Certif I	Bena	61	1/19/11	4/11-4/13	\$55	\$0
8	AWWA - Lab Analyst Certif III	Goodpaster	61	11/27/10	12/10-11/12	\$80	\$0
9	AWWA - Lab Analyst Certif I	Lucchesi	61	4/20/11	7/11-6/13	\$55	\$0
10	AWWA - Lab Analyst Certif I	Ramudo	61	3/31/06	3/06-3/08	\$0	\$95
11	AWWA - Lab Analyst Certif III	Reischmann	61	11/10/11	9/10-8/12	\$55	\$0
12	AWWA - Water Conservation Practici	Grisso	21	12/1/10	12/10-12/11	\$70	\$80
13	Bay Area Water Works Association	Chandraseker	21	11/5/10	1/11-12/11	\$10	\$10
14	Bay Area Water Works Association	McIntyre	21	11/4/10	1/11-12/11	\$10	\$10
15	Board of Prof Engineers & Surveyors	DeGabriele	10	5/26/10	7/10-6/12	\$0	\$130
16	Board of Prof Engineers & Surveyors	Chandraseker	21	9/22/10	10/10-9/11	\$125	\$130
17	Board of Prof Engineers & Surveyors	Jackson	21	3/17/10	3/10-3/12	\$0	\$130
18	Board of Prof Engineers & Surveyors	McIntyre	21	3/23/11	4/11-3/13	\$125	\$0
19	CA Urban Water Conservation Counc	Grisso	21	4/20/11	1/11-12/11	\$3,206	\$3,300
20	Contractor's State License Board	Moore	41	1/20/10	2/10-2/14	\$0	\$0
21	Costco Wholesale Membership	DeGabriele	10	11/24/10	1/11-12/11	\$100	\$100
22	Dept of Pesticide Regulation	Stafford	31	11/11/09	1/10-12/11	\$0	\$70
23	DHS - Distrib Op Certification I	Constr Labore	41				\$70
24	DHS - Distrib Op Certification I	Venegas	12	3/9/11	3/11-2/14	\$70	\$0
25	DHS - Distrib Op Certification II	Arendell	41	3/16/11	3/11-2/14	\$80	\$0
26	DHS - Distrib Op Certification I	Castellucci	41	12/15/10	5/11-4/14	\$70	\$0
27	DHS - Distrib Op Certification I	Corda, Joe	41	3/24/10	8/10-8/13	\$0	\$0
28	DHS - Distrib Op Certification I	Kehoe, C	41	10/7/09	10/09-10/12	\$70	\$0
29	DHS - Distrib Op Certification I	Ortiz	41	8/11/10	1/11-1/14	\$70	\$0
30	DHS - Distrib Op Certification I	Reed	41	3/24/10	8/10-8/13	\$0	\$0
31	DHS - Distrib Op Certification I	Sjoblom	41	3/24/10	8/10-8/13	\$0	\$0
32	DHS - Distrib Op Certification I	Rupp	41	12/15/10	5/11-4/14	\$70	\$0
33	DHS - Distrib Op Certification I	Baccei	51	3/31/10	8/10-8/13	\$0	\$0
26	DHS - Distrib Op Certification II	Castellucci	41			\$0	\$80
27	DHS - Distrib Op Certification II	Corda, Joe	41			\$0	\$80
34	DHS - Distrib Op Certification I	Cilia	51	3/31/10	8/10-8/13	\$0	\$0
35	DHS - Distrib Op Certification II	Latanyshyn	51	9/24/08	2/09-1/12	\$0	\$80
36	DHS - Distrib Op Certification II	Bena	61	3/9/11	3/11-2/14	\$80	\$0
37	DHS - Distrib Op Certification II	Kurfirst	51	5/26/10	4/11-4/13	\$0	\$0
38	DHS - Distrib Op Certification II	Garrett	41	10/8/08	8/08-11/11	\$0	\$80
39	DHS - Distrib Op Certification II	Goodpaster	61	11/27/10	4/11-4/13	\$80	\$0
40	DHS - Distrib Op Certification II	Lucchesi	61	10/7/09	10/09-10/12	\$80	\$0
41	DHS - Distrib Op Certification II	Ramudo	61	8/26/09	8/09-8/12	\$0	\$0
42	DHS - Distrib Op Certification II	Reischmann	61	5/17/06	7/06-10/12	\$0	\$0
43	DHS - Distrib Op Certification III	Clark	51	7/15/09	12/09-12/12	\$0	\$0
44	DHS - Distrib Op Certification III	Corda, Jeff	31	10/13/10	11/10-11/13	\$90	\$0
45	DHS - Distrib Op Certification III	Lemos	51	5/26/10	4/11-4/13	\$120	\$0
46	DHS - Distrib Op Certification III	Moore	41	5/26/10	4/11-4/13	\$120	\$0
47	DHS - Distrib Op Certification II	Jennison	31	1/12/11	6/11-6/14	\$105	\$0

North Marin Water District
Memberships/Certifications
Sorted by Organization & Dept

4/28/11

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	Organization	Employee	Dept	Last Renewed	Renewal Period	FY11 Paid	FY12 Budget
48	DHS - Distrib Op Certification V	Stompe	31	10/28/09	3/10-3/13	\$0	\$0
49	DHS - Treatment Operator Certif II	Garrett	41	1/20/10	1/10-1/13	\$0	\$0
50	DHS - Treatment Operator Certif II	Clark	51	7/15/09	7/09-7/12	\$0	\$0
51	DHS - Treatment Operator Certif III	Corda, Jeff	31	7/14/10	7/10-7/13	\$90	\$0
52	DHS - Treatment Operator Certif IV	Jennison	31	1/12/11	6/11-6/14	\$105	\$0
53	DHS - Treatment Operator Certif IV	Stafford	31	12/24/01	5/11-4/14	\$140	\$0
54	DHS - Treatment Operator Certif IV	Stompe	31	1/28/09	2/09-1/12	\$0	\$140
55	GFOA - Fin Stmt Review	Landeros	11	12/22/10	9/10-8/11	\$435	\$450
56	GFOA - Membership	Landeros	11	8/18/10	9/10-8/11	\$160	\$160
57	Irrigation Association	Grisso	21	12/1/10	1/11-12/11	\$100	\$110
58	LAFCO (Co of Marin)	DeGabriele	10	7/28/10	7/10-6/11	\$6,164	\$6,164
59	National Fire Protection Assoc	McIntyre	21	1/5/11	2/11-1/12	\$150	\$150
60	National Notary Association	Young	11	7/6/11	9/11-8/12	\$39	\$0
61	National Notary Association	Kehoe	21	9/5/08	10/08-9/11	\$0	\$90
62	National Safety Council	Clark	51	7/10/11	8/11-7/12	\$365	\$380
63	Natl Assoc Corrosion Engineers	Jackson	21	7/1/09	7/09-6/11	\$0	\$250
64	Natl Assoc Corrosion Engineers	Latanyszyn	51	4/16/08	7/08-6/09	\$0	\$250
65	No American Lake Management Soc	Stompe	31	3/23/11	3/11-3/12	\$110	\$110
66	North Bay Watershed Association	DeGabriele	10	9/8/10	7/1/10-6/30/11	\$6,483	\$6,800
67	Novato Chamber of Commerce	Bentley	11	10/27/10	11/1/10-10/31/11	\$745	\$770
68	Novato Heights Property Owners	DeGabriele	10	12/30/09	1/10-12/10	\$0	\$150
69	Rotary - Novato Sunrise	McIntyre	21	8/4/10	7/1/10-6/30/11	\$150	\$150
70	Rotary Club of Novato	DeGabriele	10	7/21/10	7/1/10-6/30/11	\$175	\$175
71	Society for HR Management	Landeros	11	8/4/10	9/1/10-8/31/11	\$160	\$170
72	Soroptomist	Roberts	11	6/23/10	7/1/10-6/30/11	\$175	\$175
73	Special District Leadership Foundatio	DeGabriele	10	1/28/09	1/09-4/13	\$0	\$0
74	Steel Structures Painting Council	McIntyre	21	6/1/11	7/1/11-6/30/12	\$95	\$100
75	SWRCB - Wastewater TP Op II	Stafford	31	11/4/09	12/09-12/11	\$0	\$140
76	Tomales Bay Watershed Council	Clark	31	12/30/09	1/10-12/10	\$0	\$1,000
77	Underground Service Alert	Moore	41	8/11/10	7/1/10-6/30/11	\$865	\$900
78	Water Education Foundation	DeGabriele	10	12/15/10	1/11-12/11	\$100	\$110
79	Wine Country Water Works Assoc.	Jennison	31	2/16/11	1/11-12/11	\$25	\$25
80	Wine Country Water Works Assoc.	Arendell	41	2/16/11	1/11-12/11	\$25	\$25
81	Wine Country Water Works Assoc.	Garrett	31	2/16/11	1/11-12/11	\$25	\$25
82	Wine Country Water Works Assoc.	Moore	41	2/16/11	1/11-12/11	\$25	\$25
83	Wine Country Water Works Assoc.	Latanyszyn	51	2/16/11	1/11-12/11	\$25	\$25
84	Wine Country Water Works Assoc.	Lemos	51	2/16/11	1/11-12/11	\$25	\$25
						\$42,698	\$45,649

* Membership allows GM + 4 employees - DeGabriele, Clark, Ramudo, McIntyre & Stompe are enrolled

North Marin Water District
Memberships/Certifications
Sorted by Organization & Dept

4/28/11

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Organization	Employee	Dept	Last Renewed	Renewal Period	FY11 Paid	FY12 Budget
Periodical Subscriptions						
Subscription	Dept Head	Dept	Last Renewed	Renewal Period	FY11 Paid	FY12 Budget
1 LexisNexis (Govt Codes)	DeGabriele	10	1/26/11	1/11-12/11	\$692	\$750
2 Marin Independent Journal	DeGabriele	10	6/1/10	9/10-9/11	\$213	\$220
3 Marinscope (Advance)	DeGabriele	10	7/28/10	9/10-9/11	\$49	\$60
4 Pt Reyes Light	DeGabriele	10	11/24/10	12/10-12/12	\$90	\$0
5 West Marin Citizen	DeGabriele	10	8/4/10	8/10-8/11	\$48	\$50
6 Journal of Accountancy	Bentley	11	7/28/10	8/10-8/11	\$69	\$70
7 Wall Street Journal	Bentley	11	6/1/10	3/11-3/12	\$140	\$150
8 Engineering News Record (ENR)	McIntyre	21	2/28/11	2/11-2/12	\$72	\$80
9 CA Climate Action Registry	Clark	51	3/30/11	1/11-12/11	\$750	\$800
10 Cal/OSHA Emplr Resource Institute	Clark	51	7/1/11	9/1/11-8/31/12	\$299	\$300
					\$2,422	\$2,480

Software Subscriptions/Maint Agreements

Subscription	Dept Head	Dept	Last Renewed	Renewal Period	FY11 Paid	FY12 Budget
1 Parkinson (Hightower Custom Enhan	Bentley	11	7/14/10	7/22/10-7/21/11	\$681	\$700
2 Parkinson (Hightower/Timekeeper)	Bentley	11	7/14/10	7/22/10-7/21/11	\$554	\$750
3 Parkinson (SCANCO)	Bentley	11	7/14/10	7/22/10-7/21/11	\$2,393	\$0
4 Parkinson (MAS90)	Bentley	11	7/14/10	7/22/10-7/21/11	\$5,892	\$6,500
5 Sage Software (Fixed Assets)	Bentley	11	7/14/10	7/22/10-7/21/11	\$691	\$800
6 Eberhart Software (HR ABRA Networ	Bentley	11	7/14/10	7/22/10-7/21/11	\$765	\$825
7 iPrism Web Filter	Bentley	11	5/12/10	4/10-9/11	\$1,360	\$1,316
8 Trend OfficeScan Anti-Virus Software	Bentley	11	12/8/10	11/9/10-11/9/11	\$1,170	\$1,170
9 Verizon Reverse 911 Database	Bentley	12	1/1/07	Mo to Mo	\$335	\$335
10 CD Data - Parcel Quest	McIntyre	21	7/7/10	7/1/10-6/30/11	\$693	\$700
11 DLT Solutions - AutoCAD Licenses	McIntyre	21	10/6/10	10/22-10/21/11	\$2,661	\$2,700
12 E&M - Wonderware - Distrib SCADA	Clark	31	9/29/10	9/5/10-9/4/11	\$1,535	\$1,535
					\$18,729	\$17,331

\$63,849 \$65,460

20

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Initial Review – FY11/12 Novato Recycled Water System Budget
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April 29, 2011

RECOMMENDED ACTION: Information Only – Initial Review
FINANCIAL IMPACT: \$5.6 Million FY12 Expenditure Plan

The FY11/12 Recycled Water System (RWS) budget projects demand of 51MG next fiscal year (see chart of historical water use attached), down 22% from the average over the past five years, but equal to projected demand for this fiscal year. Consistent with the potable water rate increase, a 6% commodity rate increase is proposed effective June 1, 2011. A 6% increase would add \$11,000 to annual revenue.

Operating expenses are budgeted to decrease 6% from the existing budget, but 13% above the current year estimated actual. The budget includes \$5 million for the first phase of the North & South Area expansion. This project will be funded by Federal and State grant funds (25%) and, we anticipate, a low-interest rate SRF loan.

The proposed FY12 RWS budget shows a break-even plan for the fiscal year. The RWS fund carried a cash balance of \$257,000 at March 31, 2011. The annual State Revolving Fund debt service payment of \$273,000 is due on June 19. Receipt of the bimonthly debt service payment made by Stone Tree Golf will provide adequate funds to pay the debt service and carry a small cash balance at fiscal year-end.

As with the Novato budget, staff will continue to fine-tune the RWF budget, and return it for further review at the May 17 meeting.

NOVATO WATER - RECYCLED WATER SYSTEM
BUDGET SUMMARY
Fiscal Year 2011/12

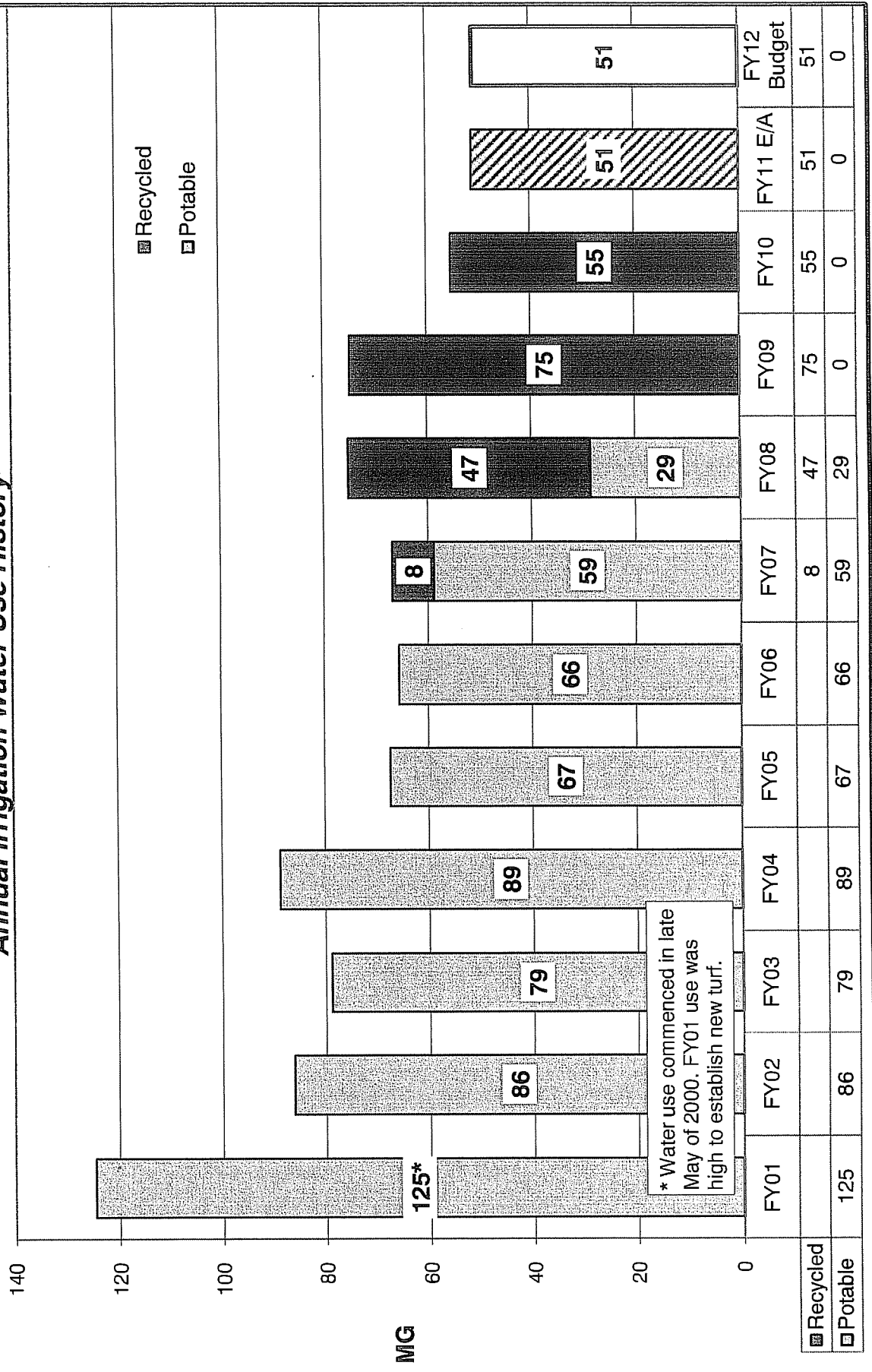
	Proposed Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1 Recycled Water Sales	\$199,000	\$186,000	\$202,000
2 Total Operating Income	\$199,000	\$186,000	\$202,000
OPERATING EXPENDITURES			
3 Pumping	\$2,000	\$0	\$3,000
4 Operations	6,000	23,000	16,000
5 Treatment	84,000	72,000	83,000
6 Transmission & Distribution	17,000	3,000	16,000
7 General Administration	22,000	18,000	21,000
8 Total Operating Expenditures	\$131,000	\$116,000	\$139,000
9 NET OPERATING INCOME (LOSS)	\$68,000	\$70,000	\$63,000
OTHER SOURCES OF FUNDS			
10 Interest Revenue	\$1,000	\$1,000	\$0
11 IRWMP Grant	0	55,000	55,000
12 Fed Grant/SRF Loan	5,000,000	650,000	613,000
13 Connection Fees Transferred In	125,000	150,000	0
14 Black Point Partners Contribution	251,000	251,000	251,000
15 Total Other Sources	\$5,377,000	\$1,107,000	\$919,000
OTHER USES OF FUNDS			
16 Replacement Fund Contribution	\$0	\$0	\$0
17 Capital Improvement Projects	5,125,000	800,000	653,000
18 Loan Repayment to Novato	0	45,000	56,000
19 SRF Loan I Debt Service	273,000	273,000	273,000
20 SRF Loan II Debt Service	45,000	0	0
21 Total Other Uses	\$5,443,000	\$1,118,000	\$982,000
22 NET SURPLUS/(DEFICIT)*	\$2,000	\$59,000	\$0
23 Depreciation (not included above)	\$165,000	\$163,000	\$165,000

* Line 9+15-21

Proposed Improvement Projects

	FY11 Budget	FY11 E/A	FY12	FY13	FY14	FY15	FY16	FY12 Project Description
RECYCLED WATER								
a. NBWRA Grant Program Administration	\$35,000	\$120,000	\$125,000	\$125,000	\$125,000	\$125,000		Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants.
b. Reservoir Hill Tank Property Transfer	\$5,000	\$30,000						
c. Expansion to North Area (Note 6)	\$613,000	\$400,000	\$3,000,000	\$1,700,000				Pipeline additions and storage improvements to increase recycled water use by 186 AF.
d. Expansion to South Area (Note 7)		\$250,000	\$2,000,000	\$2,000,000	\$1,600,000			Pipeline additions and storage improvements to increase recycled water use by 220 AF.
e. Other Recycled Water Expenditures	\$653,000	\$800,000	\$5,125,000	\$3,945,000	\$1,745,000	\$145,000	\$20,000	
				\$20,000	\$20,000	\$20,000	\$20,000	
				\$3,945,000	\$1,745,000	\$145,000	\$20,000	
LESS FUNDED BY LOANS/GRANTS								
a. RWS Expansion - North Area	(\$613,000)	(\$400,000)	(\$3,000,000)	(\$1,700,000)	\$0	\$0	\$0	RW North funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
b. RWS Expansion - South Area	\$0	(\$250,000)	(\$2,000,000)	(\$2,000,000)	(\$1,600,000)	\$0	\$0	RW South funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
	(\$613,000)	(\$650,000)	(\$5,000,000)	(\$3,700,000)	(\$1,600,000)	\$0	\$0	
NET PROJECT OUTLAY	\$40,000	\$150,000	\$125,000	\$145,000	\$145,000	\$145,000	\$20,000	

Stone Tree Golf Course Annual Irrigation Water Use History



21

MEMORANDUM

To: Board of Directors

Date: April 29, 2011

From: Drew McIntyre, Chief Engineer



Subject: North Bay Water Reuse Authority (NBWRA) Update - Summary of Phase 2
Membership Outreach Workshop

Z:\Folders by Job No\7000 jobs\7127\7127 NBWRA Update BOD Memo 4-11.docx

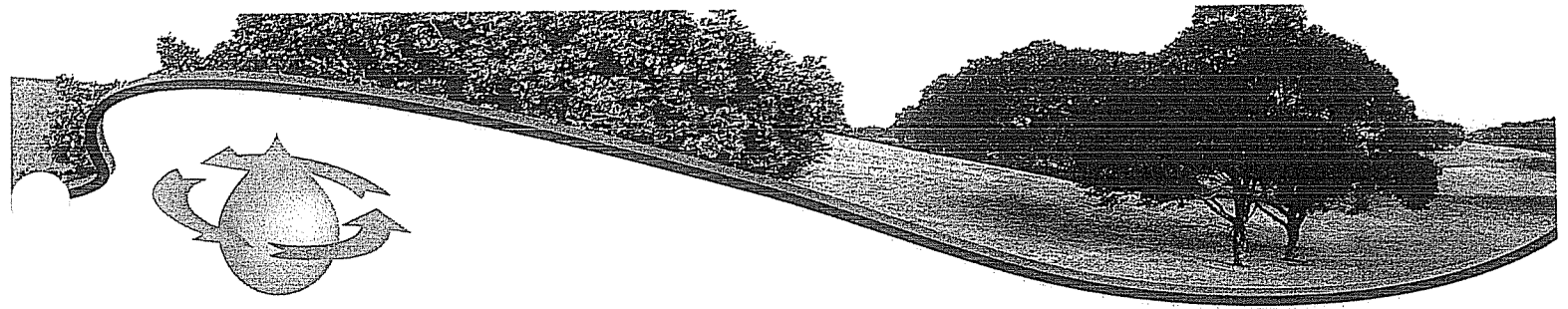
RECOMMENDATION: Information only.

FINANCIAL IMPACT: None.

The last recycled water update was provided to the Board at the December 21, 2010 meeting. At that time staff provided the Board with a review of the governance transition. As part of the new governance structure, President John Schoonover participated as NMWD's Board Member at the NBWRA Board Directors meeting on February 14, 2011 (Director Jack Baker is NMWD's alternate member).

Phase 2 Membership Participation

At the December 21, 2010 meeting, staff confirmed that NMWD needs to stay focused solely on Phase 1 implementation which closely follows the Board approved Recycled Water Implementation plan (Nute, 2006). Director Schoonover and I did however participate in the Phase 2 Membership Outreach Workshop on Wednesday April 27, 2011 at the Sonoma Community Center wherein NBWRA consultants summarized initial membership outreach efforts to-date. The agenda of said outreach workshop is provided in Attachment A. A summary of the outreach responses (provided in Attachment B) shows that of the eight Marin agencies contacted, the County of Marin indicated that they are potentially interested in Phase 2 participation. The workshop also identified that moving forward with the next step, a Project Definition Study, will cost participating member agencies (does not include NMWD) approximately \$13,000 (see Attachment C). A budget augmentation would need to be approved at the next NBWRA Board of Directors meeting on May 16, 2011 for participating member agencies.



