



NORTH MARIN WATER DISTRICT
AGENDA
REGULAR MEETING
 May 3, 2016 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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

Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , April 19, 2016
	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
	CONSENT CALENDAR <p>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.</p>	
	5.	Approve: Set Public Hearing for Revisions to Drought Emergency Water Conservation Regulations
	6.	Approve: Villa Entrada HOA Easement and Compensation
	7.	Approve: Addendum to Stafford Lake Park Irrigation System Lake Intake Upgrade MOU
	8.	Approve: Adopt State Financial Assistance revised Pledged Revenues and Funds Resolution for Recycled Water Central Service Area Project Resolution
	9.	Approve: Selection of CPA Firm to Perform Annual Financial Audit
	ACTION CALENDAR 	
	10.	Approve: Water Shortage Contingency Plan for West Marin Service Area Resolution
	11.	Approve: Rate Increase Letter to West Marin Water and Oceana Marin Sewer Customers
	INFORMATION ITEMS	
	12.	Initial Review – FY 2016/17 Proposed Novato Operations Budget
	13.	Initial Review – FY 2016/17 Novato Recycled Water System Budget

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
	14.	Quarterly Progress Report – Engineering
	15.	Quarterly Progress Report – Water Conservation
	16.	NBWRA Meeting Update – April 25, 2016
	17.	WAC/TAC Meeting – May 2, 2016
	18.	NBWA Meeting – May 6, 2016
	19.	MISCELLANEOUS Disbursements FY16 – 3 rd Quarter Labor Cost Report ACWA Clair Hill Water Agency Award for Excellence Residential Recycled Water Plan for 2016 County Appoints Acting Parks Director <u>News Articles:</u> Novato Woman Gives Back Through ‘A Taste of Sri Lanka’ Fundraiser East Bay water district will stop fining water guzzlers Schools buying water filters even though fountains are fine Marin Oks coastal program amid disagreement with state staff West Marin community celebrates new wastewater system in Marshall Marshall celebrates community septic system Mosquito agreement coming soon Klamath Basin Agreement Opens Way to Restore River
9:00 p.m.	20.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 19, 2016

CALL TO ORDER

President Schoonover called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraites, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, District Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Joe Wiley and Joan Pugh Newman from Wiley & Price, Ken Sinclair from Carollo Engineers, Novato Residents Ed Grundstrom and Mike Jolly, District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Maintenance/Operations Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

CLOSED SESSION

President Schoonover adjourned the Board into closed session at 7:01 p.m. in accordance with Government Code Sections 54954.5 and 54956.9 – Pending Litigation.

OPEN SESSION

Upon returning to regular session at 7:40 p.m., President Schoonover stated that during the closed session the Board had discussed the issue and no reportable action had been taken.

MINUTES

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

AYES: Director Fraites, Petterle, Rodoni and Schoonover

NOES: None

ABSENT: Director Baker

GENERAL MANAGER'S REPORT

SCWA Board Meeting

Mr. DeGabriele advised the Board that he attended the Sonoma County Board of Directors meeting today where they unanimously approved the FY2016/17 Sonoma County Water Agency budget.

1 Marin County Board of Supervisors

2 Mr. DeGabriele informed the Board that he also attended the Marin County Board of
3 Supervisors meeting and commented on the Local Coastal Program Development Code provisions
4 related to Public Facilities including water supply facilities.

5 North Bay Watershed Association Conference

6 Mr. DeGabriele informed the Board that he and Directors Baker and Fraites and Drew
7 McIntyre will be attending the North Bay Watershed Association Conference this Friday.

8 National Marine Fishery Services

9 Mr. DeGabriele advised the Board that he and Mr. McIntyre will be meeting with the NMFS
10 next Monday to discuss the District's comments on the Steelhead Recovery Plan.

11 **OPEN TIME**

12 President Schoonover asked if anyone in the audience wished to bring up an item not on
13 the agenda and the following items were discussed:

14 Novato Resident, Ed Grundstrom requested that the Board absorb the increase in the
15 purchased water cost from Sonoma County Water Agency by using reserves and not institute a rate
16 increase this year. He suggested that rate payers could use a break from increases.

17 Novato Resident Mike Jolly questioned the proposal to raise rates during a period where
18 customers have shown great restraint in water use to comply with the District and the State Water
19 Resources Control Board requirements. He suggested taking out a newspaper advertisement
20 thanking customers for their restraint and explaining the fixed cost business model of the District.

21 **STAFF/DIRECTORS REPORTS**

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

24 Robert Clark advised the Board that the Stafford Treatment Plant started up in early April
25 and is producing water for the Novato community. He noted that Stafford Lake is full and as of
26 today is no longer spilling.

27 **QUARTERLY FINANCIAL STATEMENT**

28 Mr. Bentley reviewed the 3rd Quarter Financial Statement for the first nine months of this
29 fiscal year; the District generated a net loss of \$226K and saw a net cash decrease of \$1.18M. He
30 stated that Operating Revenue came in 15% under budget and Operating Expense came in 9%

1 under budget. He advised the Board that Novato water consumption was 14% less than the prior
2 year during this same period and total Operating Revenue is down nearly \$1M due the consumption
3 decrease.

4 Mr. Bentley informed the Board that the Recycled Water sales are down 6% and that there
5 is \$280K in recycled water fund reserves. He advised the Board that West Marin water sales are
6 down and that the system financial balance is \$1.1M. He stated that in Oceana Marin there is
7 \$389K in reserves.