North Bay Water Reuse Authority

Las Gallinas Valley Sanitary District | Novato Sanitary District | Sonoma County Water Agency
Napa Sanitation District | Sonoma Valley County Sanitation District

Phase 2 Membership Outreach Workshop

Wednesday April 27, 2011 9:00 – 11:00 AM
Sonoma Community Center
276 East Napa Street
Sonoma, CA 95476-6721

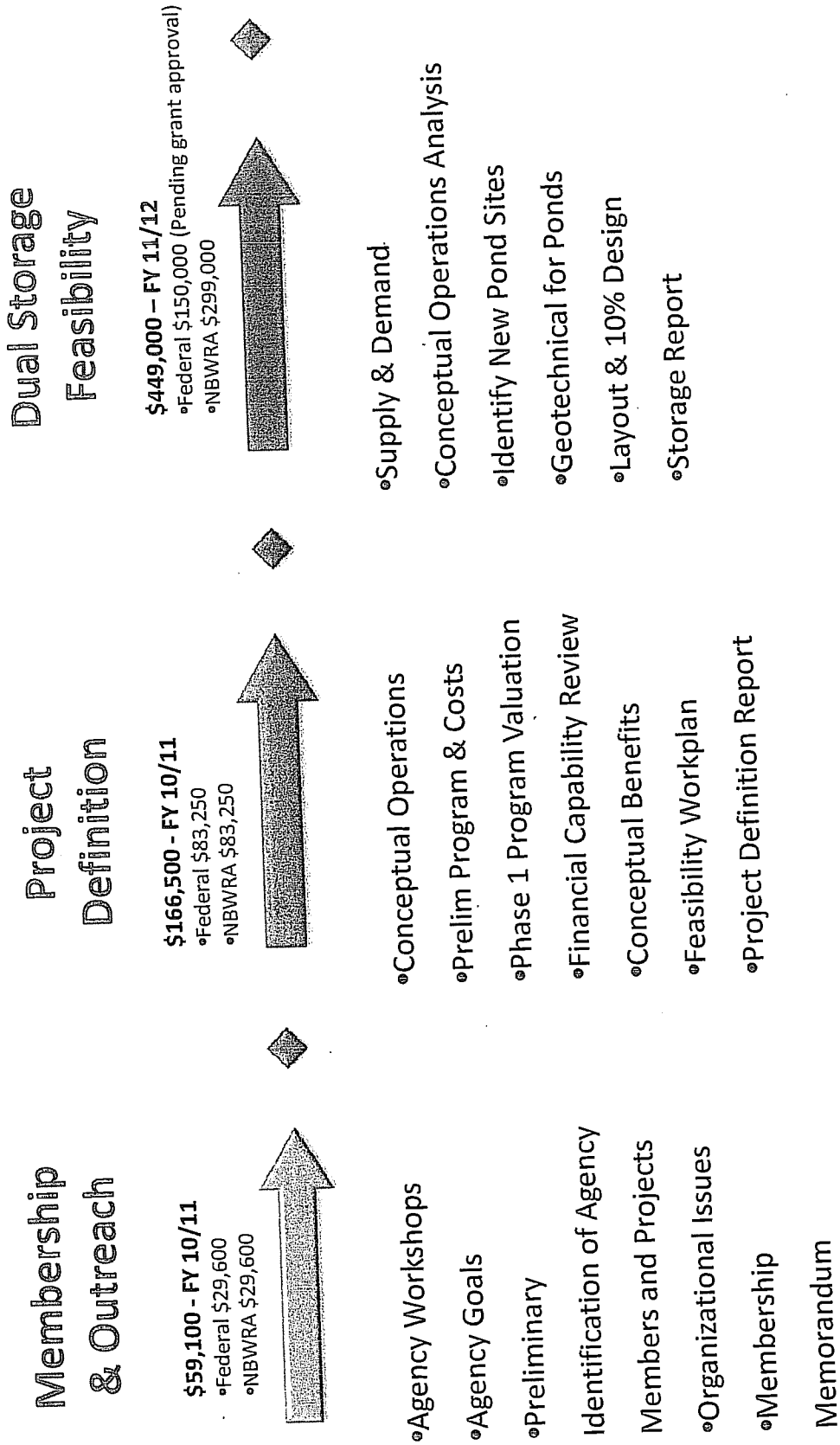
Workshop Agenda

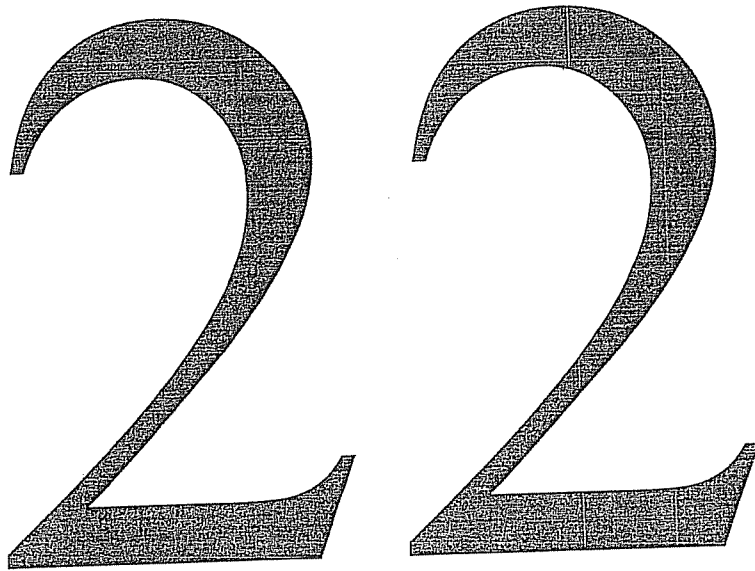
1. Welcome and Introductions – Bill Long, Board Chair NBWRA
2. Workshop Overview
3. Membership and Outreach Study Context and Purpose
4. Review of Outcomes from Marin, Sonoma and Napa County Outreach Meetings
5. Conclusions, Recommendations and Cost-share Options for Member Agency Consideration
6. Discussion and Comments
7. Next Steps
8. Adjourn

Summary of Outreach Responses

New Member Outreach	Not Interested in Participating in Project Definition Study	Participation in Project Definition Study Under Consideration	Will Participate in Program Definition Study
Marin County			
County of Marin		X	
Marin Municipal Water District	X		
Central Marin Sanitation Agency	X		
San Rafael Sanitation District	X		
Sanitary District #1 of Marin County	X		
Sanitary District #2 of Marin County	X		
City of Larkspur	X		
Skywalker Ranch	X		
Sonoma County			
City of Petaluma		X	
City of Sonoma		Cost-share with VOMWD	
Valley of the Moon Water District		Cost-share with Sonoma	
Napa County			
City of Yountville	X		
City of St Helena	X		
City of Calistoga	X		
City of American Canyon		X	
Los Carneros Water District		X	
Existing Member Participation			
Las Gallinas Valley Sanitary District		X	
Novato Sanitary District		X	
North Marin Water District	X		
Sonoma County Water Agency		X	
Sonoma Valley County Sanitation District		X	
County of Napa		X	
Napa Sanitation District		X	

Phase 2 Feasibility Studies





MEMORANDUM

To: Board of Directors

May 3, 2011

From: Chris DeGabriele, General Manager 

Subject: Water Advisory Committee and Technical Advisory Meeting – May 2, 2011

\\nmwdsrv1\Administration\GM\SCWA\WAC Agenda and Minutes\2011\CD Notes 050211.doc**RECOMMENDED ACTION:** Information Only**FINANCIAL IMPACT:** None at this time

Agenda and supporting information included in your Board packet.

3. Recap from the March 7, 2011 WAC/TAC Meeting and Approval of Minutes.

The minutes were approved as mailed.

4. Recap from the April 4, 2011 TAC Meeting and Approval of Minutes.

The minutes were approved.

5. UWMP and Sonoma-Marin Saving Water Partnership Update including SBx7-7 Regional Alliance

Jay Jasperse from SCWA updated the WAC on the 2010 UWMP process and status. He compared the 2005 UWMP Russian River Net Demand Projection with the 2010 UWMP figures which shows that in 2005 101,000 acre feet of Russian River water was predicted to be needed by the year 2030. The current plan indicates that less than 80,000 acre feet of Russian River water will be needed at the year 2035. Jay also let the WAC know of the schedules when individual entities' UWMP will be available for public review, when public hearings will be held and their anticipated adoption. See the attached charts.

Carrie Pollard from SCWA updated the WAC on the Sonoma-Marin Saving Water Partnership. The Partnership has been in place for approximately one year and a website is now up and running at www.savingwaterpartnership.org. Each of the Contractors are selecting a program and customer to highlight that program which will then be regionally published in newspapers, on-line and audio/video media and special events.

Finally with this agenda item, I had a chance to recommend to the WAC that they authorize sending a letter to DWR identifying formation of a regional alliance to comply with SBx7-7, the Water conservation Act of 2009. Currently all Water Contractors' per capita water demand is below the SBx7-7 2020 target on an individual basis; however, North Marin, Sonoma and Windsor predict that water demand will rebound in the future and the per capita target will not be met by 2020. The WAC was supportive of the regional alliance approach and unanimously approved notifying DWR.

6. Water Supply Coordination Council

A summary of the Water Supply Coordination Council was reviewed with the WAC.

7. Biological Opinion Status including Dry Creek Pipeline Feasibility Study Update

Craig Kunst of Inter-Fluve made a presentation to the WAC identifying that 45 areas of Dry Creek totaling nine miles are available to improve the fisheries habitat. Biological Opinion requires three miles to be improved before determining whether an additional three miles will be improved to satisfy Biological Opinion requirements. Should the first three miles not prove acceptable, the Dry Creek pipeline would be constructed. The first mile demonstration project will begin construction next year and provide an example for other landowners how the work will be conducted. Inter-Fluve reported that they have over 30 years' experience on 1200 river systems and believe that the habitat improvement work will be easier in Dry Creek because it

is a regulated stream.

Consultants from HDR and Kennedy Jenks reviewed the Dry Creek Pipeline Feasibility Study. The preferred alternative from a feasibility analysis is a pipeline following Dry Creek either on the existing west side or east side roadways and discharging into the Russian River at the Dry Creek confluence. The pipeline would be approximately 72 inches in diameter and convey 180 cfs. The cost of the project would be \$141.5M for the 13-mile pipeline. The feasibility study will be put on the shelf until 3 miles of Dry Creek habitat are improved.

8. Change Petition Status Update

Grant Davis reported that the Temporary Urgency Change Petition for this year has been submitted to the State Water Resources Control Board. They are not expecting any unusual requests from the State Board; it should be very similar to last year's temporary urgency change requirements.

9. Update of Frost Protection Requirements

Natalie Brunamonte from the Sonoma County Ag Commissioner's office updated the WAC on the Sonoma County Frost Protection Ordinance. Phase 1 is registration for over 660 property owners that are likely to divert water from groundwater, surface water or other sources for frost protection. Phase 2 would be monitoring, collecting information and reporting on water use for frost protection.

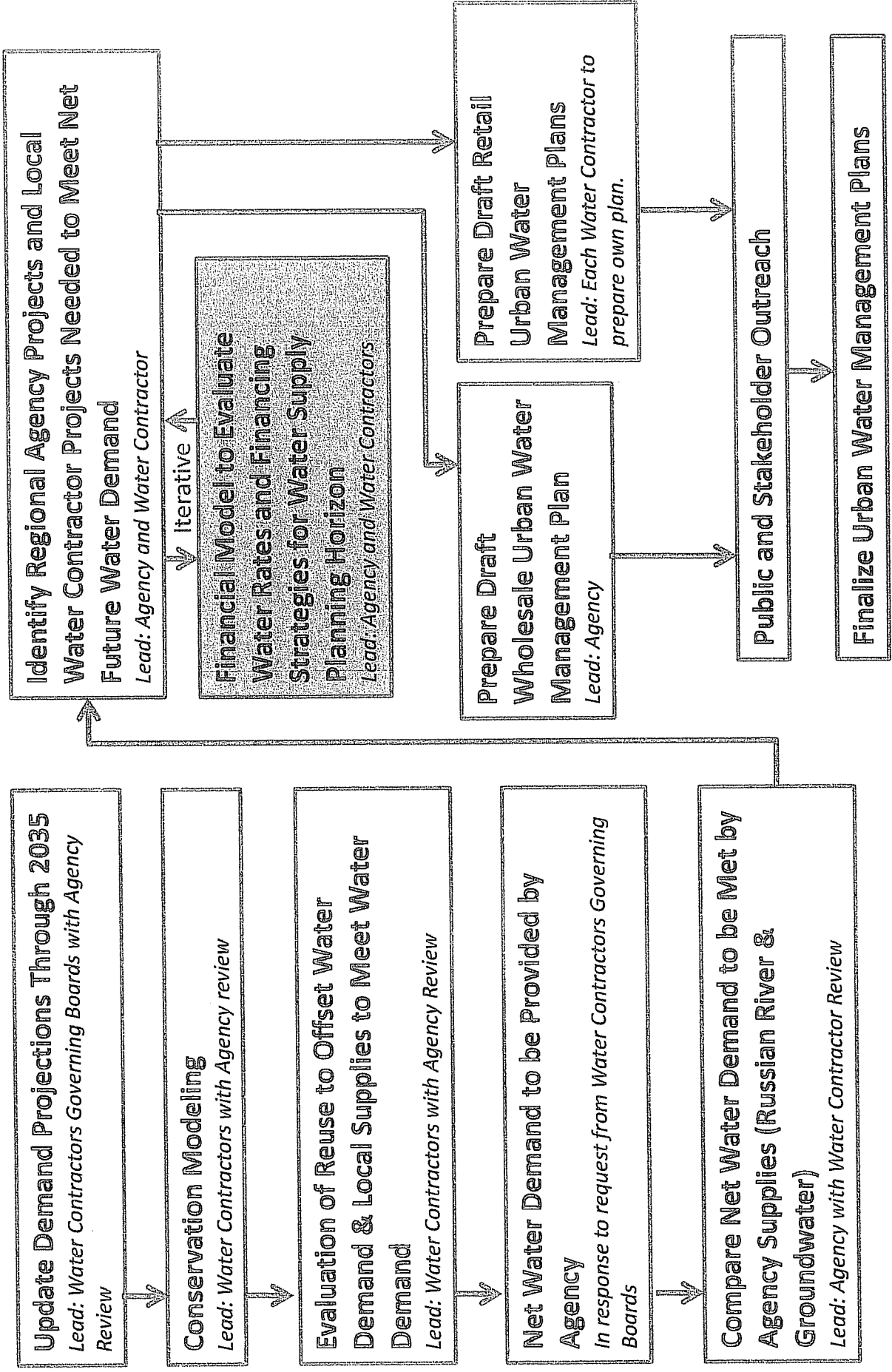
10. Integrated Regional Water Management Plans

Jake Mackenzie gave an update on the North Coast Plan. Paul Helliker included a written update on the San Francisco Bay Plan.

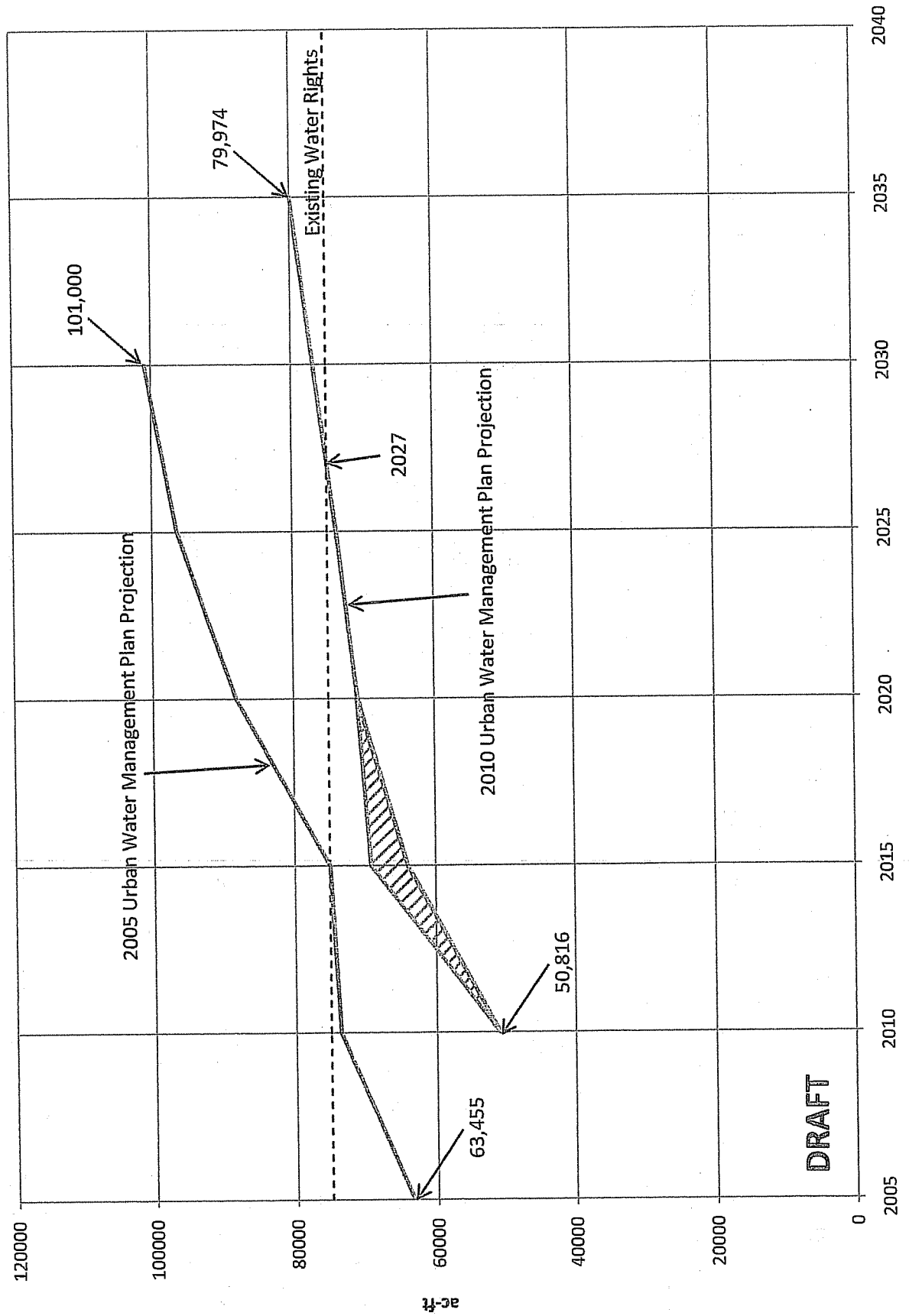
11. SB 34 California Water Resource Investment Act of 2011 (Public Goods Charge)

I advised that the WAC that SB 34 will have a serious impact on the cost of water and rate implications to end users. It was suggested that individual agencies take a position to oppose SB 34.

Urban Water Management and Financial Planning Process



Total Russian River Net Demand



DRAFT

Urban Water Management Plan - Schedule

	Public Available Draft	Public Hearing	Anticipated Adoption
Sonoma County Water Agency	May 9, 2011	May 24, 2011	June 21, 2011
City of Santa Rosa*	May 16, 2011	June 14, 2011	June 14, 2011
North Marin Water District	May 23, 2011	June 21, 2011	June 21, 2011
City of Petaluma	April 21, 2011	May 16, 2011	June 6, 2011
City of Rohnert Park	May 27, 2011	June 14, 2011	June 14, 2011
Valley of the Moon Water District	May 24, 2011	June 7, 2011	June 7, 2011
City of Sonoma	May 23, 2011	June 6, 2011	June 6, 2011
City of Cotati	June 1, 2011	June 22, 2011	June 22, 2011
Town of Windsor	May 31, 2011	June 15, 2011	June 15, 2011
Marin Municipal Water District	June 1, 2011	June 15, 2011	June 15, 2011

* BPU Review and Recommendation Meeting - June 2, 2011

Sonoma-Marin Saving Water Partnership 'Save Our Water' Campaign



"We removed our lawn and now enjoy a beautiful water efficient landscape."

Mary and John participated in the Valley of the Moon Water District's Cash for Grass Rebate Program. This program offers residents cash for removing turf, irrigation system upgrades and mulch.

Learn more at www.savingwaterpartnership.org or call 707.547.1933.



FIRST EVER Eco-Friendly Garden Tour SONOMA COUNTY

MAY 21, 2011 | 10AM - 4PM

This self-guided tour, highlights several gardens that use practices sensitive to local waterways. A representative will be available at each location to provide information on the garden and answer questions.

Please visit www.savingwaterpartnership.org for free registration information.



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



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY: MAY 2, 2011

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

9:00 a.m. Note location change

This is a combined WAC and TAC meeting.

1. Check In
2. Public Comment
3. Recap from the March 7, 2011 WAC/TAC Meeting and Approval of Minutes
4. Recap from the April 4, 2011 TAC Meeting and Approval of Minutes
5. UWMP and Sonoma-Marín Saving Water Partnership Update including SBx7-7 Regional Alliance
6. Water Supply Coordination Council
7. Biological Opinion Status including Dry Creek Pipeline Feasibility Study Update
8. Change Petition Status Update
9. Update on Frost Protection Requirements
10. Integrated Regional Water Management Plan(s) Update
11. SB34 California Water Resource Investment Act of 2011 (Public Goods Charge)
12. Items for next agenda
13. Check Out (estimated to be noon)

Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
March 7, 2011

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
Sandi Bliss, City of Santa Rosa
Linda Hall, City of Santa Rosa
Darrin Jenkins, City of Rohnert Park
Jake MacKenzie, 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
Paul Helliker, Marin Municipal Water District
Mike Ban, Marin Municipal Water District
Mike Healy, City of Petaluma
Remleh Scherzinger, City of Petaluma
Pamela Tuft, City of Petaluma
Robin Goble, Town of Windsor
Debora Fudge, Town of Windsor
Richard Burt, Town of Windsor
Mark Bramfitt, Valley of the Moon Water District
Krishna Kumar, Valley of the Moon Water District
Grant Davis, SCWA
Spencer Bader, SCWA
Pam Jeane, SCWA
Michael Gossman, SCWA
Brad Sherwood, SCWA
Carrie Pollard, SCWA
Michael Thompson, SCWA
Ann DuBay, SCWA
Jay Jasperse, SCWA

Public Attendees: Brenda Adelman, RRWPC
J. Dietrich Stroeh, CSW/Stuber-Stroeh Engineering
Bob Anderson, United Wine Growers
Dawna Gallagher
Deborah Tavares
Louis Tavares
David Keller, FOER/Petaluma River Council
Bob Norberg, Press Democrat
Jane Nielsen
Jim Downey, Penngrove/Kenwood Water District
Orlean Koehle

1. Check-in
WAC Chairperson, Susan Gorin called the meeting to order at 9:01 a.m.
2. Public Comment
Deborah Tavares of Sebastopol spoke regarding weather modification (cloud seeding) and drinking water test results.
Brenda Adelman spoke regarding the March 15th state board decision regarding irrigation water.
David Keller requested that the water agency's discussion regarding frost control be brought before the WAC.
Orlean Koehle spoke regarding concerns of water contamination in drinking water due to weather modification practices.
3. Recap from February 7, 2011 WAC/TAC Meeting and Approval of Minutes
Moved by Dennis Rodoni, North Marin Water District, seconded by Jake MacKenzie, City of Rohnert Park, carried unanimously to approve the minutes for the February 7, 2011 WAC/TAC meeting as submitted.
4. Approve FY 2011/12 SCWA Budget
Moved by Laurie Gallian, City of Sonoma, seconded by Jake MacKenzie, carried unanimously to recommend approval of proposed FY 2011/12 SCWA budget.
5. UWMP Update and Approve Request for Regional Compliance with SBx7-7
Chris DeGabriele, North Marin Water District, reported that water contractor staff have been working on Urban Water Management Plans which must be completed and submitted to the DWR by June 30, 2011 and include the SBx7-7 requirements. Discussion ensued regarding the merits of a regional/individual approach. Moved by Jake MacKenzie, seconded by Laurie Gallian, for TAC to return to WAC joint WAC/TAC meeting in May with a recommendation that adopts a short term regional approach to meet SBx7-7 requirements in the 2010 UWMP utilizing Sonoma Marin Saving Water Partnership by 2015 and work with NMWD, Sonoma and Windsor on individual targets to meet SBx7-7 by 2015 UWMP.
6. Items for next agenda
Chair Gorin requested a report on the Dry Creek pipeline feasibility study be included with the Biological Opinion Update at the May meeting and that an update on the UWMP be agendaized.
Laurie Gallian reminded WAC/TAC that a report on the Temporary Urgency Change Petition for D1610 is due in April and requested an update.
Grant Davis responded that it would likely be available after the May meeting.
7. Check out
The next regular TAC meeting will be held April 4, 2011. The next regular WAC/TAC meeting will be held May 2, 2011.

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

Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
April 4, 2011

Attendees: 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
Susan Gorin, City of Santa Rosa
Darrin Jenkins, City of Rohnert Park
Milenka Bates, City of Sonoma
Toni Bertolero, City of Sonoma
Damien O'Bid, City of Cotati
Chris DeGabriele, North Marin Water District
Drew McIntyre, North Marin Water District
Remleh Scherzinger, City of Petaluma
Richard Burt, Town of Windsor
Krishna Kumar, Valley of the Moon Water District
Mike Ban, Marin Municipal Water District
Paul Helliker, Marin Municipal Water District
Grant Davis, SCWA
Jay Jasperse, SCWA
Spencer Bader, SCWA
Mike Thompson, SCWA
Pam Jeane, SCWA
Carrie Pollard, SCWA
Brad Sherwood, SCWA
Michael Gossman, SCWA

Public Attendees: Brenda Adelman, RRWPC
Bob Anderson, United Wine Growers
J. Dietrich Stroeh, CSW/Stuber-Stroeh Engineering
Dawna Gallagher
David Keller, FOER/Petaluma River Council
Marge Sorbi
Jennifer Delany

1. Check-in
TAC Chair, Chris DeGabriele, NMWD, called the meeting to order at 9:04 a.m.
2. Public Comment
None.
3. UWMP Update and Approve Letter Agreement for Establishing a Regional Alliance to Comply with SBx7-7
Chair DeGabriele gave an update on the UWMP and the Letter Agreement for Establishing a Regional Alliance to Comply with SB x7-7 the Water Conservation Act of 2009. Discussion regarding the Letter Agreement ensued.
Moved by Miles Ferris, City of Santa Rosa, seconded by Richard Burt, Town of Windsor, carried unanimously to approve the Letter Agreement and request each Board/Council to authorize the respective TAC representative to sign the letter agreement.

4. 2011 Russian River Water Storage
Chair DeGabriele reported on the status of water storage in Lakes Mendocino and Sonoma.
5. 2010 TUCP Status
Pam Jeane, SCWA, announced reporting requirements due to the State by the end of June for unaccounted for water including the amount, proposed programs and existing practices. The Agency is working on Automatic Meter Read (AMR) implementation. She also reported that a TUCP permit would be filed this year.
Jay Jasperse, SCWA, reported that a third party agreement should be in place by early May between IBM, SCWA and Valley of the Moon Water District to participate in a research project and develop a software program that monitors for water leaks.
6. Biological Opinion Status Update
Pam Jeane reported on the Dry Creek demonstration project and that an initial study environmental document would be available for public review this month. She also reported that the Dry Creek Habitat Enhancement draft feasibility and Dry Creek bypass pipeline reports would be available in late April 2011. She reported that the Wohler Pond Modification Project would begin in early summer 2011, the Mirabel screen and fish ladder replacement project had been awarded a \$255,000 grant for design of the project. The Agency's application for Marine Mammal Incidental Harassment Authority was published on March 18th with public comment period closing on April 18 and that three Dry Creek tributary projects would be completed this summer.
7. Items for next agenda
UWMP and SB x7-7 Regional Alliance Update
Biological Opinion Update
Frost Protection Regulations Update
O & M Status Report
8. Checkout
The next regular WAC/TAC meeting is scheduled for May 2, 2011. The next regular TAC meeting is scheduled for June 6, 2011.

The meeting was adjourned at 9:35 a.m.

MEMORANDUM

To: Water Advisory Committee
From: Chris DeGabriele, Chair, Technical Advisory Committee CD
Subject: Establishing a Regional Alliance to Comply with SBx7-7, the Water Conservation Act of 2009

April 28, 2011

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At the March 7, 2011 WAC meeting, the WAC considered approving a request for regional compliance with SBx7-7, the Water Conservation Act of 2009, which sets a goal of achieving a 20% statewide reduction in urban per capita water use at year 2020. The WAC directed the TAC to return to the May WAC meeting and recommended that a short-term regional approach to meet SBx7-7 requirements in the 2010 Urban Water Management Plan be approved utilizing the Sonoma-Marín Saving Water Partnership (S-MSWP).

At the April 4 TAC meeting, the TAC approved a letter agreement to establish a regional alliance and requested each TAC member to receive authority from their decision-making bodies to enter into the letter agreement. That Letter Agreement (Attachment 1) identifies that the parties will

1. Use option 1 in setting the target;
2. Directs the parties to review and reanalyze the Regional Alliance and target as part of the preparation of the 2015 Urban Water Management Plan; and
3. Annually report to the WAC, in conjunction with the S-MSWP report, on individual and regional compliance with the targets.

Additionally, the Letter Agreement identifies that the parties agree to participate in discussions regarding regional water supply planning. The Letter Agreement enables parties to withdraw from the Regional Alliance at any time without penalty by providing written notice to all other parties. Should a party withdraw, the regional target will be recalculated among the remaining participants.

Currently, all water contractors' per capita water demand is below the 2020 SBx7-7 target on an individual basis. North Marin, Sonoma and Windsor predict that water demand will rebound in the future and the per capita target will not be met by 2020 (see charts – Attachments 2). Attachment 3 explains, from North Marin, Sonoma and Windsor, why this is likely. Additionally, the water conservation matrix indicating each party's water conservation measures is included (Attachment 4) to provide confidence to the WAC that ongoing water conservation programs will be maintained consistent with funding requirements stipulated in the S-MSWP. A letter informing DWR that a regional alliance has been formed is enclosed as Attachment 5 for the WAC's consideration.

Recommendation:

WAC authorize sending the letter to DWR identifying formation of a regional alliance to comply with SBx7-7, the Water Conservation Act of 2009.

Letter Agreement
Between and Among
Cities of Santa Rosa, Rohnert Park, Sonoma, Cotati, Petaluma, Town of Windsor
And
North Marin Water District, Marin Municipal Water District
and Valley of the Moon Water District
For
Establishing a Regional Alliance to Comply with
SB x7-7 the Water Conservation Act of 2009

Recitals

A. The Water Conservation Act of 2009 (SB x7-7) set a goal of achieving a 20% reduction in statewide urban per capita water use by the year 2020 and requires urban water retailers to set a 2020 urban per capita water use target. SB x7-7 provides that urban water retailers may plan, comply and report on a regional basis, individual basis or both.

B. The Parties to this Letter Agreement (Cities of Santa Rosa, Rohnert Park, Sonoma, Cotati, Petaluma, Town of Windsor and North Marin, Marin Municipal and Valley of the Moon Water Districts) are eligible to form a "Regional Alliance" pursuant to the *Department of Water Resources Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use* (DWR Methodologies) because the Parties receive water from a common water wholesale water supplier, the Sonoma County Water Agency (Agency). The Parties desire to establish a Regional Alliance for purposes of complying with SB x7-7.

C. The Parties and the Agency are signatories to the Sonoma-Marin Saving Water Partnership Memorandum of Understanding (S-MSWP MOU) that provides for the identification and implementation of regional water conservation programs and tasks as directed by the Water Advisory Committee (WAC). The S-MSWP MOU requires financial and reporting commitments for implementation of water conservation programs.

Agreement for Regional Alliance Target Setting and Reporting

1. Regional Alliance Formation and Target Setting

Pursuant to the DWR Methodologies, the Parties hereby form a Regional Alliance and agree to send a letter to the Department of Water Resources (DWR) prior to July 1, 2011 informing DWR that a Regional Alliance has been formed. The Parties agree that the Regional Alliance Target will be established using Option 1 (as Option 1 is described in the DWR Methodologies) and that each Party will include the Regional Alliance Target in its individual 2010 Urban Water Management Plan.

2. Regional Alliance Review

No later than December 31, 2015, the Parties agree to review and re-analyze the Regional Alliance and Regional Alliance Target as part of the preparation of the 2015 Urban Water Management Plan.

3. Regional Alliance Reporting

The Parties agree to prepare Regional Alliance Reports pursuant to the DWR Methodologies including but not limited to the following information: baseline gross water use and service area population, individual 2015 and 2020 water use targets for each Party and for the Regional Alliance, compliance year gross water use and service area population, and adjustments to gross water use in compliance year. The information will be provided by each Party and reported in the annual S-MSWP report in addition to the information required in the annual report, as outlined in the S-MSWP MOU.

4. Regional Water Supply Planning

The Parties agree to participate in discussions regarding regional water supply planning.

5. Regional Alliance Dissolution

The Parties agree that each Party can withdraw from the Regional Alliance at any time without penalty by giving written notice to all other Parties. If a Party withdraws from the Regional Alliance, the Parties agree that the Regional Target will be recalculated among remaining participating Parties as set forth in the DWR Methodologies and in Section 2 above.

6. Miscellaneous

This Letter Agreement shall be between and among those Parties that have executed this Letter Agreement by May 1, 2011. If all Parties have not executed this Letter Agreement by said date, the Parties who have executed this Letter Agreement by May 1, 2011, agree that the Regional Target will be recalculated among participating Parties as set forth in the DWR Methodologies and in Section 2 above.

7. Letter Agreement Authorization

This Letter Agreement may be signed in counterparts. By signing below, each signatory states that he or she is authorized to sign this Letter Agreement on behalf of the Party for which he or she is signing.

Miles Ferris
Name: Miles Ferris
City of Santa Rosa

4/20/11
Date

Name: _____
City of Rohnert Park

Date

Name: _____
City of Sonoma

Date

Name: _____
City of Cotati

Date

6. Miscellaneous


This Letter Agreement shall be between and among those Parties that have executed this Letter Agreement by May 1, 2011. If all Parties have not executed this Letter Agreement by said date, the Parties who have executed this Letter Agreement by May 1, 2011, agree that the Regional Target will be recalculated among participating Parties as set forth in the DWR Methodologies and in Section 2 above.

7. Letter Agreement Authorization

This Letter Agreement may be signed in counterparts. By signing below, each signatory states that he or she is authorized to sign this Letter Agreement on behalf of the Party for which he or she is signing.

Name: _____
City of Santa Rosa

Date



Name: Gabriel A. Gonzalez
City of Rohnert Park

4/13/11

Date

Per Rohnert Park City Council
Resolution No. 2011-30 adopted on
April 12, 2011

Name: _____
City of Sonoma

Date

Name: _____
City of Cotati

Date

6. Miscellaneous

This Letter Agreement shall be between and among those Parties that have executed this Letter Agreement by May 1, 2011. If all Parties have not executed this Letter Agreement by said date, the Parties who have executed this Letter Agreement by May 1, 2011, agree that the Regional Target will be recalculated among participating Parties as set forth in the DWR Methodologies and in Section 2 above.

7. Letter Agreement Authorization


This Letter Agreement may be signed in counterparts. By signing below, each signatory states that he or she is authorized to sign this Letter Agreement on behalf of the Party for which he or she is signing.

Name: _____
City of Santa Rosa

Date

Name: _____
City of Rohnert Park

Date



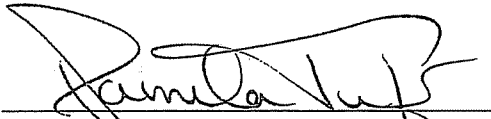
Name: Milenka Bates
City of Sonoma

4/19/2011

Date

Name: _____
City of Cotati

Date



Name: PAMELA TUFT

City of Petaluma

4-11-11

Date

Name: _____

Town of Windsor

Date

Name: _____

North Marin Water District

Date

Name: _____

Marin Municipal Water District

Date

Name: _____

Valley of the Moon Water District

Date

Name: _____
City of Petaluma

Date

J. Matthew Mullan

Name: J. Matthew Mullan
Town of Windsor

4-12-11

Date

Name: _____
North Marin Water District

Date

Name: _____
Marin Municipal Water District

Date

Name: _____
Valley of the Moon Water District

Date

Name: _____
City of Petaluma

Date

Name: _____
Town of Windsor

Date

Chris DeGabriele

Name: *Chris DeGabriele*
North Marin Water District

4/26/2011

Date

Name: _____
Marin Municipal Water District

Date

Name: _____
Valley of the Moon Water District

Date

Name: _____
City of Petaluma

Date

Name: _____
Town of Windsor

Date

Name: _____
North Marin Water District

Date

Name: _____
Marin Municipal Water District

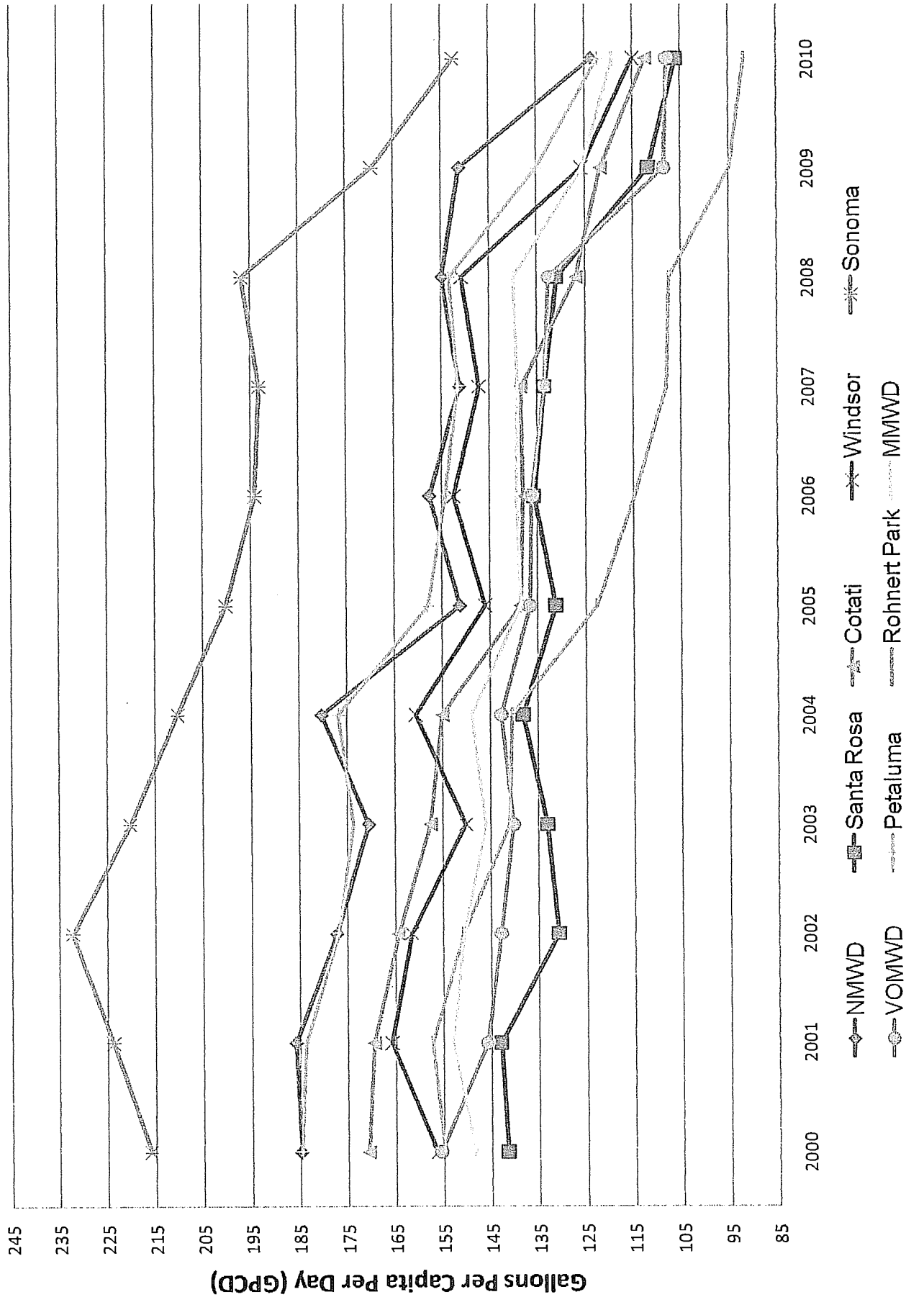
Date

Krishna Kumar
Name: KRISHNA KUMAR
Valley of the Moon Water District

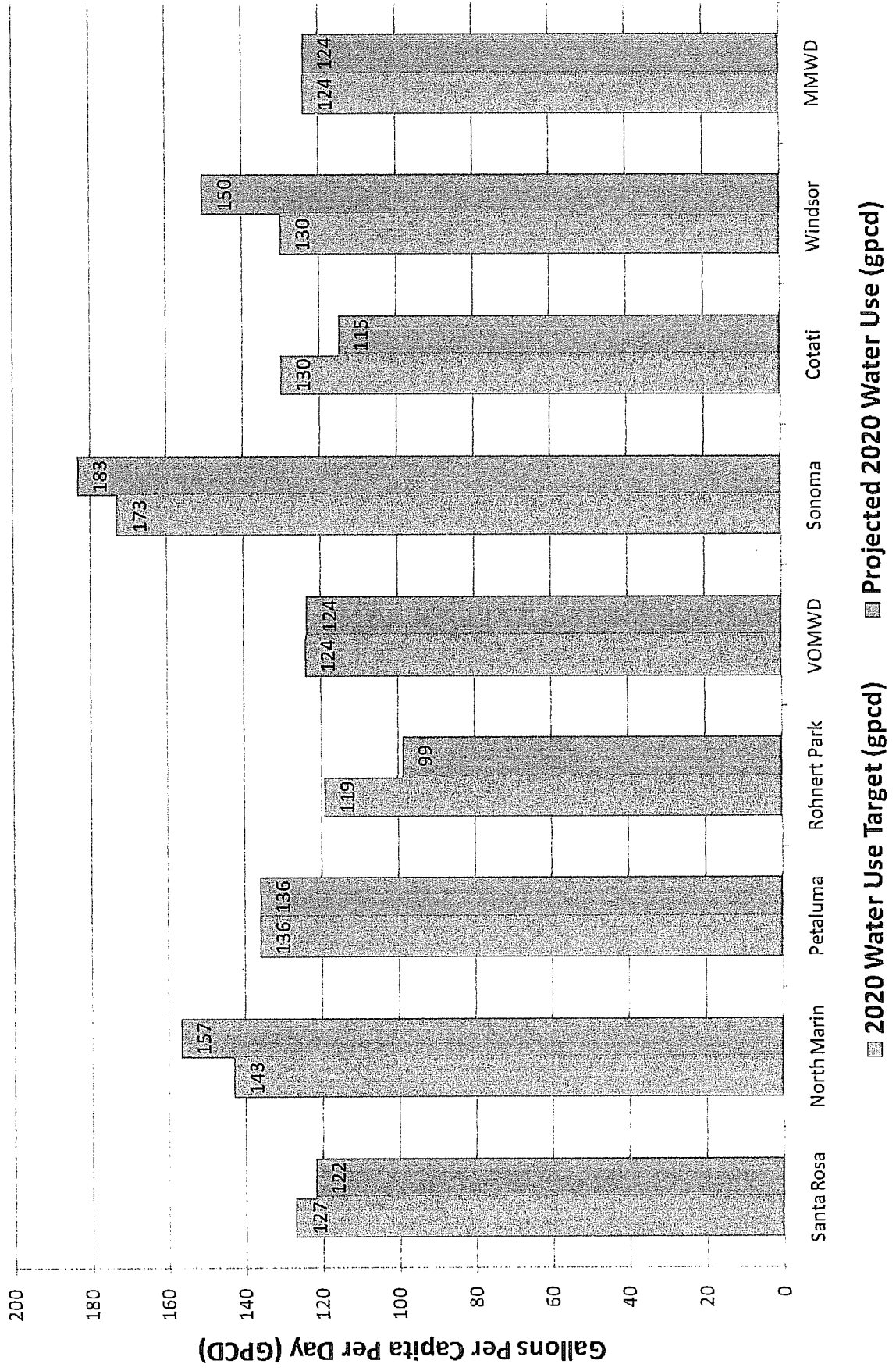
April 11, 2011
Date

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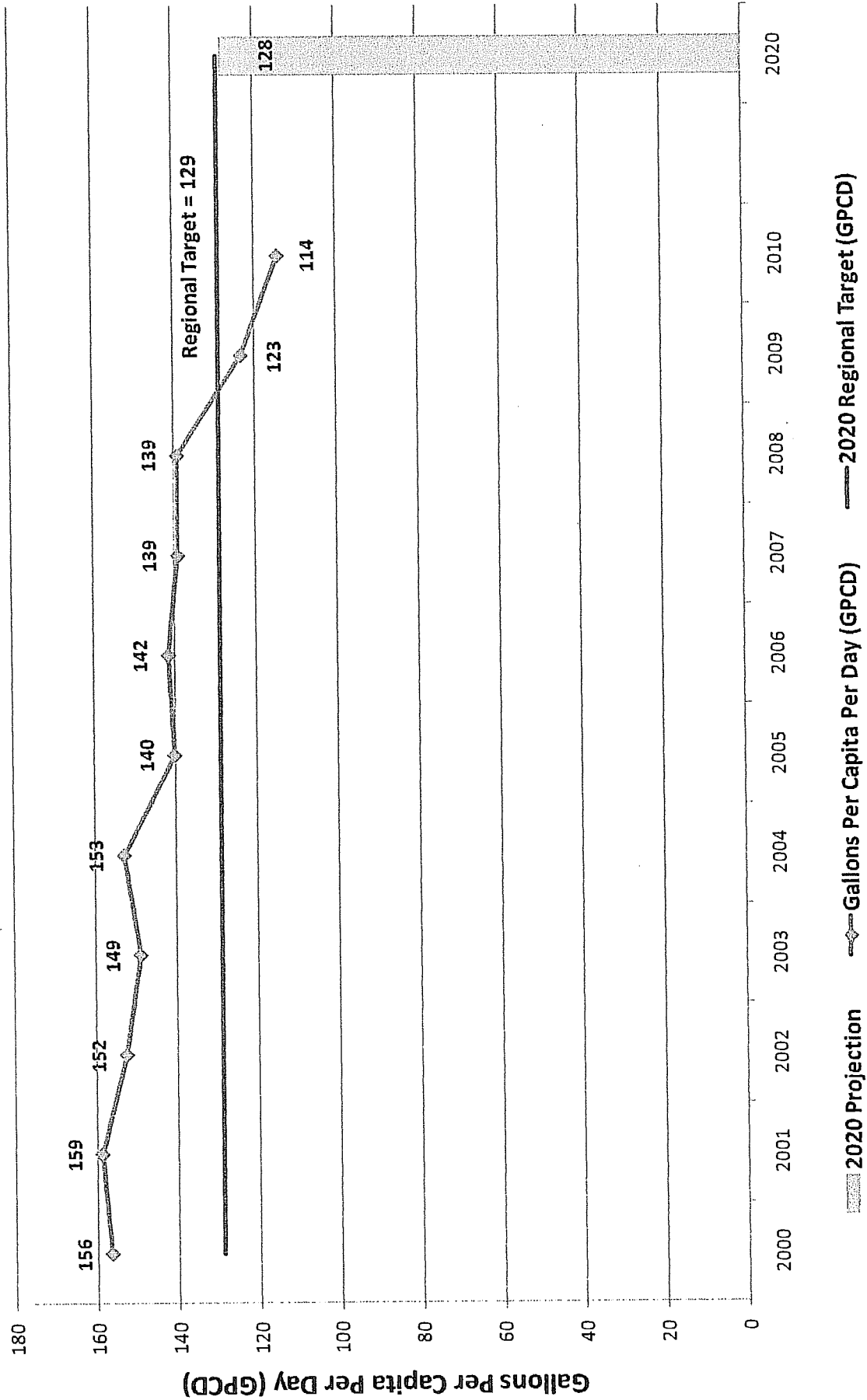
SCWA Contractors and MMWD 2000 - 2010 Annual GPCD



SCWA Contractors and MMWD 2020 Target and Projected 2020 Water Use (GPCD)



SCWA Contractors and MMWD Regional GPCD 2000- 2010 and 2020 GPCD Regional Target and Compliance Projection



Explanation Why NMWD/Sonoma/Windsor Projected 2020 GPCD Will Exceed Target

North Marin Water District

Although current GPCD levels are below the 2020 goal, water use is expected to rebound from the past few years of drought impacted demand (with strict water waste enforcement) along with future increases in development of non-residential customers. North Marin is experiencing rapid growth in the water intensive bio-pharmaceutical manufacturing sector. North Marin also suspects that GPCD water use might be higher than other Water Contractors due to larger housing lot sizes and corresponding landscape area. In Novato, the wastewater charges are invoiced to the customers separately by the Novato Sanitary District via the tax bill which operates those systems, compared to other entities in the region that may bill for both water and sewer on the same bill. Staff feels that the overall impact of a combined water and sewer utility bill may cause customers to use water more efficiently.

NMWD is currently in the detailed design stage to expand Recycled water use and we expect to start construction this summer. Additional water conservation programs may need to be added, and or/proposed water conservation incentive levels may need to be increased to push a higher level of projected water conservation program participation, especially in the areas of irrigated turf removal.

City of Sonoma

Sonoma's climate is hotter than the rest of Sonoma County and is closer to weather in Napa County. Outside of the recent economic downturn the past couple years, the City is seeing an increase in tourism and second home populations both of which do not add to the permanent population for Sonoma (which means it doesn't count towards GPCD calculations). It is projected that when the economy returns to "normal," the water demand will also be projected to increase as a result of that demand.

Windsor

The projected 2020 GPCD is expected to exceed the target because of the effect of the Windsor outside service area that is part of the Windsor Water District. The District includes the Town, the county areas of Shiloh and Mayacama Estates and the Airport Business Center. The Town's service area covers about 7.5 square miles and the outside service area covers about 6 square miles. In calculating per capita water usage, we are required to include the entire service area. The population within the Town is 26,955 and for the outside county service areas is 934.

When using a per capita measure for water usage, the outside service area is significantly skews our per capita reporting.

As a comparison, the average per capita water usage in the outside service area at the airport was 4,893 GPCD over the past 6 years. This demonstrates how an area with little supporting population can substantially skew and misrepresent what a residential community has achieved. The SBx7-7 methodologies have not yet accounted for industrial, economic and employment based areas and, as such, those water purveyors that have these areas to serve are penalized. There is an industrial process water exclusion provision that is under consideration by the state, but will not be finalized until the end of the year.

If we're able to report on just the Town's usage, we would be well within compliance.

We have been working with the airport business area to improve irrigation practices and are studying a recycled water system for the airport area with the SCWA to offset potable demands.

Table 1. Water Conservation Programs of Agency Retail Contractors

	City of Cotati	Marin Municipal Water District	North Marin Water District	City of Petaluma	City of Rohnert Park	City of Santa Rosa	City of Sonoma	Valley of the Moon Water District	Town of Windsor
Low Flow Showerheads	Free up to 1.	Free with survey	Free	Free	Free	Free	Free	Free	Free
Low Flow Aerators	Free up to 3	Free	Free	Free	Free	Free	Free	Free	Free
Self-Closing Hose Nozzles			Free	Free	Free	Free	Free	Free	Free
High Efficiency Toilet (HET = 1.28 gpf or less) Program	Free Direct Install program. HET required for all new buildings and remodels.	Program Suspended	\$150 Rebate or Free Giveaway for Residential, \$200 for Commercial	\$150 Rebate for Residential, \$260 for Commercial	\$150 Rebate Residential and Commercial	\$150 Rebate for Residential and Commercial	\$150 Rebate for Residential and Commercial	\$150 Rebate for Residential and Commercial	\$50 Rebate for upgrading from 1.6 gpf, \$150 Rebate for upgrading 3.5 gpf, \$150 for Commercial
Urinal Replacement Programs: Replace 1.0 gpf or greater with 1/8 gpf or less		Program Suspended	\$200 Rebate	\$260 Rebate	\$150 Rebate	\$450 Rebate			\$300 Rebate
High Efficiency Appliance Requirement		Yes	All new construction must be equipped with High Efficiency Clothes and Dish Washers along with HET's, 1.5 gpm sink aerators, and 2.0 gpm showerheads	All new construction must have HET's, HET's efficient faucet aerators (1.5 gpm) and efficient shower heads (2.0 gpm)					
Clothes Washer Rebate	\$75 for Residential only.	Program Suspended	\$75 for Residential, Case by Case for Commercial	\$125 for Residential, \$500 for Commercial	\$75 for Residential, \$220 for Commercial	\$75 for Residential, \$350 for Commercial	\$75 for Residential only	\$75 for Residential only	\$125 Residential only
Water Use Surveys (Indoor/Outdoor), Residential and Commercial	Free	Free	Free	Free		Free	Free	Free	Free
Commercial Water Efficient Ice Machine Rebate				Qualifies under CI Incentive program		\$200 per 1000 gal/mo saved up to the cost of equipment			
Sustained Reduction Rebate			CI Incentive program provides rebate equal to water savings achieved by particular equipment or technology. For example, if equipment results in a 30% water savings, City will rebate 30% of the equipment cost.	CI Incentive program provides rebate equal to water savings achieved by particular equipment or technology. For example, if equipment results in a 30% water savings, City will rebate 30% of the equipment cost.		\$200 per 1000 gal/mo saved up to the cost of equipment			water only access; \$4.50/1000 gal /yr saved, water & sewer acts; \$11.40/1000 gal/yr saved up to 50% of the cost of equipment
Best Available Technologies				Qualifies under CI Incentive program		Yes			

City of Cotati	Marin Municipal Water District	North Marin Water District	City of Petaluma	City of Rohnert Park	City of Santa Rosa	City of Sonoma	Valley of the Moon Water District	Town of Windsor
Rainwater Harvesting Rebate	Technical Assistance Program	Pilot starting in 2010 (\$0.25/gal of storage)	Qualifies under CII Incentive program	www.rohcity.org	\$0.25/gal of storage www.scriby.org/ turfline or Turf-Time 707-548-3466	Free	Free	Free
Turf Watering Recommendations: Obtain current information on precipitation rates, evapotranspiration rates and Irrigation	Yes - 415-945-1525 or www.marinwater.org	Yes	http://cityofpetaluma.net/arcid/customized-waterfairschedule.html	www.rohcity.org	www.scriby.org/ turfline or Turf-Time 707-548-3466	Free	Free	Free
Landscape Standards for New Development	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rain Sensor Rebate	Free with survey	Yes (Included in the Efficient Irrigation Rebate)	Rain sensors are required for new and renovated construction. Existing accounts may receive rebate under CII Incentive program		Yes	\$50 If QWEL installed or \$50.00 maximum if self installed	\$50 If QWEL installed or 100% of cost if self installed, up to \$50	Part of Water Efficient Landscape Program
Efficient Irrigation Rebate Provider pays for a percentage of equipment required to make system more efficient	Program Suspended	50% rebate hardware that increases the efficiency of an irrigation systems (Residential up to \$200 and Commercial and Large Landscape up to \$2000)	Qualifies under CII Incentive program.	Program Suspended	Up to \$350 residential / Up to \$950 commercial	50% - 100% rebate hardware that increases the efficiency of an irrigation system	50% - 100% rebate hardware that increases the efficiency of an irrigation system	Water Efficient Landscape program, Residential up to \$950, mixed-use up to \$650, commercial up to \$2500
SMART Controller Rebate: For installation of a weather based controller	Program Suspended	Yes - \$25 per active station up to \$1,000	Yes - up to \$900.	Program Suspended	Part of Green Exchange Program			Part of Water Efficient Landscape Program
Water Budget: Watering amount based on weather and landscape square footage. Financial Incentives = Tier 2	Residential water budgets are set at a standard base. CII and Irrigation accounts were revised in 1996 and are in the process of being updated.	Yes	100% of City's dedicated Irrigation accounts have been issued water budgets.	Program Suspended	Yes - tied to rates for Irrigation accounts	No	Yes	Yes
Service Split Incentive: Non-residential customers may apply for a rebate to split a mixed use meter into two separate meters (indoor and dedicated irrigation)	Program Suspended	Case by Case	As part of City's CII Incentive program, customer may receive rebate for splitting service.	Program Suspended	100% reimbursement for much of the cost associated with installing a separate meter for irrigation water use.			Case by case

	City of Cobalt	Marin Municipal Water District	North Marin Water District	City of Petaluma	City of Rohnert Park	City of Santa Rosa	City of Sonoma	Valley of the Moon Water District	Town of Windsor
Water Smart Landscape Conversions /Cash for Grass: Upgrade existing turf to water smart landscaping and receive a rebate for grass and water features that are converted to water wise landscapes.	\$1.00/sq ft for Residential and 50% of the actual cost of the retrofit up to \$1.00/sqft for Commercial and Multi-Family participants	Program Suspended	\$1.00/sq ft up to a maximum determined on a case by case basis for large landscapes and up to \$1000 for Single Family Residential	In May, 2010 the City launched its new Mulch Madness Program. The program offers customers free mulch and card board (with delivery), a drip irrigation conversion kit, and 5 free native plants to any customer who qualifies to sheet mulch unwanted turf areas. Click here for program details.		Part of "Green Exchange Program" \$0.50 per sq ft up to \$250 Residential and up to \$2500 Large Landscape	\$0.75 per sq ft for residences; \$1.50 available for drip irrigation and mulch. A limit of \$3000 for Commercial, \$3000 available for drip and mulch	\$0.50 per sq ft Limit of \$400 for residence, additional \$150 for drip and mulch	\$0.50/ sq ft up to \$350 residences, \$650 mixed use, \$2,500 commercial. Part of Water Efficient Landscape Program. Visit website for details. www.townofwindsor.com
Seminars/Workshops: conserve water through irrigation, plant selection, in home conservation, new technologies such as SMART controllers.	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Adoption of Water Efficient Landscape Ordinance	Yes		Yes	Yes		Yes	Yes	Yes	Yes
Water Waste Ordinance	Yes	Yes	Yes	Part of Water Conservation Regulations Ordinance.	Yes	Yes	Yes	Yes	Yes
Water Management Contracts: Water Conservation language for landscape maintenance contracts		Yes		Yes-When account exceeds water budget, City works with property owner to get back on budget and recommends water management language be part of landscape maintenance contract.		Pilot starting 09/10			
Water Management Rebate and Certification		Certification		Certified Water Conserving Residence (CWCN) Program - City works with realtors to have home sellers get home certified as Water Conserving Residence.		\$1.53 per 1,000 gallons below budget			
Graywater Rebate			\$75 per qualifying fixture retrofit	Yes. Qualifies under CII Incentive program.		\$75 per qualifying fixture retrofit			
Sub-Metering Requirement	Yes, for new construction.	Yes		Yes. City requires all new MFR and CII (with multiple tenants) accounts to be sub-metered.	Yes				
DIY Home Audit Kit		Yes. Distributed by Marin Master Gardeners and free for our customers.				Free			Free pick up at utility Billing office.

DRAFT

April 28, 2011

California Department of Water Resources
Division of Statewide Integrated Water Management
Water Use and Efficiency Branch
Attn: Manucher Alemi Chief
PO Box 942836
Sacramento, CA 94236

Dear Mr. Alemi

A regional alliance has been formed between and among the cities of Santa Rosa, Rohnert Park, Sonoma, Cotati, Petaluma, Town of Windsor and North Marin, Marin Municipal and Valley of the Moon Water Districts to comply with SBx7-7, the Water Conservation Act of 2009. The regional alliance has been formed pursuant to the Department of Water Resources Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use because the parties receive water from a common water wholesale supplier, the Sonoma County Water Agency. Data pertaining to the regional alliance can be collected through the individual cities and water districts urban water management plans to be submitted by July 1, 2011.

Should you have any questions regards the regional alliance, please contact me.

Sincerely,

Chris DeGabriele
General Manager
North Marin Water District

Chair, Technical Advisory Committee
to the Water Contractors receiving
wholesale supply from SCWA

cc: Miles Ferris, City of Santa Rosa
Darrin Jenkins, City of Rohnert Park
Milenka Bates, City of Sonoma
Damien O'Bid, City of Cotati
Richard Burt, Town of Windsor
Krishna Kumar, Valley of the Moon Water District
Paul Helliker, Marin Municipal Water District

CD/rr

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ATTACHMENT 5

Summary
April 11, 2011
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: Efren Carrillo, Grant Davis, Jay Jasperse, Susan Gorin, Jake Mackenzie, Mark Bramfitt, Krishna Kumar, Chris DeGabriele

1. Review Draft Summary of Last Meeting (January 31, 2011)

The summary of the January 31, 2011 meeting was reviewed.

2. May 2nd WAC/TAC Meeting

A draft agenda for the Water Advisory Committee and Technical Advisory Committee meeting scheduled for May 2nd was reviewed. It was suggested to add an update on Integrated Regional Water Management Planning for both the North Coast and San Francisco Bay Area, and an information item on SB 34 (Simitian), the California Water Resources Investment Act of 2011 (public goods charge for water sales). The parties noted that this is a big agenda and that the meeting will likely extend beyond 11 a.m.

3. April 4th TAC Meeting

The parties suggested that a standing item on all TAC and WAC meetings include SCWA Water Supply Operations. This will begin on May 2nd WAC/TAC meeting.

4. April 19 Board of Directors Meeting

It's noted that the Agency Board will consider the Agency Water Transmission System Budget at their April 19th meeting.

5. UWMP Update

It was noted that the May 2nd WAC draft agenda includes an update on the UWMP and Sonoma Marin Saving Water Partnership including the SBx7-7 Regional Alliance. It was suggested that a schedule for public hearing and adoption of the UWMPs be included and that the agreed upon 2010 UWMP supply numbers be shown on a chart and compared to the 2005 UWMP.

6. SBX7-7

The parties were informed that the TAC has approved a letter agreement establishing a regional alliance to comply with SBx7-7 and that each TAC member will be requesting authorization to enter into the agreement for their party. The WSCC was apprised that each of the water contractors currently meet the SBx7-7 targets. Each of the contractors will have an opportunity at the 2015 UWMP to again calculate their performance and targets. Each year the WAC/TAC will review water use and target for each contractor.

7. Long Range Financial Planning Coordination

Jay Jasperse informed the WSCC that the long range financial plan model is ready to go once the UWMP information is adopted. The Agency will look at the required projects and corresponding rate implications using the financial planning model. It's expected that a presentation will be made at the August WAC/TAC meeting to begin the financial planning coordination.

8. Water Supply Strategy Action Plan Update

Grant Davis indicated that all of the immediate actions in the plan are on schedule. A status report on the Water Supply Strategy Action Plan will be included on the August WAC/TAC agenda.

9. Schedule next meeting

The next meeting will be scheduled in July prior to the August WAC/TAC meeting. Date and time to be determined.

10. Other

It was noted that Jake Mackenzie no longer serves as Chair or Vice-Chair of the WAC but has been invited in his emeritus status to attend these WSCC meetings and provide continuity in the discussions over the past several years, especially in regard to the Water Supply Strategy Action Plan.

Water Supply Coordination Council

MEETING AGENDA

Monday, April 11, 2011

11:00am – 12:00pm

RP City Council Chambers - 130 Avram Avenue
Conference Room 2-A on the 2nd floor

- 1) Review summary of last meeting (January 31)
- 2) ^{May 2nd}~~March 7th~~ WAC/TAC meeting
- 3) April 4th TAC Meeting
- 4) April 19 Board of Directors' Meeting
- 5) UWMP Update
- 6) SBx7-7
- 7) Long Range Financial Planning Coordination
- 8) Water Supply Strategy Action Plan Update
- 9) .Schedule Next Meeting
- 10) Other

Highlights – DRAFT DRY CREEK STUDIES

BACKGROUND

- In its 2008 Russian River Biological Opinion, National Marine Fisheries Service focused on three key opportunities for improving conditions for endangered coho salmon and threatened steelhead:
 - Reducing flows in the Russian River and Dry Creek during the summer;
 - Taking advantage of natural closures of the sand bar at the mouth of the Russian River to create a freshwater lagoon between May 15 and October 15;
 - Enhancing habitat in Dry Creek to provide places for young coho and steelhead to find shelter and shade and to escape fast-moving water during the summer.
- Projects are moving forward in all three areas, but **Dry Creek is the subject of two DRAFT studies released this month.**
- **These studies show the way forward to securing our current water supply and helping restore endangered coho salmon and threatened steelhead in Dry Creek.**

DRAFT Fish Habitat Enhancement Feasibility Study Report

THE PLAN – HABITAT ENHANCEMENT

- **“Plan A” for Dry Creek is the Fish Habitat Enhancement Feasibility Study.** The study is a blueprint for enhancing a total of six miles of habitat in Dry Creek, which will enable the Water Agency and the U.S. Army Corps to continue releasing water from Lake Sonoma to meet local water supply and flood control needs.
- **The first three miles of habitat enhancements MUST be created and evaluated** before a pipeline (Plan B) will even be considered. *(See attached timeline for Dry Creek schedule.)*
- **The report identifies 45 potential areas for successful habitat enhancement that will benefit coho and steelhead.** These habitat enhancements capitalize on Dry Creek’s current condition *(Chapter 5)*. They are not designed to return the creek to its historic condition.
- Specifically, the habitat enhancement study finds enhancement opportunities in all stretches of the creek:
 - The upper reach (below Warm Springs Dam) provides many opportunities for “constructed” habitat (log structures, side channels and backwaters) . *(Pages 79-80; 98-104)*
 - The lower end of Dry Creek (Westside road to the confluence with the Russian River) has conditions particularly amenable to constructing projects designed to let natural river processes do the work. *(Pages 79-80; 114-118)*
 - The middle segment of Dry Creek has opportunities for both habitat construction and locations where natural processes would be most effective. A site-specific approach to habitat enhancement will work best in the middle reach. *(Pages 79-80; 104-114)*
- **The study highlights the importance of working cooperatively with landowners** in Dry Creek and the importance of respecting critical farming operations and harvest schedules *(Pages 96-97)*. A group of willing landowners is working with the agency on a one-mile demonstration project.
- The next step in the process – a conceptual design – will provide detailed cost estimates. Currently, the Water Agency roughly projects costs of between **\$36 million – \$48 million to enhance and monitor six miles of habitat.**

DRAFT Project Feasibility Study for Dry Creek Bypass Pipeline Study

CONTINGENCY – “PLAN B”

- **The draft Project Feasibility Study for Dry Creek Bypass Pipeline Project is “Plan B.”** The pipeline *would only* be considered in the unlikely circumstance that Dry Creek habitat enhancements were unsuccessful. The pipeline study evaluated three project components:
 1. **Inlet .** Four different options were considered in getting water from Lake Sonoma into a pipe– adding a “head box” to the existing facility; developing a siphon over the dam; adding a new control tower on the left side of the dam; and partnering with the Corps to construct a new tunnel that would serve both water supply and hatchery purposes. (Pages 11-13; 41-42)
 2. **Alignment.** Three general pipeline routes were studied, including a northern route from Lake Sonoma to the Russian River near Cloverdale or Geyserville; a central route from the lake to the river, essentially following Dry Creek; and a southern route from Lake Sonoma to the Russian River near Forestville. (Pages 13-16; 42-43)
 3. **Outlet.** Three general outlet locations were studied (upper river, near Geyserville; middle river near Healdsburg; and lower Dry Creek). Four options were studied to get water from the pipe into the Russian River or Dry Creek, including a riverbank outfall structure and three types of diffusers. (Pages 16-23; 43-50)

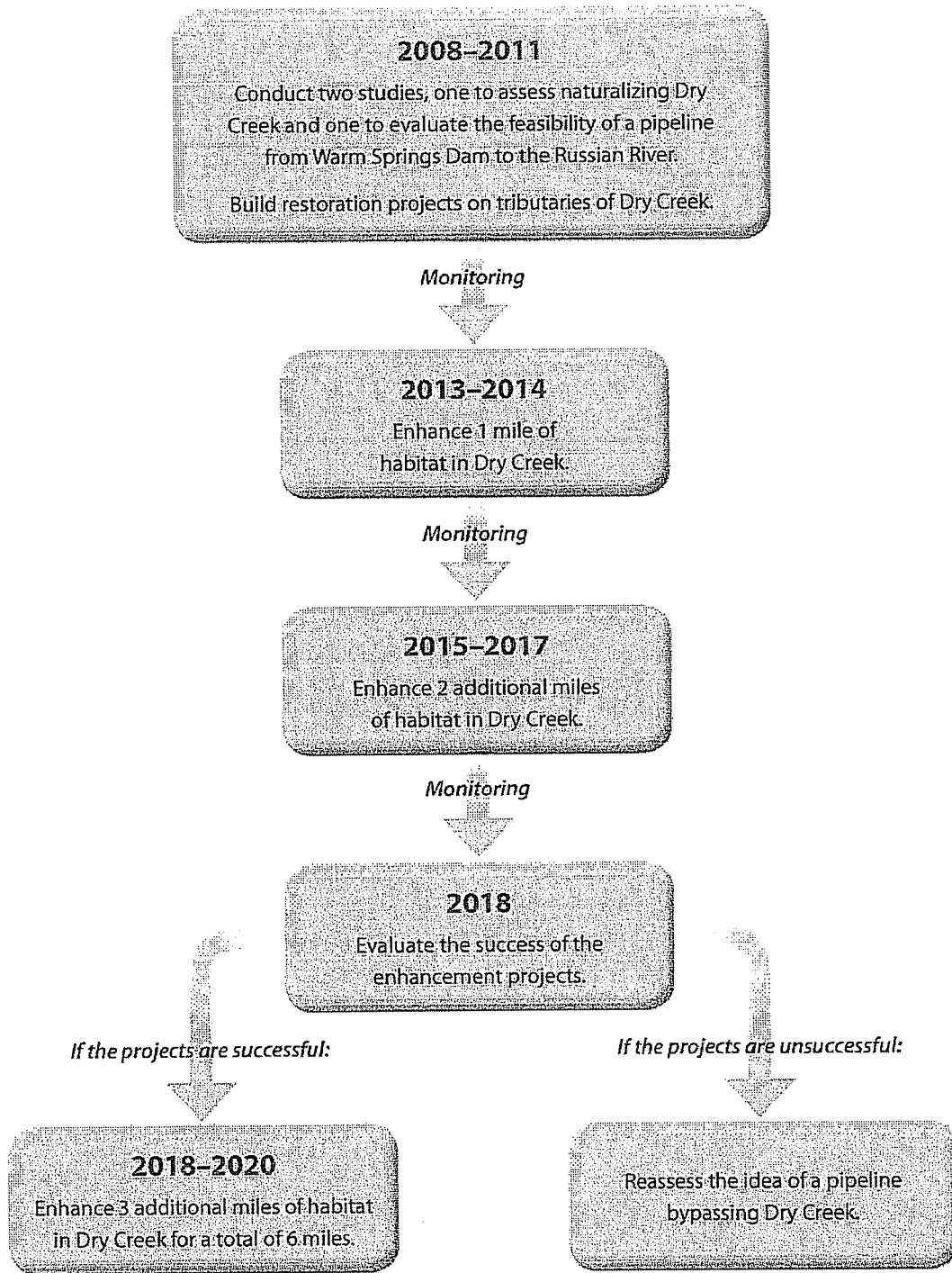
PREFERRED ALTERNATIVE

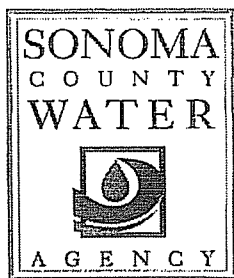
- The study identified a preferred alternative (referred to as “4c”), which:
 - **Uses the existing facility at Warm Springs Dam**, plus the addition of a “head box” to allow gravity to convey the water the entire length of Dry Creek valley;
 - **An alignment that primarily follows Dry Creek Road** (an existing right of way) plus some agricultural roads;
 - An outlet that discharges the water into the **Russian River near the existing Highway 101 bridge.**
- Several other alternatives, all which use Dry Creek Road as the primary route, ranked very close to the preferred alternative. After the alternatives were ranked, a cost-benefit analysis was conducted, which resulted in the selection of a preferred alternative. (Chapters 4, 7 & 8)
- **The difficulties associated with getting water over the high elevation of Canyon Road and putting the water into the Russian River resulted in it ranking low** (16th and 17th out of 21 combined alternatives) as a potential route. The Canyon Road alternative(s) would require the costly construction of a new inlet tunnel in partnership with the Corps and the outlet options into the river near Geyserville aren’t favorable . (Pages 41-42)

COSTS, TIMELINE & OTHER ISSUES

- **The capital cost of the preferred alternative is \$141.5 million (2011 dollars).** A preliminary analysis, using the agency’s long-term financial model, projects that water rates would increase by roughly 25 – 30 percent. (Chapter 8; table 8.6)
- Because a pipeline could only be constructed after three miles of habitat have been enhanced, **the total costs of the Dry Creek project (construction plus required habitat enhancement) will be roughly \$162 million in today’s dollars.**
- The pipeline construction process would take an estimated six years (Figure 9-7).
- **The pipeline itself would be 72 inches in diameter.** This would allow it to convey 180 cubic feet per second – the volume of water the Water Agency has historically been allowed to release into Dry Creek during summer months.

Timeline of Projects Required in Dry Creek Valley





FILE:CF/42-0,19-9 CORRESPONDENCE RELATED TO SWRCB
ORDER APPROVING TEMPORARY URGENCY CHANGE IN
PERMITS 12947A, 12949, 12950 & 16596
(ORDER WR 2009-0027-DWR)

April 18, 2011

Barbara Evoy, Deputy Director of Water Rights
State Water Resources Control Board
Division of Water Rights
P.O. Box 2000
Sacramento, CA 95812-2000

RE: Petition for Temporary Urgency Change—Permits 12947A, 12949, 12950, and 16596

Dear Ms. Evoy:

Enclosed is a Petition for Temporary Urgency Change to modify the minimum instream flow requirements for the Russian River as established by Decision 1610 for Permits 12947A, 12949, 12950 and 16596. Accompanying the petition are the following:

- 1) A supporting analysis document: *Instream Flow Analysis for 2011 Temporary Urgency Change Petition.*
- 2) Notice of Exemption
- 3) California Department of Fish and Game (DFG) Review Fee Payment
- 4) State Water Resources Control Board (SWRCB) Petition Fee Payment

The petition is being submitted as required by the Russian River Biological Opinion issued by NOAA National Marine Fisheries in September 2008. The Sonoma County Water Agency requests that the Division of Water Rights act expeditiously to approve the requested changes to minimum instream flows as identified in the Russian River Biological Opinion.

I look forward to working with the State Water Resources Control Board and Division of Water Rights staff on this important conservation effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant Davis". The signature is stylized and cursive.

Grant Davis
General Manager

c D. Butler, W. Hearn – National Marine Fisheries Service

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404 Aviation Boulevard - Santa Rosa, CA 95403-9019 • (707) 526-5370 - Fax (707) 544-6123 - www.sonomacountywater.org/

State of California
State Water Resources Control Board
DIVISION OF WATER RIGHTS
P.O. Box 2000, Sacramento, CA 95812-2000
Info: (916) 341-5300, FAX: (916) 341-5400, Web: <http://www.waterrights.ca.gov>

PETITION FOR TEMPORARY URGENCY CHANGE
(Water Code 1435)

X Change in Instream Flow Requirements

Applications # 12919A, 15736, 15737, 19351 Permits # 12947A, 12949, 12950, 16596

I (we) Sonoma County Water Agency hereby petition for a temporary urgency change(s) noted above
(Water Right Holders Name)
and described as follows:

The Sonoma County Water Agency requests that the State Water Resources Control Board make the following temporary changes to the Decision 1610 (D-1610) instream flow requirements for the period from May 1 through October 15: (a) reduce the D-1610 requirements in the Upper Russian River (from its confluence with the East Fork to its confluence with Dry Creek) to 125 cfs for Normal and Normal—Dry Spring 1 water supply conditions; (b) reduce the D-1610 requirements in the Lower Russian River (downstream of its confluence with Dry Creek) to 70 cfs for Normal and Dry water supply conditions.

These temporary changes are requested to comply with the National Marine Fisheries Service's *Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed* (September 24, 2008).

The Water Agency also requests that the minimum instream flow requirement as it pertains to the Upper Russian River be specified as a 5-day running average of average daily streamflow measurements, with the stipulation that instantaneous flows will not be less than 110 cfs. This will allow the Water Agency to manage streamflows with a smaller operational buffer, thereby facilitating the attainment of flow conditions determined by NMFS and DFG to be conducive to the enhancement of salmonid habitat.

Point of Diversion or Rediversion (Give coordinate distances from section corner or California Coordinates, and the 40-acre subdivision in which the present and proposed points lie.)

Present see permits Proposed no change

Place of Use (If irrigation, then state number of acres to be irrigated within each 40-acre tract.)

Present see permits Proposed no change

Purpose of Use

Present see permits Proposed no change

Does the proposed use serve to preserve or enhance wetlands habitat, fish and wildlife resources, or recreation in or on the water (See WC 1707)? No (yes/no)

***This question was answered 'No' because this petition is not being filed under Water Code section 1707. However, the requested temporary changes will benefit fish resources, for the reasons stated in NMFS's Biological Opinion.

The temporary urgency change(s) is to be effective from May 1, 2011 to October 15, 2011
(Cannot exceed 180 days)

Will this temporary urgency change be made without injury to any lawful user of water? Yes (yes/no)

Will this temporary urgency change be made without unreasonable effect upon fish, wildlife, and other instream beneficial uses? Yes (yes/no)

State the "Urgent Need" (Water Code 1435(c)) that is the basis of this temporary urgency change petition (attach additional information as necessary):

see attachment Instream Flow Analysis for 2011 Temporary Urgency Change Petition

If the point of diversion or rediversion is being changed, is any person(s) taking water from the stream between the old point of diversion or rediversion and the proposed point?

Not Applicable (yes/no)

Are there any persons taking water from the stream between the old point of return flow and the new point of return flow? Not Applicable (yes/no)

If yes, give name and address, as well as any other person(s) known to you who may be affected by the proposed change.

I (we) consulted the California Department of Fish and Game concerning this proposed temporary change. Yes (yes/no)

If yes, state the name and phone number of the person contacted and the opinion concerning the potential effects of your proposed temporary urgency change on fish and wildlife and state the measures required for mitigation.

The Agency has been coordinating activities related to the Biological Opinion and DFG's Consistency Determination with Richard Fitzgerald (707-944-5568) and Eric Larson (707-944-5528) of the California Department of Fish and Game (DFG).

Contacts at NOAA National Marine Fisheries Service for the Biological Opinion are Dr. William Hearn (707-575-6062) and Dick Butler (707-575-6058).

THIS TEMPORARY URGENCY CHANGE DOES NOT INVOLVE AN INCREASE IN THE AMOUNT OF THE APPROPRIATION OR SEASON OF USE. THIS TEMPORARY URGENCY CHANGE IS REQUESTED FOR A PERIOD OF ONE HUNDRED EIGHTY DAYS OR LESS.

I (we) declare under penalty of perjury that the above is true and correct to the best of my (our) knowledge and belief.

Dated April 18, 2011 at Santa Rosa, California



Signature(s)

(707) 521-6210

Telephone No.

404 Aviation Boulevard, Santa Rosa, CA 95403-9019

(Address)

NOTE: All petitions must be accompanied by the filing fee, (see fee schedule at www.waterrights.ca.gov) made payable to the State Water Resources Control Board and an \$850 fee made payable to the Department of Fish and Game must accompany this petition. Separate petitions are required for each water right.

April 2011

Sonoma County Water Agency

Instream Flow Analysis for 2011 Temporary Urgency Change
Petition

1.0 BACKGROUND

The Sonoma County Water Agency (Water Agency) controls and coordinates water supply releases from the Coyote Valley Dam and Warm Springs Dam projects in accordance with the provisions of Decision 1610, which the State Water Resources Control Board (State Water Board) adopted on April 17, 1986. Decision 1610 specifies the minimum flow requirements for the Russian River and Dry Creek. These minimum flow requirements vary based on water supply conditions, which are also specified by Decision 1610.

1.1 Minimum Flow Requirements

Decision 1610 requires a minimum flow of 25 cubic feet per second (cfs) in the East Fork of the Russian River from Coyote Valley Dam to the confluence with the West Fork of the Russian River under all water supply conditions. From this point to Dry Creek, the Decision 1610 required minimum Russian River flows are 185 cfs from April through August and 150 cfs from September through March during *Normal* water supply conditions, 75 cfs during *Dry* conditions and 25 cfs during *Critical* conditions. Decision 1610 further specifies two variations of the *Normal* water supply condition, commonly known as *Dry Spring 1* and *Dry Spring 2*. These conditions provide for lower required minimum flows in the Upper Russian River during times when the combined storage in Lake Pillsbury (owned and operated by the Pacific Gas and Electric Company) and Lake Mendocino on May 31 is unusually low. *Dry Spring 1* conditions exist if the combined storage in Lake Pillsbury and Lake Mendocino is less than 150,000 acre-feet on May 31. Under *Dry Spring 1* conditions, the required minimum flow in the Upper Russian River between the confluence of the East Fork and West Fork and Healdsburg is 150 cfs from June through March, with a reduction to 75 cfs during October through December if Lake Mendocino storage is less than 30,000 acre-feet during those months. *Dry Spring 2* conditions exist if the combined storage in Lake Pillsbury and Lake Mendocino is less

than 130,000 acre-feet on May 31. Under *Dry Spring 2* conditions, the required minimum flows in the Upper Russian River are 75 cfs from June through December and 150 cfs from January through March.

From Dry Creek to the Pacific Ocean, the required minimum flows in the Lower Russian River are 125 cfs during *Normal* water supply conditions, 85 cfs during *Dry* conditions and 35 cfs during *Critical* conditions.

In Dry Creek below Warm Springs Dam, the required minimum flows are 75 cfs from January through April, 80 cfs from May through October and 105 cfs in November and December during *Normal* water supply conditions. During *Dry* and *Critical* conditions, these required minimum flows are 25 cfs from April through October and 75 cfs from November through March.

Figure 1 shows all of the required minimum instream flows specified in Decision 1610 by river reach, the gaging stations used to monitor compliance, and the definitions of the various water supply conditions.

1.2 Water Supply Conditions

There are three main water supply conditions that are defined in Decision 1610, which set the minimum instream flow requirements based on the hydrologic conditions for the Russian River system. These water supply conditions are determined based on criteria for the calculated cumulative inflow into Lake Pillsbury from October 1 to the first day of each month from January to June. Decision 1610 defines cumulative inflow for Lake Pillsbury as the algebraic sum of releases from Lake Pillsbury, change in storage and lake evaporation.

Dry water supply conditions exist when cumulative inflow to Lake Pillsbury from October 1 to the date specified below is less than:

- 8,000 acre-feet as of January 1;
- 39,200 acre-feet as of February 1;
- 65,700 acre-feet as of March 1;
- 114,500 acre-feet as of April 1;
- 145,600 acre-feet as of May 1; and
- 160,000 acre-feet as of June 1.

Critical water supply conditions exist when cumulative inflow to Lake Pillsbury from October 1 to the date specified below is less than:

- 4,000 acre-feet as of January 1;
- 20,000 acre-feet as of February 1;
- 45,000 acre-feet as of March 1;
- 50,000 acre-feet as of April 1;
- 70,000 acre-feet as of May 1; and
- 75,000 acre-feet as of June 1.

Normal water supply conditions exist whenever a *Dry* or *Critical* water supply condition is not present. As indicated above, Decision 1610 further specifies three variations of the *Normal* water supply condition based on the combined storage in Lake Pillsbury and Lake Mendocino on May 31. These three variations of the *Normal* water supply condition determine the required minimum instream flows for the Upper Russian River from the confluence of the East Fork and the West Fork to the Russian River's confluence with Dry Creek. This provision of Decision 1610 does not provide for any changes in the required minimum instream flows in Dry Creek or the Lower Russian River (the Russian River between its confluence with Dry Creek and the Pacific Ocean). A summary of the required minimum flows in the Russian River for *Normal*, *Normal—Dry Spring 1* and *Normal—Dry Spring 2* water supply conditions is provided here:

1. Normal: When the combined water in storage in Lake Pillsbury and Lake Mendocino on May 31 of any year exceeds 150,000 acre-feet or 90 percent of the estimated water supply storage capacity of the reservoirs, whichever is less:

From June 1 through August 31	185 cfs
From September 1 through March 31	150 cfs
From April 1 through May 31	185 cfs

2. Normal—Dry Spring 1: When the combined water in storage in Lake Pillsbury and Lake Mendocino on May 31 of any year is between 150,000 acre-feet or 90 percent of the estimated water supply storage capacity of the reservoirs, whichever is less, and 130,000 acre-feet or 80 percent of the estimated water supply storage capacity of the reservoirs, whichever is less:

From June 1 through March 31	150 cfs
From April 1 through May 31	185 cfs
If from October 1 through December 31, storage in Lake	

Mendocino is less than
30,000 acre-feet 75 cfs

3. Normal—Dry Spring 2: When the combined water in storage in Lake Pillsbury and Lake Mendocino on May 31 of any year is less than 130,000 acre-feet or 80 percent of the estimated water supply storage capacity of the reservoirs, which ever is less:

From June 1 through December 31 75 cfs

From January 1 through March 31 150 cfs

From April 1 through May 31 185 cfs

2.0 PROJECTED WATER SUPPLY CONDITIONS

From October 1, 2010 to April 1, 2011, the cumulative inflow into Lake Pillsbury was 410,944 acre-feet. Consequently, the water supply conditions for this year will be categorized as *Normal*. Based on this designation, the Decision 1610 required minimum instream flows in the Upper Russian River (from the East Fork Russian River to the Russian River's confluence of Dry Creek) will remain at 185 cfs until at least May 31. The required minimum instream flows starting June 1 will be determined based on the combined storage of Lake Pillsbury and Lake Mendocino on May 31. At this time, the combined storage amount is difficult to predict because it is heavily dependent on late spring precipitation. However, based on the current combined storage in Lake Pillsbury and Lake Mendocino, the Water Agency anticipates either *Normal* water supply conditions or *Normal — Dry Spring 1 starting June 1*. Consequently, the Decision 1610 required minimum instream flows in the Upper Russian River will likely be either 185 cfs or 150 cfs.

3.0 RUSSIAN RIVER BIOLOGICAL OPINION

Under the federal Endangered Species Act (ESA), coho salmon in the Russian River watershed are listed as an endangered species, and steelhead and Chinook salmon are listed as threatened species. Additionally, coho salmon are listed as an endangered species under the California Endangered Species Act (CESA). In September 2008, the National Marine Fisheries Service (NMFS) issued the Russian River Biological Opinion (Biological Opinion). This Biological Opinion was the culmination of more than a decade of consultation under Section 7 of the ESA by the Water Agency and U.S. Army Corps of Engineers (Corps) with NMFS regarding the impacts of the Water Agency's and Corps'

water supply and flood control operations in the Russian River watershed on the survival of these listed fish species.

Studies conducted during the consultation period that ultimately led to this Biological Opinion led NMFS to conclude that the summer flows in the Upper Russian River and Dry Creek required by Decision 1610 are too high for optimal juvenile salmonid habitat. NMFS also concluded in the Biological Opinion that the historical practice of breaching the sandbar that builds up and frequently closes the mouth of the Russian River during the summer and fall may adversely affect the listed species. NMFS concluded in the Biological Opinion that it might be better for juvenile steelhead and salmon if the sandbar is kept closed during these times, to allow for the formation of a seasonal freshwater lagoon in the estuary. However, the minimum instream flows required by Decision 1610 result in flows into the estuary that are so high that it is difficult to maintain a freshwater lagoon while preventing flooding of adjacent properties.

To address these issues, NMFS's Biological Opinion requires the Water Agency and Corps to implement a series of actions to modify existing water supply and flood control activities that, in concert with habitat enhancement measures, are intended to minimize impacts to listed salmon species and enhance their habitats in the Russian River and its tributaries. The Water Agency is responsible for the following actions under the Biological Opinion:

- Petitioning the State Water Board to modify permanently the requirements for minimum instream flows in the Russian River and Dry Creek (filed 9/23/2009);
- Enhancing salmonid habitat in Dry Creek and its tributaries;
- Developing a bypass pipeline around Dry Creek, if habitat enhancement is unsuccessful;
- Changing Russian River estuary management;
- Improving water diversion infrastructure at the Water Agency's Wohler and Mirabel facilities;
- Modifying flood control maintenance activities on the mainstem Russian River and its tributaries; and
- Continuing to participate in the Coho Broodstock program.

The Biological Opinion acknowledges that implementing permanent changes to the minimum instream flow requirements for the Russian River and Dry Creek will take several years, including the time needed for review under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and compliance with state and federal regulations. Consequently, the Biological Opinion requires that, starting in 2010, the Water Agency file annual petitions with the State Water Board for temporary changes to the Decision 1610 minimum instream flow requirements in the mainstem Russian River until the State Water Board has issued an order on the Agency's petition for permanent changes to the Decision 1610 minimum instream flow

requirements.¹ The Biological Opinion requires the Water Agency to request that the mainstem minimum instream flow requirements be temporarily changed to the following values:

- 70 cfs between May 1 and October 15 at the U.S. Geological Survey (USGS) gage located at Hacienda Bridge (with the understanding that an operational buffer typically will result in flows of approximately 85 cfs)
- 125 cfs between May 1 and October 15 at the USGS gage located at Healdsburg

The temporary changes to Decision 1610 minimum instream flows specified in the Biological Opinion are summarized in Figure 2. (The Biological Opinion does not require the Water Agency to seek any temporary changes to the minimum instream flow requirements for Dry Creek.)

4.0 CRITERIA FOR APPROVING TEMPORARY URGENT CHANGE TO PERMITS 12947A, 12949, 12950, 16596

As required by Water Code section 1435, subdivision (b), the Board must make the following findings before issuing a temporary change order:

1. The permittee or licensee has an urgent need to make the proposed change;
2. The proposed change may be made without injury to any other lawful user of water;
3. The proposed change may be made without unreasonable effect upon fish, wildlife, or other instream beneficial uses; and
4. The proposed change is in the public interest.

4.1 Urgency of the Proposed Change

Decision 1610 set the minimum instream flow requirements that the State Water Board concluded, in 1986, would benefit both fishery and recreation uses, and would "preserve the fishery and recreation in the river and in Lake Mendocino to the greatest extent possible while serving the needs of the agricultural, municipal, domestic, and industrial uses which are dependent upon the water" (D 1610, § 13.2, page 21). The State Water Board also concluded in Decision 1610 that additional fishery studies should be done (D 1610, § 14.3.1, pages 26-27).

¹ The Water Agency filed its first annual petition on April 6, 2010 and the State Board issued a temporary urgency change order (Order WR 2010-0018-DWR) for 2010 on May 24, 2010.

Twenty-five years later, it appears that the flows set by Decision 1610 no longer benefit both fishery and recreation uses. To the contrary, the Biological Opinion concludes that summertime flows in the Russian River, at the levels required by Decision 1610, are higher than the optimal levels for the listed fish species. The Biological Opinion contains an extensive analysis of the impacts of these required minimum instream flows on listed fish species. The Biological Opinion requires the Water Agency to file a petition with the State Water Board to improve conditions for listed species by seeking permanent reductions in the minimum instream flow requirements contained in Water Agency's existing water rights permits. The Biological Opinion also contains the following requirement:

"To help restore freshwater habitats for listed salmon and steelhead in the Russian River estuary, SCWA will pursue interim relief from D1610 minimum flow requirements by petitioning the SWRCB for changes to D1610 beginning in 2010 and for each year prior to the permanent change to D1610. These petitions will request that minimum bypass flows of 70 cfs be implemented at the USGS gage at the Hacienda Bridge between May 1 and October 15, with the understanding that for compliance purposes SCWA will typically maintain about 85 cfs at the Hacienda gage. For purposes of enhancing steelhead rearing habitats between the East Fork and Hopland, these petitions will request a minimum bypass flow of 125 cfs at the Healdsburg gage between May 1 and October 15. NMFS will support SCWA's petitions for these changes to D1610 in presentations before the SWRCB."

(Biological Opinion, page 247.)

One of the species listed under the federal ESA (coho salmon) is also listed under the California Endangered Species Act (CESA). The California Department of Fish and Game (DFG) has issued a consistency determination in which it determined that the incidental take statement issued to Water Agency by NMFS in connection with the Biological Opinion is consistent with the provisions and requirements of CESA.

In light of this background, an urgent need exists for the proposed change. As discussed in the Biological Opinion, the temporary changes that are requested in this petition will improve habitat for the listed species by reducing instream flows and by increasing storage for later fishery use, without unreasonably impairing other beneficial uses, thus maximizing the use of Russian River water resources. Moreover, given the listings of Chinook salmon, coho salmon, and steelhead under the federal ESA, there is a need for prompt action. As demonstrated by the Biological Opinion, there has been an extensive analysis of the needs of the fishery, and fishery experts agree that the Decision 1610 instream flows appear to be too high.

4.2 No Injury to Any Other Lawful User of Water

If this petition is granted, the Water Agency still will be required to maintain specified

minimum flows in the Russian River. Because these minimum flows will be present, all other legal users of water still will be able to divert and use the amounts of water that they legally may divert and use. Accordingly, granting this petition will not result in any injury to any other lawful user of water.

4.3 No Unreasonable Effect upon Fish, Wildlife, or Other Instream Beneficial Uses

This petition is based upon the analysis contained in the 2008 Biological Opinion, which was issued primarily to improve conditions for fish resources in the Russian River system. Two types of improved conditions will result from an order approving this petition. First, the Biological Opinion concludes that stream flows that are required by Decision 1610 are too high for optimum fish habitat. If this petition is granted, then lower stream flows, which will result in better fish habitat, will occur. Second, lowering the required minimum instream flows will result in higher fall storage levels in Lake Mendocino. The resulting conservation of water in Lake Mendocino will allow enhanced management of Russian River flows in early fall for the benefit of fish migration.

It is possible that reduced flows in the Russian River may impair some instream beneficial uses, principally recreation uses. However, although some recreation uses may be affected by these reduced flows, any such impacts on recreation this summer will be reasonable in light of the impacts to fish that could occur if the petition were not approved.

4.4 The Proposed Change is in the Public Interest

As discussed above, the sole purpose of this petition is to improve conditions for listed Russian River salmonid species, as determined by NMFS and DFG. Approval of the Water Agency's petition to reduce instream flows to benefit the fishery will also result in higher fall storage levels in Lake Mendocino, which will make more water available in the fall for fishery purposes. Under these circumstances, it is in the public interest to temporarily change the Decision 1610 minimum required instream flows.

5.0 REQUESTED TEMPORARY URGENCY CHANGE TO PERMITS 12947A, 12949, 12950, 16596

The Temporary Urgency Change Petitions (TUCP) that the Water Agency filed in 2004, 2007 and 2009 requested reductions in the Decision 1610 minimum instream flow requirements to address low storage levels in Lake Mendocino. In contrast, this petition, like the TUCP filed in 2010, is required by the Biological Opinion, to provide improved conditions for threatened and endangered fish species. Water supply storage in Lake Mendocino as of April 1, 2011 was approximately 87,104 acre-feet, which is significantly higher than the April 1 levels observed in 2007 (71,406 acre-feet) and 2009 (56,666 acre-feet).

The proposed changes in the Decision 1610 Russian River minimum instream flows that are requested by this petition will not result in unusual circumstances. The proposed changes to minimum instream flows are within the range of those that already occur during the *Dry* and *Critical* water supply conditions specified by Decision 1610. Due to low rainfall and other hydrologic factors, flows in the Russian River from June through October for the three-year period from 2007 through 2009 have been similar to or lower than the minimum flows that will be authorized by the proposed changes.

Because the requested changes are not driven by low storage levels in Lake Mendocino, reductions in summertime diversions by the Water Agency would not be beneficial. Under expected conditions, reducing the Water Agency's summertime diversions at Wohler-Mirabel would increase flows in the lower Russian River downstream of Wohler-Mirabel, which would exceed the minimum flows recommended in the Biological Opinion.

Last year under the TUCP minimum instream flow requirement conditions (May 1 – Oct 15), flows in the Lower Russian River averaged 422 cfs and were never lower than 94 cfs as measured at Hacienda Bridge. The high average for river flows occurred because there was significant late spring rainfall and lower than average air temperatures, which suppressed irrigation demands. To improve our efforts to achieve optimal habitat conditions in the Lower Russian River, as well as the Upper Russian River, the Water Agency requests in this petition that the minimum instream flow requirement for the Upper Russian River be specified as a 5-day running average of average daily streamflow measurements with the stipulation that instantaneous flows will not be less than 110 cfs. This will allow the Water Agency to manage streamflows with a lower operational buffer, thereby facilitating attainment of the conditions that are conducive to the enhancement of salmonid habitat.

The potential need to make changes after 1986 to the minimum instream flow requirements specified in Decision 1610 was contemplated by Decision 1610. Decision 1610 states: "Our decision will be subject to a reservation of jurisdiction to amend the minimum flow requirements if future studies show that amendments might benefit the

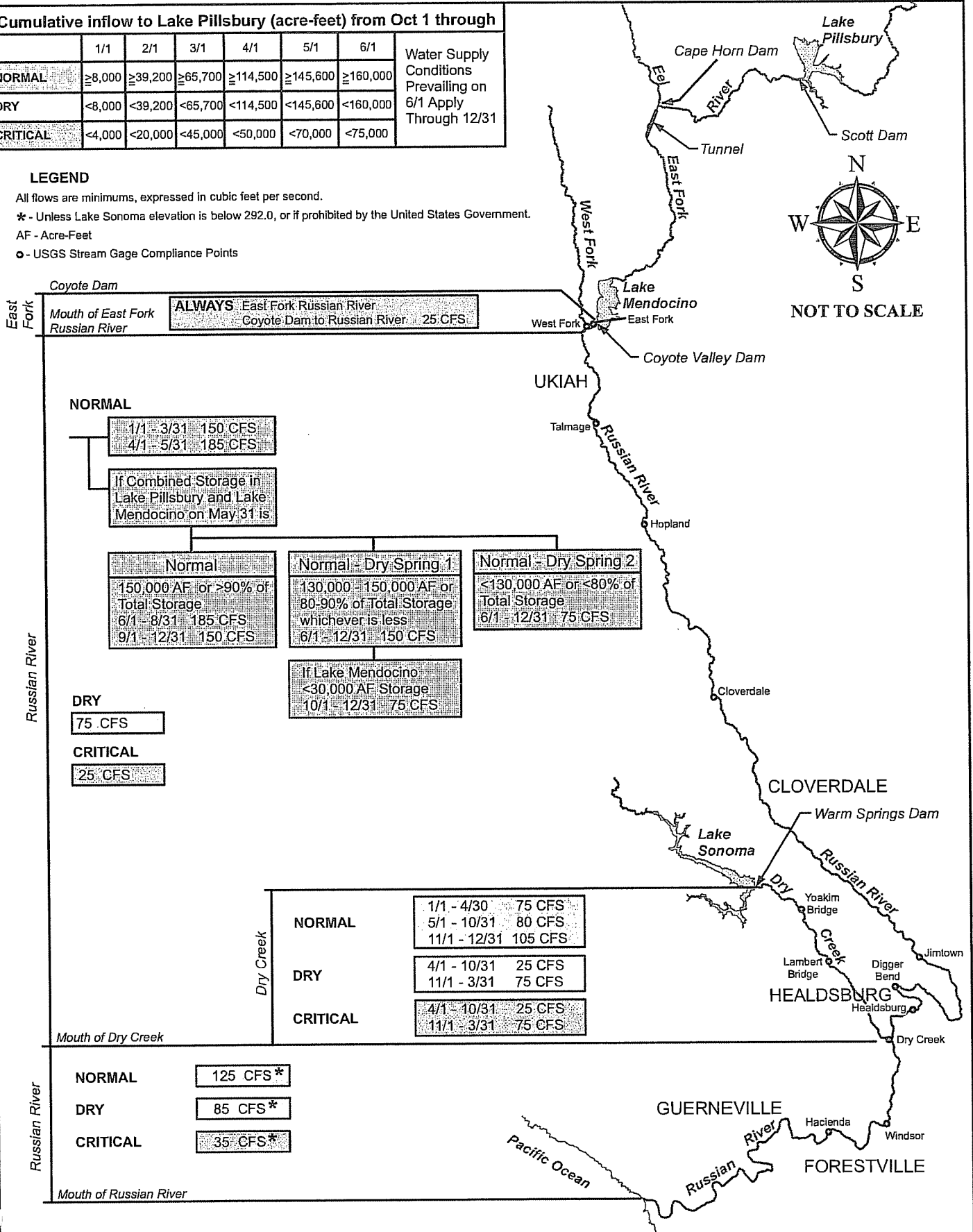
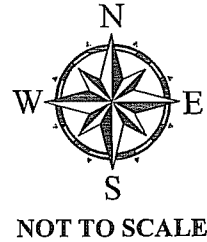
fisheries or if operating the project under the terms and conditions herein causes unforeseen adverse impacts to the fisheries." As discussed in this petition, fisheries studies conducted during the last decade, which ultimately led to NMFS' Biological Opinion, now indicate the need to amend the Decision 1610 minimum flow requirements. The Water Agency therefore requests that the State Water Board approve this petition.

Cumulative inflow to Lake Pillsbury (acre-feet) from Oct 1 through

	1/1	2/1	3/1	4/1	5/1	6/1	Water Supply Conditions Prevailing on 6/1 Apply Through 12/31
NORMAL	≥8,000	≥39,200	≥65,700	≥114,500	≥145,600	≥160,000	
DRY	<8,000	<39,200	<65,700	<114,500	<145,600	<160,000	
CRITICAL	<4,000	<20,000	<45,000	<50,000	<70,000	<75,000	

LEGEND

- All flows are minimums, expressed in cubic feet per second.
- * - Unless Lake Sonoma elevation is below 292.0, or if prohibited by the United States Government.
- AF - Acre-Feet
- o - USGS Stream Gage Compliance Points



ALWAYS East Fork Russian River
Coyote Dam to Russian River: 25 CFS

NORMAL

1/1 - 3/31 150 CFS
4/1 - 5/31 185 CFS

If Combined Storage in Lake Pillsbury and Lake Mendocino on May 31 is

Normal
150,000 AF or >90% of Total Storage
6/1 - 8/31 185 CFS
9/1 - 12/31 150 CFS

Normal - Dry Spring 1
130,000 - 150,000 AF or 80-90% of Total Storage whichever is less
6/1 - 12/31 150 CFS

Normal - Dry Spring 2
<130,000 AF or <80% of Total Storage
6/1 - 12/31 75 CFS

DRY
75 CFS

CRITICAL
25 CFS

NORMAL
1/1 - 4/30 75 CFS
5/1 - 10/31 80 CFS
11/1 - 12/31 105 CFS

DRY
4/1 - 10/31 25 CFS
11/1 - 3/31 75 CFS

CRITICAL
4/1 - 10/31 25 CFS
11/1 - 3/31 75 CFS

NORMAL 125 CFS*

DRY 85 CFS*

CRITICAL 35 CFS*

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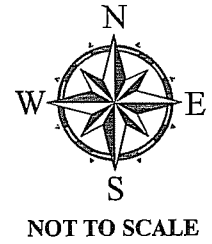
Russian River Basin Streamflow Requirements

Per State Water Resources Control Board Decision 1610, April 1986

Figure 1

LEGEND

- AF - Acre-Feet
- - USGS Stream Gage Compliance Points



Mouth of East Fork Russian River

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	125	May 1 - Oct 15	125	Jun 1 - Oct 31	185	Apr 1 - Aug 31
					150	Sep 1 - Oct 31
Normal - Dry Spring 1	125	May 1 - Oct 15	125	Jun 1 - Oct 31	185	Apr 1 - May 31
					150	Jun 1 - Mar 31

Upper Russian River

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	-	-	40	May 1 - Oct 31	80	May 1 - Oct 31

Dry Creek

Mouth of Dry Creek

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	70	May 1 - Oct 15	70	Jan 1 - Dec 31	125	Jan 1 - Dec 31
Dry	-	-	70	Jan 1 - Dec 31	85	Jan 1 - Dec 31

Lower Russian River

Mouth of Russian River

Pacific Ocean

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**Russian River Biological Opinion
Proposed Minimum Instream Flow Changes**
Per National Marine Fisheries Service's Biological Opinion Issued September 24, 2008

Figure 2

NOTICE OF EXEMPTION

To: X Office of Planning & Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, CA 95403

X County Clerk
County of Sonoma
Santa Rosa, CA 95401

X County Clerk
County of Mendocino
Ukiah, CA 95482

Project Title: Petition by Sonoma County Water Agency Requesting Approval of a Temporary Urgency Change in Permits 12947A, 12949, 12950, and 16596 in Mendocino and Sonoma Counties (Applications 12919A, 15736, 15737, and 19351); 2011 Temporary Changes to Minimum Instream Flow Requirements of Decision 1610

Project Location: The proposed action is to temporarily change the required minimum instream flows in the Russian River in Mendocino and Sonoma Counties. Figure 1 shows the minimum instream-flow requirements in the water-right permits of the Sonoma County Water Agency (Water Agency) for its Russian River Project that are in effect now and that will remain in effect if the proposed action is not approved. The proposed action is to temporarily change some of these requirements, to the "Temporary Changes" shown in Figure 2, for the period from May 1, 2011 through October 15, 2011. Communities and cities along the Russian River include Ukiah, Hopland, Cloverdale, Geyserville, Healdsburg, Forestville, Mirabel Park, Rio Nido, Guerneville, Monte Rio, Duncans Mills, and Jenner.

Project Background: The National Marine Fisheries Service (NMFS) issued its *Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed* (Russian River Biological Opinion) on September 24, 2008.¹ NMFS concluded in the Russian River Biological Opinion that the continued operations of Coyote Valley Dam and Warm Springs Dam by the U.S. Army Corps of Engineers and Water Agency in a manner similar to recent historic practices, together with the Water Agency's stream channel maintenance activities and estuary management, are likely to jeopardize and adversely modify critical habitat for endangered Central California Coast coho salmon and threatened Central California Coast steelhead.

The Water Agency controls and coordinates water supply releases from the Coyote Valley Dam and Warm Springs Dam projects in accordance with the requirements of Decision 1610, adopted by the State Water Resources Control Board (SWRCB) in 1986. NMFS' Russian River Biological Opinion states that changes to Decision 1610 minimum instream flow requirements will enable alternative flow management scenarios that will increase available rearing habitat in Dry Creek and the upper Russian River, and provide a lower, closer to natural inflow to the estuary between late spring and early fall, thereby

¹ NMFS' Russian River Biological Opinion may be accessed online at www.sonomacountywater.org and may be reviewed at the Water Agency's office at 404 Aviation Boulevard, Santa Rosa, CA.

enhancing the potential for maintaining a seasonal freshwater lagoon that will likely support increased production of juvenile steelhead and salmon.²

As required by NMFS' Russian River Biological Opinion, in September 2009 the Water Agency filed a petition with the SWRCB to make permanent changes to the Decision 1610 minimum instream flow requirements. This petition presently is pending before the SWRCB. The SWRCB will not act on this petition until the necessary environmental impact report is prepared and the water-rights issues associated with this petition are resolved. This process is expected to take several years.

Until the SWRCB issues an order on this petition, the Water Agency must maintain the minimum instream flows specified in Decision 1610, with resulting impacts to listed salmonids, unless temporary changes to these requirements are authorized by the SWRCB. To help restore freshwater habitats for listed salmon and steelhead in the upper mainstem Russian River and the estuary, NMFS' Russian River Biological Opinion requires that the Water Agency petition the SWRCB for temporary changes to minimum instream flow requirements beginning in 2010 and for each year thereafter until the SWRCB issues an order on the Water Agency's petition for the permanent changes to the Decision 1610 minimum instream flow requirements. The temporary changes include a reduction in the minimum instream flow to 70 cubic feet per second (cfs) in the lower Russian River between May 1 and October 15, with the understanding that, because of the need to maintain an operational buffer above this minimum requirement, the Water Agency typically will maintain a flow of about 85 cfs at this point. Additionally, for the purposes of enhancing steelhead rearing habitat between the East Fork and Hopland, the temporary changes include a reduction in the minimum instream flow to 125 cfs in the upper Russian River between May 1 and October 15.³ NMFS' Russian River Biological Opinion only requires petitions for temporary changes to minimum streamflows on the mainstem Russian River, and not on Dry Creek. This petition therefore does not seek changes in required Dry Creek flows, which will be maintained at the levels currently required by Decision 1610.

The permanent and temporary changes to Decision 1610 minimum instream flows specified by NMFS in the Russian River Biological Opinion are summarized in Figure 2. NMFS' Russian River Biological Opinion states that, in addition to providing the expected fishery benefits, the revised minimum instream flow requirements should promote water conservation and seek to limit effects on in-stream river recreation.⁴

Description of Project: To comply with the requirements of NMFS' Russian River Biological Opinion, the Water Agency is filing a temporary urgency change petition with the SWRCB that asks the SWRCB to make the following changes in the instream flow requirements for the Russian River mainstem that are specified in Decision 1610 and the Water Agency's water right permits between May 1 through October 15, 2011: (a) a minimum instream flow requirement of 125 cfs in the upper Russian River (upstream of the confluence with Dry Creek and downstream of the confluence of the East and West Forks) measured as a 5-day running average of average daily streamflow measurements with the stipulation that instantaneous flows will not be less than 110 cfs. and (b) 70 cfs in the lower Russian River (downstream

² National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p. 243. September 2008.

³ National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p 247. September 2008.

⁴ National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p. 244. September 2008.

of its confluence with Dry Creek), with the understanding that for compliance purposes the Water Agency will typically maintain a flow of about 85 cfs at this location.

Decision 1610 specifies the minimum instream flow requirements for Dry Creek and the Russian River (see Figure 1). These requirements vary based on defined hydrologic conditions. If approved, the requested reductions in Russian River instream flow requirements will be in effect May 1 through October 15, 2011. Under Normal water supply conditions, minimum flows during this time period could be as high as 185 cfs in the upper Russian River, 125 cfs in the lower Russian River, and 80 cfs in Dry Creek. Under the proposed change, minimum flows could be as low as 125 cfs in the upper Russian River and 70 cfs in the lower Russian River. No change in the Dry Creek requirements is required by the Biological Opinion or proposed and the minimum flow requirement in Dry Creek will remain at 80 cfs. The proposed changes in Russian River instream flow requirements will not result in any unusual circumstances, because the proposed minimum instream flow requirements are within the range of those that already occur during Dry and Critical water supply conditions under Decision 1610. In addition, due to low rainfall and other factors, flows in the river in recent years have been similar to or lower than the proposed changes. For example, compared to summer 2009, the requested minimum flows are slightly higher for the lower Russian River and substantially higher for the upper Russian River.

During the period that the proposed temporary flow changes are in effect, the Water Agency will also monitor water quality and fish, and collect and report information and data related to monitoring activities, as required by NMFS' Russian River Biological Opinion. This information will assist with the study and development of required future permanent minimum instream flow changes.

Name of Public Agency Approving Project: State Water Resources Control Board- Division of Water Rights

Name of Person or Agency Carrying Out Project: Sonoma County Water Agency

Exempt Status: (Check one)

- Ministerial (Sec. 21080(b)(1); 15268)
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec.21080 (b)(4); 15269(b)(c));

Categorical Exemption. State type and section number:

State CEQA Guidelines 15307: Actions by
Regulatory Agencies for Protection of Natural
Resources

State CEQA Guidelines 15308: Actions by
Regulatory Agencies for Protection of the
Environment

State CEQA Guidelines 15301(i): Existing
Facilities

State CEQA Guidelines 15306: Information
Collection

Statutory Exemptions. State Code number:

Reasons why project is exempt: The proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under the State CEQA Guidelines Sections 15307, 15308, 15301(i), and 15306.

A. Actions by Regulatory Agencies for Protection of Natural Resources and the Environment

Guidelines Sections 15307 and 15308 provide that actions taken by regulatory agencies to assure the maintenance, restoration or enhancement of a natural resource and the environment are categorically

exempt from CEQA. If approved, the proposed changes in Russian River minimum instream flow requirements will increase available rearing habitat in the upper Russian River and provide a lower, closer to natural inflow to the estuary between late spring and early fall, thereby enhancing the potential for maintaining a seasonal freshwater lagoon that could support increased production of juvenile steelhead. NMFS' Russian River Biological Opinion states that these changes are necessary to avoid jeopardizing the continued existence of the listed species.⁵ The proposed changes also will conserve water in Lake Mendocino to benefit adult Chinook salmon migrating upstream in the fall.

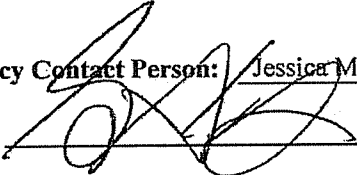
B. Existing Facilities

Guidelines Section 15301(i) provides, generally, that the operation of existing facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination is categorically exempt from CEQA. Subdivision (i) of Section 15301 specifically includes maintenance of streamflows to protect fish and wildlife resources. The Water Agency's petition to the SWRCB to change to the instream flow requirements specified in NMFS' Russian River Biological Opinion does not request and will not expand Water Agency use or increase the water supply available to the Water Agency for consumptive purposes. The proposed change in Russian River minimum instream flow requirements still will be within the existing operational parameters established by Decision 1610.

C. Information Collection

Guidelines Section 15306 provides that basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource are categorically exempt from CEQA. These activities may be part of a study leading to an action which a public agency has not yet approved, adopted or funded. The water quality and fishery information and data collected during the period that the proposed temporary flow changes are in effect will assist with the study and development of the required future permanent minimum instream flow changes.

Lead Agency Contact Person: Jessica Martini-Lamb Area Code/Telephone: 707-547-1903

Signature:  Date: 04/18/2011 Title: General Manager

Lead Agency Applicant
Date Received for filing at OPR:

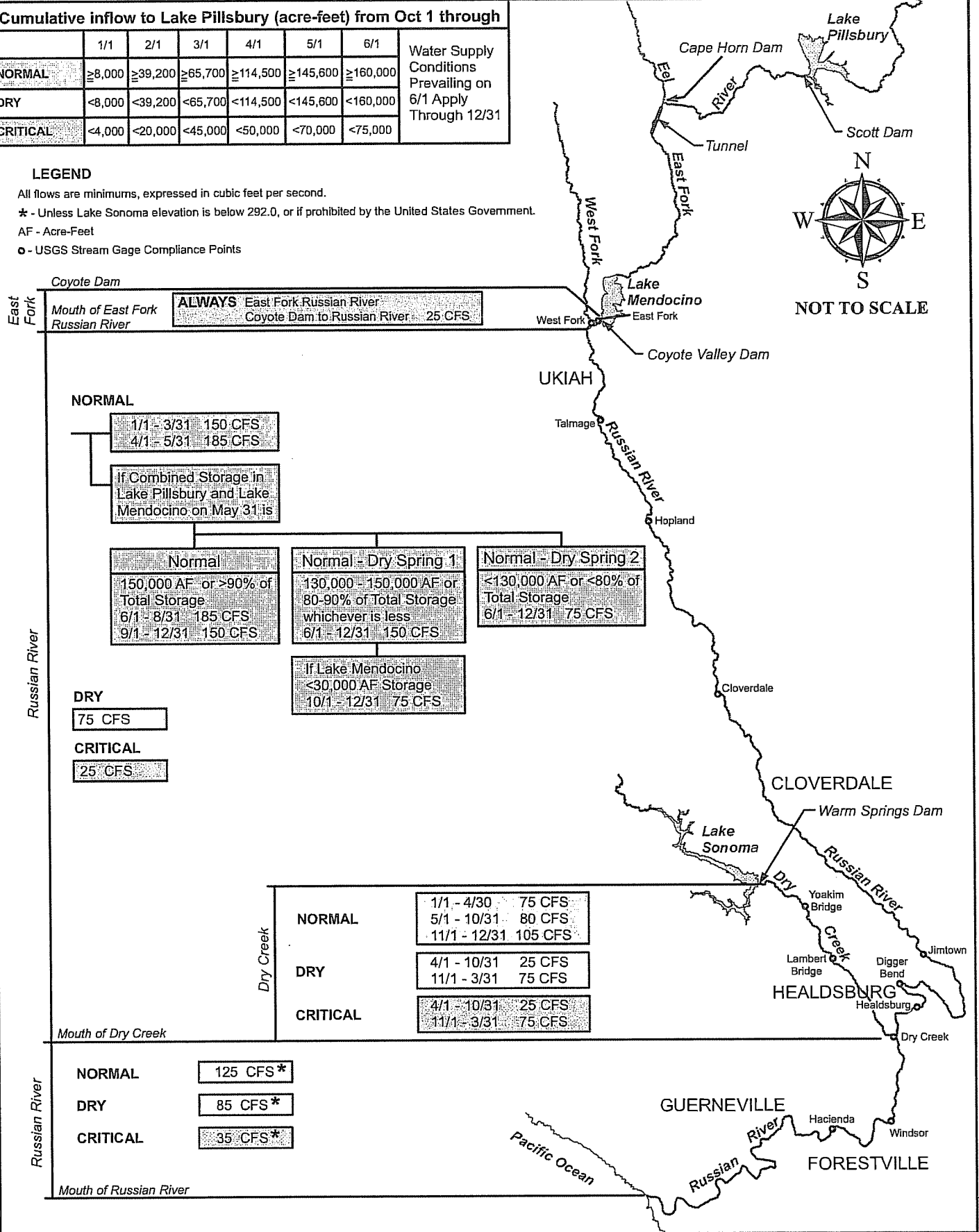
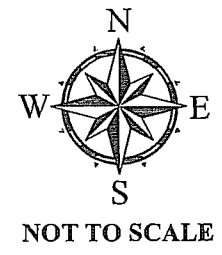
⁵ National Marine Fisheries Service. Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation District in the Russian River Watershed. p. 247. September 2008.

Cumulative inflow to Lake Pillsbury (acre-feet) from Oct 1 through

	1/1	2/1	3/1	4/1	5/1	6/1	Water Supply Conditions Prevailing on 6/1 Apply Through 12/31
NORMAL	≥8,000	≥39,200	≥65,700	≥114,500	≥145,600	≥160,000	
DRY	<8,000	<39,200	<65,700	<114,500	<145,600	<160,000	
CRITICAL	<4,000	<20,000	<45,000	<50,000	<70,000	<75,000	

LEGEND

All flows are minimums, expressed in cubic feet per second.
 * - Unless Lake Sonoma elevation is below 292.0, or if prohibited by the United States Government.
 AF - Acre-Feet
 ○ - USGS Stream Gage Compliance Points



Coyote Dam
 Mouth of East Fork Russian River
ALWAYS East Fork Russian River
 Coyote Dam to Russian River - 25 CFS.

NORMAL
 1/1 - 3/31 150 CFS
 4/1 - 5/31 185 CFS

If Combined Storage in Lake Pillsbury and Lake Mendocino on May 31 is

Normal
 150,000 AF or >90% of Total Storage
 6/1 - 8/31 185 CFS
 9/1 - 12/31 150 CFS

Normal - Dry Spring 1
 130,000 - 150,000 AF or 80-90% of Total Storage whichever is less
 6/1 - 12/31 150 CFS

Normal - Dry Spring 2
 <130,000 AF or <80% of Total Storage
 6/1 - 12/31 75 CFS

If Lake Mendocino <30,000 AF Storage
 10/1 - 12/31 75 CFS

DRY
 75 CFS

CRITICAL
 25 CFS

Dry Creek

NORMAL
 1/1 - 4/30 75 CFS
 5/1 - 10/31 80 CFS
 11/1 - 12/31 105 CFS

DRY
 4/1 - 10/31 25 CFS
 11/1 - 3/31 75 CFS

CRITICAL
 4/1 - 10/31 25 CFS
 11/1 - 3/31 75 CFS

Mouth of Russian River

NORMAL 125 CFS*
DRY 85 CFS*
CRITICAL 35 CFS*

\FERD\slah\pnt\basin\slah\USCRRM - Project\2011\USGS-Gage-Streamflow.mxd April 4, 2011



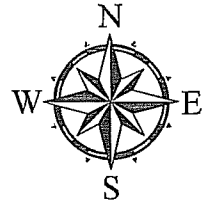
Russian River Basin Streamflow Requirements

Per State Water Resources Control Board Decision 1610, April 1986

Figure 1

LEGEND

- AF - Acre-Feet
- - USGS Stream Gage Compliance Points



NOT TO SCALE

Mouth of East Fork Russian River

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	125	May 1 - Oct 15	125	Jun 1 - Oct 31	185	Apr 1 - Aug 31
					150	Sep 1 - Oct 31
Normal - Dry Spring 1	125	May 1 - Oct 15	125	Jun 1 - Oct 31	185	Apr 1 - May 31
					150	Jun 1 - Mar 31

Upper Russian River

UKIAH

Talmage

Hopland

Cloverdale

CLOVERDALE

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	-	-	40	May 1 - Oct 31	80	May 1 - Oct 31

Dry Creek

Mouth of Dry Creek

Water Supply Conditions	NMFS Biological Opinion Proposed Changes				D1610 Requirements	
	Temporary Changes		Permanent Changes		Minimum Streamflow (cfs)	Period
	Minimum Streamflow (cfs)	Period	Minimum Streamflow (cfs)	Period		
Normal	70	May 1 - Oct 15	70	Jan 1 - Dec 31	125	Jan 1 - Dec 31
Dry	-	-	70	Jan 1 - Dec 31	85	Jan 1 - Dec 31

Lower Russian River

Mouth of Russian River

Pacific Ocean

GUERNEVILLE

FORESTVILLE

FERD Data/Map/Background/Streams - Project/2011-BIOLOGICAL_OPINION/Nov08 April 4, 2011



**Russian River Biological Opinion
Proposed Minimum Instream Flow Changes**
Per National Marine Fisheries Service's Biological Opinion Issued September 24, 2008

Figure 2



TO THE TREASURER OF THE
COUNTY OF SONOMA
 SANTA ROSA, CALIFORNIA
 OR ANY BANK OR BANKER

CLAIMS WARRANT
 REVOLVING FUND 10-052-000

WARRANT NO.
 1190266

11-35
 1210

DATE 03/28/2011
 VOID AFTER SIX MONTHS

PAY THIS AMOUNT
*****\$22,479.80

PAY *Twenty two thousand four hundred seventy nine and 80/100 Dollars*

To The
 Order
 Of

STATE WATER RESOURCES CONTROL BOARD
 DIVISION WATER QUALITY
 STORM WATER SECTION
 P O BOX 1977
 SACRAMENTO CA 95812-1977

RODNEY A. DOLE
 AUDITOR-CONTROLLER

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈0001190266⑈ ⑆121000358⑆ 0043900180050⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW



TO THE TREASURER OF THE
COUNTY OF SONOMA
 SANTA ROSA, CALIFORNIA
 OR ANY BANK OR BANKER

CLAIMS WARRANT
 REVOLVING FUND 10-052-000

WARRANT NO.
 1190269

11-35
 1210

DATE 03/28/2011
 VOID AFTER SIX MONTHS

PAY THIS AMOUNT
*****\$850.00

PAY *Eight hundred fifty and 00/100 Dollars*

To The
 Order
 Of

CA ST DEPT-FISH & GAME
 P O BOX 944209
 SACRAMENTO CA 94244-2090

RODNEY A. DOLE
 AUDITOR-CONTROLLER

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈0001190269⑈ ⑆121000358⑆ 0043900180050⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

Status of IRWMP Activities in SF Bay Area

April 27, 2011

IRWM Plan

The Bay Area IRWM Plan was adopted in 2006. Various updates have occurred, to include additional projects in the plan for water system improvements, flood control and ecosystem enhancement. DWR has approved \$843,000 in finding to update the plan, with a target contract date of June, 2011 and a target date for updating the plan of late 2013. Marin Municipal Water District will manage the contract for the plan update, and will be subcontracting with Sonoma County Water Agency for one element of the plan – a groundwater salt management plan for southern Sonoma County.

Region Acceptance Process

The Bay Area Regional Water Management Group (Coordinating Committee) and region was accepted by DWR as a region for purposes of IRWM funding in the fall of 2009.

Implementation Projects

The Bay Area Clean Water Agencies is managing a contract for \$12.5 million in Prop. 50 Round 1 implementation funding, to pay for 11 projects for recycled water and water conservation.

A proposal for the second round of implementation funding for Round 2 for various flood control and ecosystem restoration projects was not successful.

On January 7, 2011, the Bay Area Clean Water Agencies submitted a proposal for Prop. 84 Round 1 implementation funding for \$29.7 million. This proposal consisted of regional programs for water recycling and water conservation, as well as “green infrastructure” stormwater treatment projects, wetlands restoration projects and flood control programs in disadvantaged communities. A decision by DWR on this round of funding is expected in this month.

On April 15, 2011, five projects were submitted from Bay Area teams to request \$69.7 in funding for stormwater flood control projects, pursuant to Proposition 1E.

Senate Bill 34

SB 34, authored by Senator Simitian, would establish an assessment on all retail water sales to urban water users of an unspecified amount per acre-foot sold annually for nonagricultural uses. It would establish an annual assessment on agricultural water use of an unspecified amount, based on the irrigated acreage of land, and a lesser amount if that land is irrigated with best management practices. In the March 23 version of the bill, those amounts were set at \$110 per acre-foot, \$20 per acre and \$10 per acre. The April 13 version deletes the specific amounts.

The funds would be collected by the Board of Equalization and deposited in an account which would be managed, upon appropriation by the Legislature, by the Department of Water Resources. Half of the funds would be used to pay for the BOE and DWR administrative costs, the costs of the Delta Stewardship Council and the costs of public benefits of water-related projects that either 1) are of statewide significance, 2) reduce the impacts of mercury contamination of the Sacramento-San Joaquin Delta and its watersheds, and remediation and elimination of continuing sources of mercury contamination, 3) are scientific studies and assessments that support projects authorized under the bill, or 4) are debt service on general obligation bonds for projects and programs that provide statewide and interregional public benefits.

The other half of the funds would be deposited in an unspecified number of regional accounts, in proportion to the amount of funds collected from each region (the March 23 version specified 11 regions). These funds would be available to any applicant who proposed a project to fund public benefits associated with water-related projects and programs that is consistent with an IRWMP, a stormwater resource plan, a groundwater management plan or a water quality control plan. In the March 23 version of the bill, the types of projects that are eligible for such funding are defined more specifically, and include water storage, water conservation, desalination, recycling, floodplain management, fisheries restoration and other similar projects.

“Public benefits” is not defined, but references to the term in the bill include such things as state water agency expenses, research and development of new technologies, enhancement of the public trust beyond a regulatory baseline, and protection of public health and safety. Also referenced are mitigation of legacy pollution problems where no responsible party is identified, projects that provide statewide or regional benefits and debt service on such projects.

SB 34 creates a broad tax on water use in the state, to be collected and paid by retail water agencies, to fund projects and programs that are not defined with much specificity. Half of the funds would be returned to particular regions for use at that level, but there is no guarantee that any retail water supplier would be able to use any of these funds for projects they need to conduct. This bill will take resources away from retail water suppliers that could otherwise be used to fund critical water supply, water conservation, flood mitigation and ecosystem enhancement projects.

23

**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, May 6, 2011
Time: 9:30 a.m. – 11:30 a.m.
Location: Marin Community Foundation
5 Hamilton Landing, Suite 200
Novato, CA 94949

AGENDA

<u>Item</u>	<u>Recommendation</u>
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. Advanced Modeling Techniques for Flood Reduction and Master Planning Studies (45 min.) Guest Speakers: Carlos Diaz and Rick Jorgensen, Winzler & Kelly	Information
7. Marin County Watershed Program Update (30 min.) Guest Speaker: Chris Choo, Marin County	Information
8. Student and Landowner Education and Watershed Stewardship (SLEWS) Program (15min.) Guest Speaker: Steph Turnipseed, Napa RCD	Information
9. Project Funding (15 min.) – KRCB Video Features (\$12k) – Aquatic Invasive Species Workshop (\$2k)	Action
10. Items of Interest	
11. Items for Next Agenda	

Next Meeting Information:

Next Meeting: June 3, 2011
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

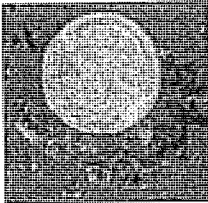


AQUATIC INVASIVE SPECIES (AIS) WORKSHOP

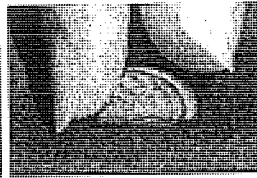
DATE & TIME LOCATION

Aquatic Invasive Species (AIS) are a growing threat to the waters of northern California.

Zebra and quagga mussels, New Zealand mud snails, and Chinese mitten crabs can infest water bodies in massive population booms, overwhelming native populations and destroying water management facilities. Once introduced, these species are virtually impossible to eradicate.



New Zealand mud snail



zebra and quagga mussels



Chinese mitten crab

They have already invaded southern California and some have been detected in the Bay Area.

The North Bay Watershed Association (NBWA) is collaborating with the U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Game (DFG) in hosting a workshop for water management agencies and other interested stakeholders on the threats of AIS and protocols to reduce the potential for infections into regional water bodies.

This workshop will:

- Review Threats and Costs from AIS infestations.
- Provide Training on Protocols for Prevention of AIS introductions.
- Develop procedures to reduce the risk of spreading invasive species.

The workshop is intended to provide establish a program for all North Bay water resource management agencies and organizations to operate under consistent and uniform protocols for detection, prevention, response, and reporting of AIS. Managers, supervisors, and on-the-ground staff are encouraged to attend; your participation is vital.

Lunch will be provided.

Please RSVP by DATE to:

Harry Seraydarian

harryser@comcast.net

KNOW YOUR WATERSHED (Working Title)
Proposal to the North Bay Watershed Association
KRCB, Public Media for Northern California
May, 2011

Introduction

Educating the general public about water supply, water policy, and conservation is a challenging and critical task. Drought, climate change, and other events will increasingly require changes in consumers' habits and those consumers must be equipped with a basic understanding of where their water comes from and what factors influence its availability, affordability, and quality. As that knowledge, and eventually engagement, is best built at a local level, our local watersheds provide a perfect vehicle for instilling that basic knowledge, as well as an understanding of the importance or preserving and protecting those watersheds.

Proposed Project

KRCB proposes to produce 10 short form (60 - 90 seconds) video features, called interstitials, educating viewers on the dynamics and geography of specific watersheds in the North Bay area. One of the videos will be designed as an overview of the North Bay watershed system and an explanation of exactly what a watershed is. In consultation with North Bay Watershed Association and the Sonoma County Water Agency, one watershed in Napa, one watershed in Marin, and seven watersheds in Sonoma will be selected for the series.

The 10 interstitials will air at least 30 times each throughout the KRCB schedule over the course of two years. The framing or overview video will be aired somewhat more frequently to aide in the general understanding of watersheds. These videos will also be available to NBWA and SCWA for placement on their websites or public and educational applications. They will also be available for viewing at the KRCB website.

Content Development

KRCB Production Staff will work with individuals designated by NBWA and SCWA to not only identify the watersheds to be covered but also to develop the critical information to be conveyed in each of the videos. The pieces will be shot and edited in a high definition format. KRCB has licensed music available that may be used as needed for inclusion in the videos.

Using a modified documentary approach, each interstitial will focus on a specifically identified watershed. Interviews would likely be used to tell the main story, illustrated visually with footage shot on locations. A narrating voice may be used to introduce each segment and, when needed, to tie comments together to assist the story flow. Text, graphics, and maps, where available, will be used to identify the subjects. Each video will begin and end with a consistent, short open and close to identify the series and give the viewer a pre-determined call to action.

The nine videos on specific watersheds will be produced from the point of the viewer in the region asking "where does my water come from" and "where does my water go," taking into account that the city dweller (e.g. Santa Rosa or San Rafael) may have a much different relationship with their watershed than a rural dweller. Therefore some of the episodes will take an urban viewpoint, while others a rural one. Other questions to be explored might be "How clean is my water?", "Is my water being polluted...if so, by whom or what?", "Where do I live within my watershed?" and "What are the ecosystems of my watershed?"

Budget and Timeline

Total budget: \$36,000

Time period: June 1 - December 31, 2011

Pre-Production – June 1 through August 31.

Initial creative. Subject research. Scripting. Location scouting.
\$7,500 - (NBWA-\$2,500, SCWA-\$5,000)

Production & Post Production – September 1 through December 31.

Location & studio shooting. Interviews. Voice-over. Waivers. Rough and final editing.
\$28,500 - (NBWA-\$9,400, SCWA-\$19,100)

Distribution – January 1, 2012 through December 31, 2013

No charge for 30X airs for each video on KRCB Television.
(Additional air schedule may be purchased)

No charge for one master DVD delivery to NBWA and SCWA
No charge for placing videos on KRCB website.

NORTH BAY WATERSHED ASSOCIATION

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

Date: Friday, April 1, 2011
Time: 9:30 a.m.
Location: Petaluma (Lucchesi) Community Center
320 N. McDowell Boulevard
Conference Room 2
Petaluma, CA 94954

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	Jack Gibson	Marin Municipal Water District
Jack Baker	North Marin Water District	Mark Luce	Napa Sanitation District
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Kevin McGowan	City of San Rafael
Megan Clark	Las Gallinas Valley Sanitary District	Carey Parent	Bel Marin Keys Community Services District
Mike Di Giorgio	Novato Sanitary District	Brad Sherwood	Sonoma County and Sonoma County Water Agency

Directors present represented 12 out of the 16 agencies signatory to the Association MOU and Carole Dillon-Knutson represented City of Novato, an Associate Member.

Board Actions

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:39 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 March 4, 2011.** (See Handout) The Minutes of the Board Meeting held on March 4, 2011 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **Hamilton/Bel Marin Keys Wetland Restoration Project Update.** Tom Gandesbery, State Coastal Conservancy, provided an overview using PowerPoint. Tom first described Hamilton as part of a larger endeavor to restore wetlands in the North Bay. The Hamilton Project used dredge material to bring land up to elevation. Tom described the Hamilton and Bel Marin Keys Project as a 2,600 acre restoration effort with the USACE and SCC as partners and the nonfederal share at 25-50%. Tom illustrated the planned restoration at Hamilton which will include tidal and seasonal wetlands and upland transition. Tom noted the last delivery of dredge material was on March 8, 2011 and that grading will start this summer. Tom explained the significant costs, both energy and labor, involved in using a hydraulic offloader and barge to transfer dredge material. He then described an alternative approach currently being evaluated to reduce costs – an Aquatic Transfer Facility. This would require about 60 acres of bay that could accommodate hopper dredges and have a capacity of 2.2 million cubic yards to stockpile dredged sediment. This option has a CEQA/NEPA document and is under review by fishery agencies. Tom indicated Hamilton is on schedule to breach the dike in October 2012. Tom described the design work under way for Bel Marin Keys and the efforts to develop acceptable language in WRDA for future funding. The Board Members had a number of questions: Is the language in for WRDA? (Yes, provided clarifying language.) How are you handling Novato Sanitary pipe? (Options paper will be available soon.) Will Aquatic Transfer Station provide for whole bay? (No, just BMK. Concept may be considered in other parts of the bay.) Will planting require irrigation? (Not much.) How will you create wildlife corridor? (Will create transition zones.)
7. **Bridging the Gap: A Marin County Case Study – Getting from Climate Projections to Decision-Making.** Sara Moore, a scientist from UC Santa Cruz, Zavaleta Lab, Environmental Studies Department, used a PowerPoint presentation. Sara first provided some background on adaptation and described the building blocks for Climate Adaptation. She emphasized the co-benefits of adaptation and the concept of "no regrets" adaptation – benefits even without climate change. Sara then presented ecosystem-based adaptation using natural systems as a basis for adaptation strategies. This concept is popular among resource managers and can be more cost-

effective and more flexible than infrastructure. Sara also highlighted the need for both top-down and bottom-up approaches. After displaying a global vulnerability map, Sara focused on California problems including drought stress and heat stress. Sara summarized her involvement in a scenario-planning workshop in Western Marin on January 28, 2011 involving 15 land management agencies. She described the process leading up to the one-day workshop including the tools that were used. She presented the parameters considered: air temperature; sea level rise; seasonal extremes; reduced biodiversity; and the resultant focus on wildfires. Sara presented the criteria used: robust; collaborative; use adaptive management; cost effective/sustainable; and clarity of design. She then presented some examples from the top 10 actions and highlighted a concrete next step – a statement of agreement. After presenting lessons learned, Sara identified a possible next site – Bolinas/Stinson Beach. The Board had a number of questions: Why select Bolinas/Stinson Beach? (Need exists since the area lacks climate change plans.) What is the end game? (A common vision-managed retreat or not?) Are experts scattered or is there consensus? (Natural resource scientists are not widely divided though some question the effect of migration.) Since people are the ultimate bosses and they are split on climate change, how do you address? (Capacity to act depends on the public.) How is your work integrated with BCDC and Save the Bay Authority? (Will Travis, BCDC, came to feedback session and referred to Hayward Shoreline effort.)

8. **2011-2012 Budget.** Harry Seraydarian used PowerPoint to update the Board on the 2011-2012 Budget. Harry first presented the March Board decision to approve the \$178,304 budget (with \$85k from carryover for projects) as a maximum which can be revisited in April. Harry indicated he had not received any input since the March 4 meeting and had called Board members who were not in attendance at that meeting to request their input and they all supported the March decision. The Board unanimously confirmed the March 4 decision on the 2011-2012 Budget.

9. **Lateral Legislation.** Harry Seraydarian used a PowerPoint presentation to update the Board on recent legislation regarding private laterals. Harry first reviewed information on AB 2182 sponsored by NBWA in 2010. This legislation was amended to include septic tank conversion and was eventually vetoed. The new legislation – AB 741 proposed in 2011 takes a different approach and builds on the existing Health and Safety Code by allowing public wastewater agencies to offer voluntary liens to property owners for private lateral replacement and septic tank conversion without a RWQCB abatement order. Harry presented options of support, sponsor, and no action, with a recommendation to sponsor the bill. A concern was expressed about septic tank conversion, if the language was ever changed from “voluntary” to “mandatory”. The Board voted unanimously to sponsor the bill with the direction to emphasize in our letter to Assembly Member Huffman that NBWA supports addressing private laterals on a voluntary basis.

10. **Items of Interest.**

- * The Board agreed to adjourn in memory of Charles McGlashan who passed away on March 27 from a heart attack while on a skiing trip in Lake Tahoe.

11. **Items for Next Agenda.**

- * Advanced Modeling Techniques for Flood Reduction and Master Planning Studies, Carlos Diaz, Rick Jorgensen, Winzler & Kelly
- * Marin Watershed Program Update, Chris Choo, Marin County

Jack Gibson, Chair, adjourned the meeting at 11:18 a.m.

SUBJECT TO APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION

May 6 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

June 3 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

July 8 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

No August

September 9 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

October 7 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954— Conf. Rm. 2

November 4 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

December 2 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954— Conf. Rm. 2

24

DISBURSEMENTS - DATED APRIL 20, 2011

Date Prepared: 4/19/11

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:

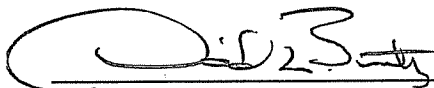
Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll (Final Check-Sensi)	\$1,923.23
EFT*	Bank of the West	Federal & FICA Taxes (Sensi)	419.94
1	Ackerman, Gerald	Retiree Exp Reimb (April Health Ins)	90.69
2	Advanced Reproduction Center	Print Specs/Plans for Recycled Water Project (8 sets)	444.43
3	Alpha Analytical Labs	Lab Testing (Novato-\$116 & STP-\$150)	266.00
4	Antoine, Bob	Novato "Toilet Rebate" Program	228.00
5	AWWA CA-NV SEC	Reg Fee: Cross-Connection Control Specialist Exam (\$160) (Kurfirst) & Water Quality Analyst Grade 3 Certification Renewal (\$55) (Lucchesi) (7/1/11-6/30/13) (Budget \$95)	215.00
6	Basic Chemical Solutions	Non Delivery Charge (Tree Fell in Pt Reyes & Truck Could Not Reach Treatment Plant) & Sodium Hypochlorite (200 gals) (\$748)	1,148.88
7	Bastogne	Refund Payment on Closed Account	18.12
8	Blaevoet, Jeffrey	Novato "Toilet Rebate" Program	239.97
9	Bold & Polisner	March Legal Services: CEQA/NEPA Compliance - Aqueduct Energy Efficiency Project	16,337.18
10	Bouyssounouse, Bernard	Refund Leak Adjustment on Closed Account	293.66
11	Bradbery, Ronald	Retiree Exp Reimb (April Health Ins)	90.69
12	Bundesen, Gerald	Retiree Exp Reimb (April Health Ins)	704.96
13	Butti, Lou	Retiree Exp Reimb (April Health Ins)	704.96
14	State of California	State Tax & SDI PPE 4/15 (Sensi)	68.19

Seq	Payable To	For	Amount
15	California State Disbursement	Wage Assignment Order (3)	1,478.50
16	Covad Communications	DSL Internet Service (4/12/11-5/11/11)	142.30
17	Cox, Marlene	Novato "Toilet Rebate" Program	450.00
18	Crofts, Rhonda & Art	Novato "Washer Rebate" Program	75.00
19	Cummings Trucking	Rock (74 tons)	1,436.77
20	Curry Discount	Quarterly Toner Supply	1,438.80
21	Derby, Richard	Retiree Exp Reimb (April Health Ins)	90.69
22		Vision Reimbursement	149.00
23	Divver, Neal	Novato "Toilet Rebate" Program	150.00
24	Environ Lab Accreditation Prog	Bi-Annual Laboratory Re-Certification	3,263.00
25	Eyler, John	Retiree Exp Reimb (April Health Ins)	90.69
26	Fisher Scientific	Ascorbic Acid Reagent (Lab)	78.64
27	Franchise Tax Board	Wage Assignment Order	520.51
28	Gaya, DB	Prog Pymt #4: Tank Coating Inspection on Crest Tank No 2 (Balance Remaining on Contract \$963)	4,068.60
29	Grainger	Manhole Utility Shelter w/Umbrella (\$273), Light Bulbs (10) (\$40) & Motor Capacitor for 24" Valve Operator (2)	331.52
30		Cafeteria Plan - Child Care Reimbursement	171.36
31	Hoburg, Christine	Novato "Washer Rebate" Program	75.00
32	Irish & Son Welding	Weld Thread-O-Let (77 Calypso Shores)	210.00
33	Jackson, David	Exp Reimb: Lodging & Meals (CalGIS Conference)	531.18
34	Johnstone, Daniel	Retiree Exp Reimb (April Health Ins)	90.69
35	Jooste, Sarel	Refund Alternative Compliance Reg 15 Deposit	630.00
36		Cafeteria Plan - Uninsured Medical Reimbursement	63.25

Seq	Payable To	For	Amount
37	Kehoe, Chris	Exp Reimb: Class A Drivers License	66.00
38	Laboratory By Design	Lab Bench Riser Repair	216.55
39	Lab Safety Supply	Eyewash (2) & Eyewash Refill Kits (4) (\$98)	137.81
40	Lincoln Life	Deferred Compensation PPE 4/15	8,766.00
41		Cafeteria Plan - Child Care Reimbursement	208.33
42	Marin County Tax Collector	Replaced Battery in Hand Held Radio (\$84) & Installation of 2-way Radio in '05 Honda Civic Hybrid (\$457)	541.66
43	Marinscope	Display Ad: Public Hearing Notice-Ordinance 24 & Reg 18 Revisions	28.00
44	Matchette, Tim	Retiree Exp Reimb (April Health Ins)	192.87
45	Metrohm USA	Dosino Holder for New Metrohm IC System	54.05
46	National Deferred	Deferred Compensation PPE 4/15	750.00
47	Nelson, John O.	Retiree Exp Reimb (April Health Ins)	90.69
48	Nichols, Lisa	Novato "Washer Rebate" Program	75.00
49	Novato Sanitary District	To Replace Cancelled Check (Wrong Amount)	5,425.57
50	Novato Grove Druids #113	Novato "Toilet Rebate" Program	600.00
51	Pace Supply	1 1/4" Couplings (2)	57.15
52	Poiani, Pete	Retiree Exp Reimb (April Health Ins)	90.69
53	Radio Shack	Electronic Connectors for Centrys @ STP & Clock Battery	10.32
54	Roberts & Brune	2" Couplings (10)	995.93
55		Cafeteria Plan - Uninsured Medical Reimbursement	512.00
56	Roberts, Peter	Novato "Washer Rebate" Program	75.00
57	Sequoia Safety Supply	Rainjackets (5) (\$244) & Straps for Safety Glasses (24)	298.89
58	Smail, Catherine	Retiree Exp Reimb (April Health Ins)	90.69

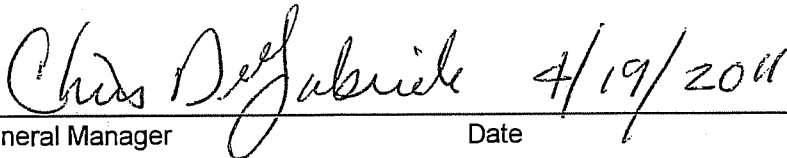
Seq	Payable To	For	Amount
59	Sonosky, Norma	Retiree Exp Reimb (April Health Ins)	90.69
60	Staples Business Advantage	Quarterly Office Supply Order: Dividers (170) (\$40), Envelopes (1,000) (\$27), Pens (24), Paper Clip Holder, Clipboards (5) (\$39), CDs (100) (\$30), Labels (11,600) (\$57), Highlighters (12) & Paper Clips (2,000)	239.55
61	Staples	Screen Protectors (6), Wire Mesh Corner Organizer (\$54) & Gummed Index Tabs (50)	90.66
62	St John, Bruce & Margaret	Novato "Washer Rebate" Program	75.00
63	Travelers	Wayne Claim - Final Payment Against \$10,000 Deductible	5,625.50
64	Univar	Sodium Hydroxide (25,330 lbs)	6,015.88
65	Velloza, Richard	Retiree Exp Reimb (April Health Ins)	90.69
66	VWR International	Disinfection Confirmation Ampules (20)	187.56
67	Weissenberg, David	Novato "Washer Rebate" Program	75.00
68	Wine Country Balance	Clean & Calibrate Balances (Lab)	499.00
69	Winzler & Kelly	Engineering Services: Aqueduct Energy Efficiency Project (Balance Remaining on Contract \$62,785)	34,758.25
TOTAL DISBURSEMENTS			<u>\$105,760.38</u>

The foregoing payroll and accounts payable vouchers totaling \$105,760.38 are hereby approved and authorized for payment.



Auditor-Controller

4/19/11
Date



General Manager

Date

DISBURSEMENTS - DATED APRIL 27, 2011

Date Prepared: 4/26/11

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 4/15	\$116,716.77
EFT*	Bank of the West	Federal & FICA Taxes PPE 4/15	43,110.13
1*	Baccei, Michael	Employee Computer Purchase Loan	2,731.91
2	Aberegg, Michael	Drafting Services: Circle Bank (Balance Remaining on Contract \$23,442)	308.00
3	Allied Heating & Air Conditioning	Quarterly Maintenance on HVAC System (3/1/11 - 5/31/11)	340.00
4	All Star Rents	Propane for Forklift @ STP	46.27
5	Alyas, Sultanzari	Refund Overpayment on Closed Account	55.69
6	Arnold, Lucy	Novato "Toilet Rebate" Program	150.00
7	AT&T Mobility	Cellular Charges: Monthly (\$451) & Airtime(\$14) (15)	465.11
8	AT&T	Telephone Charges: Leased Lines	62.86
9	AT&T	Telephone Charges: Local (\$5) & Minimum (\$134)	139.51
10	Barth, Bruce	Novato "Washer Rebate" Program	75.00
11	Bayshore International	Door Stop Replacements (02 Int'l 5-yd Dump Truck)	62.78
12	Calif Public Health Services	Reg Fee: Water Treatment Operator Grade 2 Exam (Lucchesi)	65.00
13	State of California	State Tax & SDI PPE 4/15	8,716.41
14	CA Urban Water Conservation	Membership Dues (Grisso) (1/11-12/11) (Budget \$3,300)	3,206.40
15	Chipman, Ramona	Novato "Toilet Rebate" Program	150.00

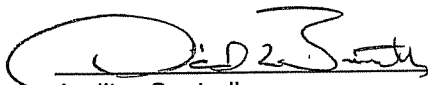
Seq	Payable To	For	Amount
16	The Dance Palace	Rental Fee for Church Building - July 5, 2011 (Board of Directors Meeting)	48.00
17		Cafeteria Plan - Uninsured Medical Reimbursement	236.06
18	Dell Computers	SCADA Computers for STP (2) (Budget \$2,000)	3,076.45
19	Esposti, Toni	Refund Overpayment on Closed Account	21.77
20	Gargiulo, Joseph	Novato "Toilet Rebate" Program	300.00
21	Golden Gate Petroleum	Gasoline (\$4.05/gal) & Diesel (\$4.29/gal)	4,540.54
22	Grainger	Plumbing Supplies to Add Calibration Tap to All Tank Level Sensors (\$133), Float Switch for 3 Actifloc Units for High Alarm Signals (\$126) & Telemetry Cable Wire Splice Connectors (3) (\$67)	326.04
23	Graphic Controls	Circular Charts (STP)	159.74
24	Groeniger	Meter Boxes (52) (\$1,053) & Galvanized Caps (2)	1,054.72
25	Hach	Ampule Kit (Lab)	269.99
26	HydroScience Engineers	Engineering Services: Design & Prepare Specifications for Pt. Reyes TP Solids Handling Project (Balance Remaining on Contract \$30,910)	1,855.00
27	InfoSend	March Processing Fee for Water Bills (\$1,579) & Postage (\$3,842)	5,421.12
28	Interstate Battery	Battery ('99 Forklift)	110.39
29	Irish & Son Welding	Weld 12" Saddle onto 12" Main & Flanges for 12" Pipe to Tank (Crest Tank #2)	840.00
30	Jefferson Pilot Financial Ins	May Group Life Ins Premium	664.02
31	Kutlik, Rick	Novato "Toilet Rebate" Program	150.00
32	Lab Safety Supply	Syringes Used to Prime Pumps for Various Chemicals (60) (STP)	75.96
33	Lamphere, William & Robin	Refund Excess Advance for Const Over Actual Job Cost (177 Pacheco Ave Fire Hydrant)	8,855.84

Seq	Payable To	For	Amount
34	Lee, Vivian	Novato "Washer Rebate" Program	75.00
35	Lincoln Life	Deferred Compensation PPE 4/30	9,326.83
36	Love, Randal	Novato "Toilet Rebate" Program	346.00
37	LPS Filed Services	Refund Overpayment on Closed Account	69.53
38	Marin County Recorder	January, February & March Photocopies of Official Records (59)	286.00
39	County of Marin DPW	Plan Check Fee (Leveroni Creek Bank Restoration Project)	320.00
40	McLellan, WK	Misc. Paving: Pt Reyes (89 S.F.)	1,338.75
41	National Deferred	Deferred Compensation PPE 4/30	750.00
42	North Bay Gas	Welding Clamps (6), Welding Helmet Lens, Torch Tip (\$68), Respirator, Filters for Welding Shop, Compressed Air (\$180), Nitrogen (\$235), Acetylene (\$217), Argon (\$93) & March Cylinder Rental (\$271)	1,367.79
43	Novato Disposal Service	March Trash Removal	403.40
44	Novato Sanitary District	Reimbursement for NSD Temp Employee Hrs- PPE 2/28/11 & 3/15/11 (Breit & Siragusa)	5,012.58
45	Novato Unified School District	Clean Exhaust System Filter ('99 Int'l Dump Truck)	250.00
46	NTU Technologies	Polymer (1,800 lbs)	2,628.00
47	Office Depot Business Service	Quarterly Office Supply Order: Paper Clips (600), Binders (9), Chairmat (Solar), Cash Reg Tape (9), #10 Envelopes (500), Pens (15), Copy Paper (12 rms) (\$157), Sortiwik (3), Laserjet Paper (4 rms) (\$48), Folders (650) (\$105), Book Tape (5), Packing Tape (6), Fasteners (600), Stamp Ink, Scotch Tape (18), Labels (2,500) (\$48), Post-its (36), Heavy Duty Stapler (\$84) & Heavy Duty Staples (2 boxes)	624.92
48	Parkinson Accounting Systems	Accounting Software Support (\$1,353) & Barcode Scanning Software Final Pmt (\$4,950-Total \$9,900)	6,303.75

Seq	Payable To	For	Amount
49	Paso Robles Tank	Progress Payment #9: Crest Water Tank Project (Balance Remaining on Contract (\$142,997.02))	46,649.83
50	PERS Retirement System	Pension Contribution PPE 4/15	38,259.05
51	PERS Health Benefits	May Health Ins Premium (Employees \$47,846, Retirees \$10,138 & Employee Contrib \$7,068)	65,052.67
52	PG & E	Power: Bldgs/Yard (\$3,592), Rectifier/Controls (\$261), Pumping (\$17,220), Treatment (\$3,400) & Other (\$98)	24,571.20
53	Phillips & Associates	April O & M of O.M. Wastewater Treatment System	5,049.02
54	Plotkin, Joel	Novato "Toilet Rebate" Program	150.00
55	Point Reyes Prop Mgmt Assn	April HOA Dues (25 Giacomini Rd)	118.91
56	Pollard Water	Tube Rounder to Crimp Copper Pipe (\$99) & Meter Wrenches (3) (\$190)	289.21
57	Putman, Susan	Novato "Washer Rebate" Program	75.00
58		Cafeteria Plan - Uninsured Medical Reimbursement	69.59
59		Cafeteria Plan - Uninsured Medical Reimbursement	270.00
60	Sacramento Flow Control	Repair Parts for Backflow Devices & Fire Services	3,628.41
61	Saville, Randall & Lisa	Novato "Washer Rebate" Program	75.00
62	Schaumleffel, John	Novato "Toilet Rebate" Program	150.00
63	Shape	Temperature Sender for Centrifuge Supply Pump (STP)	242.71
64	Sharpe, James	Novato "Toilet Rebate" Program	300.00
65	Sonoma County Water Agency	March Contract Water	136,458.18
66	Staples Advantage	"AA" Batteries (20), File Folders (2), Recycling Bin, Gummed Tabs (150), Chair Mats (2) (\$91) (Manzoni & Pecunia) & Paper Clips (2,000) (\$34)	152.87
67	Syar Industries	Asphalt (6.96 tons)	618.29

Seq	Payable To	For	Amount
68	Telstar Instruments	Replacement Titrator (Lab Instrument Used to Evaluate CI Residue)	2,814.99
69	Township Building Services	March Janitorial Service	1,714.00
70	USA BlueBook	Hand Pump Connection for 55 gal Chemical Drums (STP)	142.99
71	Verizon	Telephone Charges: Leased Lines (\$724) & Minimum (\$28)	751.92
72	Victory Auto Plaza	Radio Antenna ('02 Chevy 1 ton Truck)	54.62
73	VWR International	Conductivity Standard (Lab)	27.05
74	Wallace, Joanne	Novato "Washer Rebate" Program	75.00
75	Wiley Price & Radulovich	Consulting Services: Labor Cost Reduction Options (\$108) & Employee Misconduct Investigation (\$2,132)	2,240.00
76	Yioulos, Dean	Novato "Washer Rebate" Program	75.00
TOTAL DISBURSEMENTS			<u>563,585.54</u>

The foregoing payroll and accounts payable vouchers totaling \$563,585.54 are hereby approved and authorized for payment.



Auditor-Controller


4/25/11
Date



General Manager

4/25/2011
Date

MEMORANDUM

To: Board of Directors
From: Dianne Landeros, Accounting Supervisor 
Subject: Audit Entrance Conference
t:\finance\audit\audit11\bod audit entrance conference fy11.doc

April 29, 2011

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

On April 21, 2011 Paul Kaymark of the District's outside auditor Charles Z. Fedak & Company conducted an Audit Entrance Conference attended by Chris DeGabriele, David Bentley, and Dianne Landeros. This meeting fulfills the requirement dictated by The Statement on Auditing Standards (SAS) No. 114 for auditors to communicate certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process. The items discussed were:

1. Dates for this year's audit – June 14th and 15th for the interim work and the final fieldwork will be August 29th and 30th.
2. Audit Requests – Audit Binder with all balance sheet and some income statement accounts reconciled to the trial balance to be provided to the outside auditor by August 24, 2011.
3. Legal Letters – auditors will provide template for litigation inquiry letters to be sent to NMWD attorneys.
4. Trial Balance to be available to auditor August 24th.
5. Draft Audit Report to be presented at the October 18th Board meeting.
6. Review of certain footnote disclosures:
 - a. Update this year for CAFR Reporting – organization chart and statistical section.
 - b. Cash & Investments – last year Paul suggested investigating Cal Trust and CAMP as possible alternate investment vehicles for the District due to LAIFs low return. Staff investigated these alternatives and found that they were not a fit for the District.
 - c. Review Accounts Receivable bad debt allowance. District continues the direct write-off method of bad debts, which continues to be the better option.
 - d. Five new computer loans to employees this year and no new housing loans.
 - e. Accrued Claims Payable (\$14,400) – Worker's Compensation liability incurred during period of self-insurance will stay on books for the benefit of the injured employee.
 - f. GASB No. 45 Implementation – retiree medical and funding of liability. Valuation received from Demsey Filliger & Associates June 2010 is still in effect.

- g. Review principal pay-downs of outstanding debt and any new debt – SRF loans.
- h. Grant for Recycled Water Expansion – if receive more than \$500,000, will require a Single Audit Act Report, adding \$4,400 to the annual audit cost.
- i. CalPERS employer contribution rate – copy of latest PERS actuarial to be mailed to Auditor.
- j. Current litigation – District named party of interest in lawsuit on the Highway 101 widening project. A former employee filed a civil claim during the year, but dropped it April 2011.
- k. Subsequent event anticipated – Solar Project Power Purchase Agreement this spring/summer.
- l. Commitments & Contingencies: Construction Contracts – Crest Tank Construction, Recycled Water Expansion.

Paul asked what the District's greatest financial risk is. Chris and David responded there is an inadequate reserve balance. District staff have proposed three consecutive rate increases of 11% for fiscal years ended 2012, 2013, 2014.

Cc: Paul Kaymark

MEMORANDUM

To: File April 26, 2011
From: Brad Stompe, Distribution and Treatment Plant Supervisor
Subject: 90% draft Master Plan design for the Stafford Lake Bike Park – Final Public Meeting
P:\OOPS SUP\Distribution Operator File\BRAD\Memos

The Marin County Department of Parks and Open Space, along with Hilride Consultants, held a Community Design Workshop on April 25, 2011 at Margaret Todd Community Center. This was the last public meeting for design review with most or all of the park features in the design. Steve Petterle opened the meeting and commented that CEQA should be completed in the July/August time frame. Construction costs will range from \$150-250K of which there is no funding at this point. Fundraising will begin after the CEQA process is completed. The Parks department will be relying on a combination of paid staff and volunteer efforts for the continued maintenance and operation of the bike park.

Nat Lopes from Hilride went over the details of the plan explaining the features and giving a slide show demonstrating what some of the feature would look like. For further detail and explanation of the park Nat referred us to the bike park website www.staffordlakebikepark.com. Aside from the park features, time was spent explaining some of the details for conservation of the site, such as; integrating trails into the terrain, erosion control through use of bioswails, plantings, tilled in wood chips to promote water adsorption into soil and bioretention basins for collecting sediment. I asked Nat to point out these features on the map which he did and also referred me to the website which also shows the site map with the planned erosion control features. The site is planned to have 15-20% bare earth with the rest planted in native grasses.

Cc: Robert Clark
Chris DeGabriele

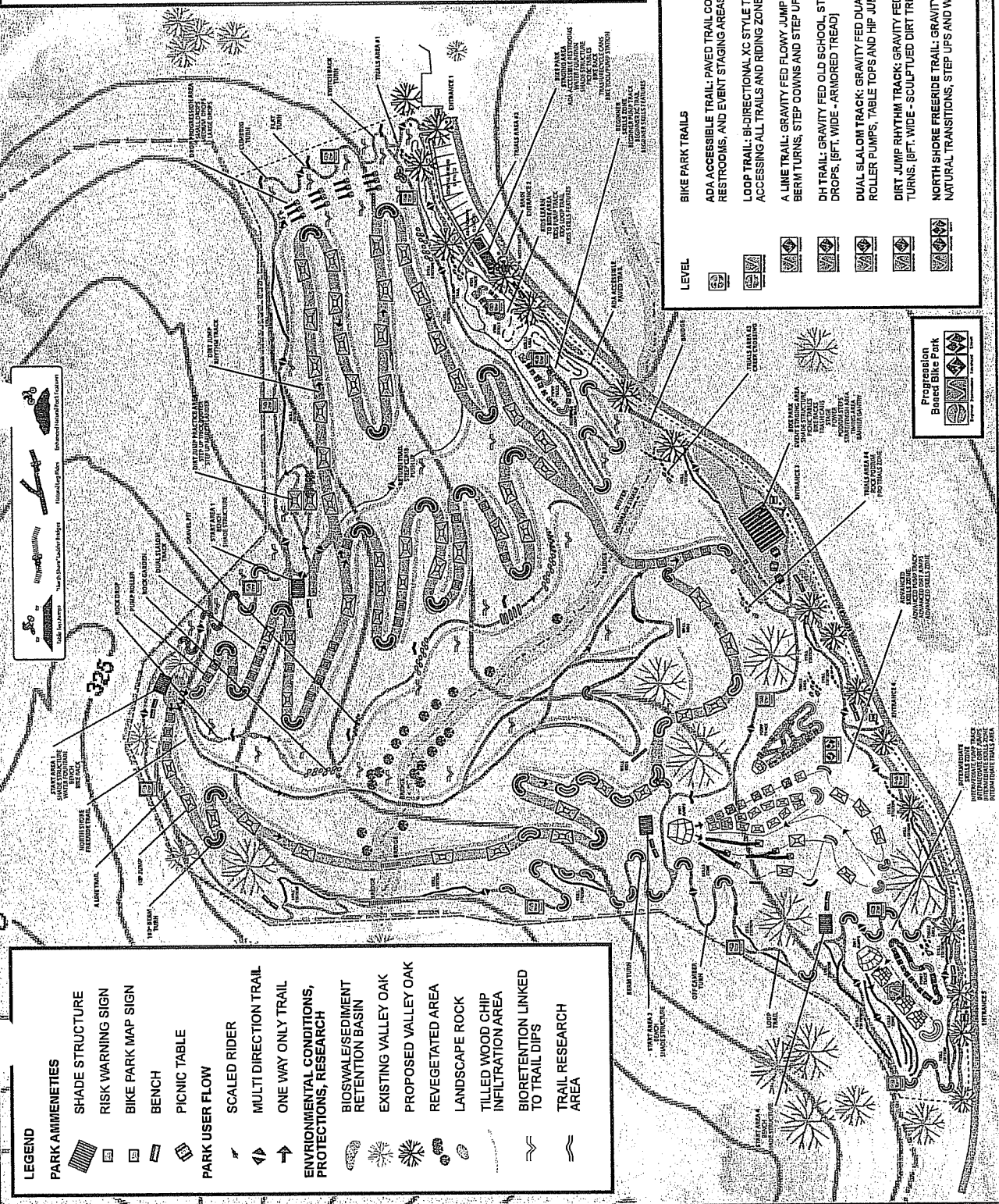
LEGEND

TRAIL TYPES

- ADA ACCESSIBLE TRAIL (6 FT.)
- NARROW TRAIL (2 FT.)
- MID WIDTH TRAIL (4 FT.)
- WIDE TRAIL (8 FT.)

RIDING FEATURES

- 180° BERM TURN
- 90° BERM TURN
- TABLE TOP JUMP
- HIP JUMP
- LANDING/TAKE OFF WEDGE
- PUMP ROLLER
- GAP JUMP
- ELEVATED LADDER BRIDGE
- WALL RIDE
- CURVED WALL RIDE
- RADAR DISH
- WOOD RAMPED JUMP
- LADDER DROP
- ROCK
- GRAVEL
- WOOD CHIPS
- SAND
- LOG



BIKE PARK TRAILS

- ADA ACCESSIBLE TRAIL: PAVED TRAIL CONNECTS PARKING AREA, MAIN STAGING AND RESTROOMS, AND EVENT STAGING AREAS. (6FT. WIDE - PAVED TREAD)
- LOOP TRAIL: BI-DIRECTIONAL XC STYLE TRAIL MAKES A LOOP AROUND THE ENTIRE PARK ACCESSING ALL TRAILS AND RIDING ZONES. (4 FT. WIDE - DIRT TREAD)
- A LINE TRAIL: GRAVITY FED FLOWY JUMP TRAIL WITH BIG TABLE TOP AND HIP JUMPS BERM TURNS, STEP DOWNS AND STEP UPS. (8FT. WIDE - SCULPTED DIRT TREAD)
- DH TRAIL: GRAVITY FED OLD SCHOOL, STEEP FALL LINE DH TRAIL WITH ROOTS, ROCKS, AND DROPS. (8FT. WIDE - ARMORED TREAD)
- DUAL SLALOM TRACK: GRAVITY FED DUAL TRACKS INCLUDE FAST FACED BERM TURNS, ROLLER PUMPS, TABLE TOPS AND HIP JUMPS. (4 FT. WIDE DUAL TRACKS - DIRT TREAD)
- DIRT JUMP RHYTHM TRACK: GRAVITY FED SCULPTED BIG RHYTHM JUMPS, HIP JUMPS AND BERM TURNS. (8FT. WIDE - SCULPTED DIRT TREAD)
- NORTH SHORE FREERIDE TRAIL: GRAVITY FED ELEVATED LADDER BRIDGES WITH DROPS TO NATURAL TRANSITIONS, STEP UPS AND WALL RIDES (4 FT. WIDE - LADDER BRIDGES)

LEVEL

- LEVEL 1
- LEVEL 2
- LEVEL 3
- LEVEL 4
- LEVEL 5
- LEVEL 6
- LEVEL 7
- LEVEL 8
- LEVEL 9
- LEVEL 10

LEGEND

PARK AMENITIES

- SHADE STRUCTURE
- RISK WARNING SIGN
- BIKE PARK MAP SIGN
- BENCH
- PICNIC TABLE

PARK USER FLOW

- SCALED RIDER
- MULTI DIRECTION TRAIL
- ONE WAY ONLY TRAIL

ENVIRONMENTAL CONDITIONS, PROTECTIONS, RESEARCH

- BIOSWALE/SEDIMENT RETENTION BASIN
- EXISTING VALLEY OAK
- PROPOSED VALLEY OAK
- REVEGETATED AREA
- LANDSCAPE ROCK
- TILLED WOOD CHIP INFILTRATION AREA
- BIORETENTION LINKED TO TRAIL DIPS
- TRAIL RESEARCH AREA

STAFFORD LAKE BIKE PARK

90% MASTER PLAN

Marin County Department of Parks and Open Space
www.maringov.org

Stafford Lake Bike Park
www.staffordlakebikepark.com

Hitride
www.hitride.com

HILRIDE

DATE: 4/25/11
CREATED: NAT LOPES
PHONE: (510) 789-5124
EMAIL: nat@hilride.com

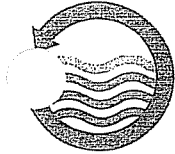
FOR PLANNING PURPOSES ONLY
BASE MAP: GOOGLE EARTH IMAGERY
TOPO DATA: MARIN COUNTY
DEPARTMENT OF PARKS AND OPEN SPACE

STAFFORD LAKE COUNTY PARK BOUNDARY
BIKE PARK BOUNDARY

0' 250' 500' 1,000'

5' CONTOUR INTERVALS

North



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948

PHONE

415.897.4133

FAX

415.892.8043

EMAIL

info@nmwd.com

WEB

www.nmwd.com

April 28, 2011

The Honorable Joe Simitian
California State Senate
State Capitol, Room 2080
Sacramento, CA 95814

Re: SB 34 California Water Resources Investment Act of 2011

Dear Senator Simitian:

The North Marin Water District Board of Directors has unanimously voted to oppose the SB 34 legislation as it will add substantial cost which must be passed on to NMWD customers with little or no potential of returning benefit. The public good charge of \$110/acre foot of water sold pursuant to the March 23, 2011 version would increase the cost of NMWD water by 17%! The April 13, 2011 version of the bill includes a blank space where the fee is called out, resulting in extraordinary uncertainty when attempting to evaluate this bill's impact on NMWD ratepayers. Furthermore, the bill proposes a reduced fee for agricultural water users utilizing best management practices at §81060.(a)(2)(B), even when those best management practices are not defined; yet there is no reduced fee for urban water users when the California Urban Water Conservation Council BMP's are followed by most water retailers, including NMWD, in our Marin and Sonoma County region. This directly contradicts §87020.(a)(1) which states: "The assessment should be equitable, and should have equal application to similar water users..."

North Marin Water District serves approximately 21,000 water accounts (61,000 people) in and around the community of Novato in northern Marin County, California. Our water supply consists principally of Russian River water delivered by Sonoma County Water Agency (SCWA) and is supplemented with local surface water supply from NMWD's Stafford Lake and locally treated recycled water. None of this water supply originates from or has any impact on the Sacramento/San Joaquin Delta. We believe that SB 34 is focused on developing a funding mechanism to insure the Delta Stewardship Council and related activities associated with the Delta Stewardship Plan can be implemented. While we agree that Delta issues have statewide significance, there is no reason for NMWD customers to subsidize parties that directly benefit Delta water deliveries. The beneficiaries should pay their full share.

SB 34 at §87010.(c) states that "Funding of public benefits should be guided by the beneficiary pays principle..." and we agree wholeheartedly. NMWD annually pays for services of the California Department of Public Health, satisfying the bill's public benefit reference included as §87010.(b)(2)(A). We also annually pay fees to the State Water Resources Control Board, satisfying the public benefit reference included as §87010.(b)(2)(C). Additionally, we annually report Public Water System Statistics to the

Department of Water Resources, which reporting would now be duplicated pursuant to SB 34 at §87067.(a).

If there is going to be a bill with any kind of "public benefit" charge, it must have a "credit" system for those agencies (like NMWD) that not only comply but go beyond the CUWCC BMP requirements. NMWD budgets \$500,000 per year for water conservation. NMWD and all of the SCWA's water contractors have been successful in reducing overall water use and responding to water supply reductions to benefit Russian River instream flows and fish/habitat protection and enhancement. The SCWA, NMWD and other SCWA water contractors have also planned and funded regional programs to enhance local water supply, recycled water and water conservation. In the past year NMWD, SCWA and the other SCWA Water Contractors formed the Sonoma Marin Saving Water Partnership to further these efforts.

SB 34 is sorely deficient in that it enunciates a principle of "beneficiary pays" for benefits on a regional basis, but really gives no serious indication of how the funds generated via the bill's fee mechanism will translate into money returning to the region to "reward" the beneficiaries by lowering the cost of their water systems and the water they receive. These deficiencies in the bill, and the efforts by NMWD and others, must be tangibly recognized to offset the type of fee that is being proposed. A better "public benefits" bill would not send money from our region to Sacramento, but instead allow money to stay in our region available only for use in our region for benefits selected by agencies in our region.

The state legislature has already foisted costly mandatory measures on NMWD with the Water Supply Act of 2010. That comprehensive legislation, again aimed at improving the Sacramento/San Joaquin Delta water supply and conveyance, included SBx7-7 which requires a 20% reduction in per capita water use by the year 2020. This reduction in per capita water use will result in a direct reduction in water sales revenue to fund the enterprise operation of NMWD. The added fee proposed by SB 34 is akin to rubbing salt on an open wound.

Sincerely,



Chris DeGabriele
General Manager

Cc: Senator Mark Leno
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Senator Jean Fuller
Senator Loni Hancock
Senator Ed Hernandez
Senator Christine Kehoe
Senator Doug La Malfa
Senator Carol Liu
Peter Detwiler, Senate Governance and Finance Committee
Cindy Tuck, ACWA Legislative Director
Grant Davis, General Manager, Sonoma County Water Agency
Paul Helliker, General Manager, Marin Municipal Water District
Krishna Kumar, General Manager, Valley of the Moon Water District
Miles Ferris, Utilities Director, City of Santa Rosa
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Milenka Bates, Public Works Director, City of Sonoma
Darrin Jenkins, City Engineer, City of Rohnert Park
Damien O'Bid, Public Works Director, City of Cotati
Pamela Tuft, Director Department of Water Resources, City of Petaluma
Tito Sasaki, North Bay Agricultural Alliance
Jennifer Persike, ACWA
Editor, Marin Independent Journal
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Another step forward for fish ladder

Published: Monday, April 25, 2011 at 8:46 a.m.

The Sonoma County Water Agency has received a \$255,132 grant from the state Department of Fish and Game toward the design of a new fish ladder and viewing chamber at the Russian River near Forestville, where the agency has an inflatable dam as part of its pumping operations.

It is part of a \$4.9 million project to replace the fish ladder, construct a viewing gallery and build new screens to keep fish away from the water agency's pumps.

The design work is expected to cost \$745,000.

The water agency has an inflatable dam at the site, which is raised during low-flow months to create a pool for the agency's pumps.

A new, longer ladder will allow easier passage upstream around the dam for coho salmon, which are an endangered species, and chinook and steelhead, which are on the threatened list.

The viewing chamber will be used as part of the agency's education program, allowing a half dozen people at a time to be able to watch fish swim through the ladder, said spokesman Brad Sherwood.

The new screens are being required by the federal National Marine Fisheries service to protect coho, chinook and steelhead from the water agency intake pumps.

The Sonoma County Board of Supervisors are being asked to accept the grant on Tuesday.

- Bob Norberg

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anti-androgen effect of phthalates, which was also found in some experimental animals. Swan writes that sensitive biomarkers to assay human phthalate exposure have been available for a short time (10 or 11 years), so that the long-term effects may not yet be known. The necessary epidemiological studies are expensive and slow, so that animal studies and small human studies will be necessary. Results from these are controversial. Some recent studies have found correlations between low sperm counts and phthalate levels in men. Studies on early puberty in girls have not reliably shown a correlation with phthalates at this point.

Studies on phthalate levels in pregnant women and their children have been done in several universities. Women exposed to phthalates and pesticides at the workplace are more likely to take six or more months to conceive and to have lower birth-weight babies, according to a recent study at Erasmus Medical College in Rotterdam. Researchers at Mount Sinai School of Medicine, Cornell and the US Centers for Disease Control found that higher prenatal exposure to phthalates was connected to disruptive and problem behaviors in children aged four to nine. Behaviors included aggressiveness, and attention deficit hyperactivity disorder.

What you can do

Lowering exposure to phthalates is

prudent, and especially important if you are pregnant or care for children. Body-care products containing phthalates are a source of exposure for infants. Read the ingredients whenever you buy a product: avoid personal care products (hair products, nail polish, deodorants, perfumes, lotions, etc) with DBP, DEP, and BzBP. Be aware that the term "fragrance" can mean that phthalates are present. This may mean a serious change in your use of body-care products and cosmetics. You can find a variety of safer cosmetics at the Environmental Working Group website: www.ewg.org/skindeep.

DEHP is used in PVC plastics. DMP is in insect repellents. Choose plastics with the recycling code 1,2 or 5. Codes 3, 6 and 7 may contain bisphenol A, or phthalates. Parents should not buy soft plastic PVC toys for children. California has a law—signed by Governor Schwarzenegger—that bans products containing more than 0.1% phthalates from toys as well as baby bottles and other items that children can put in their mouths.

Something positive

After reading about the widespread nature of phthalates in our environment, as well as bisphenol A, you are probably ready for some better news. Dr. B.B. Aggarwal, a cancer researcher at the University of Texas MD Anderson Cancer Center, has written

a new book called *Healing Spices* in which he brings together ancient traditional medicine and modern medical research to show how herbs and spices can promote healing and health. I will report on his findings in subsequent columns. In the meantime, know that he has a chapter on cocoa and chocolate, and is a strong proponent of turmeric. See his website, "Curcumin—The Indian Solid Gold," and prepare to be surprised at the science on the actions of curcumin against cancer and other diseases. Curcumin is the active agent in turmeric. Make some curry for dinner!

Check for back issues at sadjascolumns.blogspot.com

NOTICE

Salinity intrusion into the Point Reyes well supply serving the West Marin communities of Point Reyes, Olema, Inverness Park, and Paradise Ranch Estates has occurred beginning on April 5, 2011 and has caused sodium levels to increase from background levels of 15-30 milligrams per Liter (mg/L). The table below lists most recent concentrations for sodium and chloride in the West Marin water supply:

Date	Sodium	Chloride	
04/26/2011	50	26	mg/l*

*milligrams per liter

Chris DeGabriele, General Manager
North Marin Water District

Published in the Point Reyes Light, April 28, 2011

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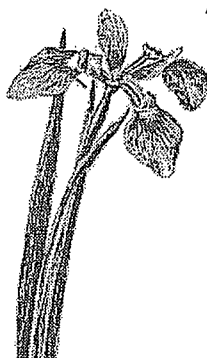
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Fictitious Business Name Statement

File No. 126480

The following person(s) is (are) doing business as: Rem Direct
258 Circle Dr., Tiburon, CA 94920
This business is conducted by a corporation: Mylman & Company, Inc., 25 B Circle Dr., Tiburon, CA 94920. This statement was filed with the County Clerk of Marin County on March 30, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 7/14, 21, 28 2011.

Fictitious Business Name Statement

File No. 126471

The following person(s) is (are) doing business as: Pacific Wine Group, 248 Johnstone Dr., San Rafael, CA 94903. This business is conducted by a limited liability company: Swanki Wine Shop, LLC, 248 Johnstone Dr., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on March 29, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 7/14, 21, 28 2011.

Fictitious Business Name Statement

File No. 126437

The following person(s) is (are) doing business as: Personal, Insurance, 20 Olympia Way, Novato, CA 94949. This business is conducted by an individual: Gregory W. Coleman, 20 Olympia Way, Novato, CA 94949. This statement was filed with the County Clerk of Marin County on March 28, 2011, signed: J. Manton, Deputy, Published in the Point Reyes Light April 7/14, 21, 28 2011.

Fictitious Business Name Statement

File No. 126510

The following person(s) is (are) doing business as: Island Provision, 630 Davidson St., Novato, CA 94945, 02; O & A Charoliers, 630 Davidson St., Novato, CA 94945, 03; All Services, 630 Davidson St., Novato, CA 94945. This business is conducted by an individual: Ulma Trading SA, 630 Davidson St., Novato, CA 94945. This statement was filed with the County Clerk of Marin County on March 11, 2011, signed: J. Manton, Deputy, Published in the Point Reyes Light April 7/14, 21, 28 2011.

Fictitious Business Name Statement

File No. 126536

The following person(s) is (are) doing business as: Business, 51 B Elm Ave., San Anselmo, CA 94960. This statement was filed with the County Clerk of Marin County on April 4, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 7/14, 21, 28 2011.

Fictitious Business Name Statement

File No. 2011126509

The following person(s) is (are) doing business as: Business, 1005 Northgate Dr., San Rafael, CA 94903. This business is conducted by a corporation: Santa Rosa, CA 95405. This statement was filed with the County Clerk of Marin County on April 7, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 21, 28, May 5, 12, 2011.

Fictitious Business Name Statement

File No. 2011126509

The following person(s) is (are) doing business as: Business, 1005 Northgate Dr., San Rafael, CA 94903. This business is conducted by a corporation: Santa Rosa, CA 95405. This statement was filed with the County Clerk of Marin County on April 7, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 21, 28, May 5, 12, 2011.

Fictitious Business Name Statement

File No. 2011126548

The following person(s) is (are) doing business as: Gateway Gas One, 1005 Northgate Dr., San Rafael, CA 94903. This business is conducted by a corporation: Santa Rosa, CA 95405. This statement was filed with the County Clerk of Marin County on April 7, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 21, 28, May 5, 12, 2011.

Fictitious Business Name Statement

File No. 2011126509

The following person(s) is (are) doing business as: Business, 1005 Northgate Dr., San Rafael, CA 94903. This business is conducted by a corporation: Santa Rosa, CA 95405. This statement was filed with the County Clerk of Marin County on April 7, 2011, signed: O. Lobato, Deputy, Published in the Point Reyes Light April 21, 28, May 5, 12, 2011.

NOTICE

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Date	Sodium	Chloride	mg/l*
04/05/2011	52	31	

*milligrams per liter
Chris DeGabriele, General Manager
North Marin Water District

Published in the Point Reyes Light, April 14, 2011

termine any rate change.

- The schedule of per diem wages is based upon a working day of eight hours. holiday and overtime work shall be at least time and one half.
- The substitution of appropriate securities in lieu of retention amounts from payments in accordance with Public Contract Code 822300 is permitted.
- Pursuant to Public Contract Code 84104, each bid shall include the name and location of business of each subcontractor who shall perform work or service or fabricate work for the contractor in excess of one-half of one percent (1/2 of 1%) of the bid price shall describe the type of the work to be performed by each listed subcontractor.
- No bid may be withdrawn for a period of sixty (60) days after the date set for the bids except as provided by Public Contract Code 855100 et seq. The District reserves the right to reject any and all bids and to waive any informalities or irregularities in the bidding process.
- Minority, women, and disabled veteran contractors are encouraged to submit their bids. is not subject to Disabled Veteran Business Enterprise requirements.
- This Contract is is not subject to a labor compliance program as defined in Labor Code.
- Each bidder shall possess at the time the bid is awarded the following classification: California State Contractor's license: "B"/General Building Contractors License.
- A MANDATORY bidders' conference will be held on site at Tomales High School, Tomales, CA 94971 on Tuesday April 26, 2011 at 3pm, for the purpose of a prospective bidders with the Contract Documents and the Project site. Failure to attend the conference may result in the disqualification of the bid of the non-attending bidder.

SHORELINE UNIFIED SCHOOL DISTRICT, STATE OF CALIFORNIA

Stephen Rosenthal - Superintendent/DATED: April 5, 2011
Published in the Point Reyes Light, April 14 and April 21, 2011