8 **MONTHLY PROGRESS REPORT**

9 Mr. DeGabriele provided the Monthly Progress Report for March. He stated that water
10 production is down 19% compared to a year ago and down 24% compared to 2013. He noted that
11 for the period from June through March water production is down 33% compared to this same period
12 in 2013 pursuant to the State mandate. Mr. DeGabriele informed the Board that at the end of March,
13 Stafford Lake was spilling and Novato had received 21.1" of rainfall, slightly less than average. He
14 stated that on the Russian River, Lake Mendocino holds over 86,000AF and Lake Sonoma nearly
15 245,000AF. The Board was informed that 38% of customer service questionnaires were returned,
16 an improvement over past receipt and 99% of customers indicate the District is doing a good job.
17 Mr. Bentley reviewed the Auditor-Controller's Monthly Report of Investments, which shows that the
18 District has just over \$13M invested earning a rate of return of 0.65%.

19 **CONSENT CALENDAR**

20 On the motion of Director Baker, seconded by Director Rodoni the Board approved the
21 following items on the consent calendar by the following vote:

22 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

23 NOES: None

24 **PACK ANNEXATION SEWER SERVICE AGREEMENT**

25 Director Baker requested this item be removed from the consent calendar to inquire whether
26 the District was aware that the existing Pack residence in Dillon Beach was an approved multifamily
27 structure. Mr. McIntyre advised that District staff was not aware of this fact until the LAFCo
28 determination was made and it appears that the Marin County Assessor had made the
29 determination at some prior date. He further stated that the proposed sewer service agreement
30 would limit the property to one single family dwelling unit and one additional dwelling unit.

1 On motion of Director Baker, seconded by Director Petterle, the Board approved annexation
2 of the Pack property at 35 Ocean View Avenue in Dillon Beach to the Oceana Marin Improvement
3 District and Resolution 16-09 entitled: "Resolution of the Board of Directors of North Marin Water
4 District Ordering the Annexation of Territory Within Said District to Improvement District No. OM-3 Of
5 North Marin Water District" by the following vote:

6 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

7 NOES: None

8 **RECORD RETENTION PROGRAM- DESTRUCTION OF RECORDS**

9 The Board authorized Destruction of Records pursuant to the District's Record Retention
10 Program. Records will be destroyed on April 27th. The Board and staff were invited to bring in
11 personal records for shredding at a cost of \$7 per bankers box. The Board approved Resolution 16-
12 10 entitled: "Resolution of the Board of Directors of North Marin Water District to Approve
13 Destruction of Certain Records."

14 **LAWN BE GONE SHEET MULCHING PROGRAM**

15 The Board authorized a new agreement with McAghon Landscaping for continuation of the
16 "Lawn be Gone" sheet mulching program for an amount not to exceed \$12,000. This is an
17 alternative program to the District's "Cash For Grass" program. District customers are provided
18 materials (cardboard and wood chip mulch) which are placed directly on top of turf to eliminate the
19 need for irrigation in the future. To date 15 customers have participated in this program and
20 converted 8,600sqft of lawn. New authorization will enable another 17,500sqft of turf to be converted
21 to low-water use landscape area.

22 **ACTION CALENDAR**

23 **RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – EAST PROJECT – APPROVE**
24 **BID ADVERTISEMENT**

25 Mr. McIntyre requested the Board to provide approval for staff to solicit bids for the Recycled
26 Water Expansion Central Service Area East Project. He explained to the Board that the project will
27 include pipeline installation on public right-of-way east of Highway 101, essentially extending
28 transmissions lines from the Novato Sanitary District Recycled Water Production Facility through
29 Vintage Oaks, including a crossing of the SMART Railroad and Novato Creek. He stated that
30 estimated cost of the work is \$2.99M. He noted that bids are scheduled to be open on June 21st,
31 with award on July 22nd and construction to be completed next May. Mr. McIntyre advised the Board
32 that other elements of the Central Service Area Expansion project include the west project: pipeline

1 installation west of Highway101 and the 101 crossing, Norman Tank Rehabilitation and finally
2 private onsite retrofits both east and west of Highway101.

3 On motion of Director Baker, seconded by Director Petterle, the Board authorized bid
4 advertisement of the Recycled Water Expansion Central Service Area-East Project by the following
5 vote:

6 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

7 NOES: None

8 **WATER SHORTAGE CONTINGENCY PLAN FOR GREATER NOVATO AREA**

9 Mr. Grisso advised the Board that staff is working on the 2015 Urban Water Management
10 Plan and as part of the plan staff would like to update the Water Shortage Contingency Plan to allow
11 the Board the authority and flexibility to declare dry conditions and voluntary or mandatory water use
12 restrictions and/or water use reduction mandates in response to a range of drought conditions
13 including actions and response to the State water conservation orders. He stated that the new plan
14 also authorizes collection of a Drought Revenue Recovery Surcharge.

15 On motion of Director Fraites, seconded by Director Rodoni, the Board approved Resolution
16 16-11 entitled: "Resolution of the Board of Directors of North Marin Water District Approving the
17 Water Shortage Contingency Plan for Greater Novato Area" updating the Water Shortage
18 Contingency Plan to be included in the 2015 Urban Water Management Plan by the following vote:

19 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

20 NOES: None

21 **APPROVE NOTICE OF COMPLETION FOR AEEP B3 PROJECT (GHILOTTI CONSTRUCTION**
22 **INC.)**

23 Mr. McIntyre requested that the Board approve a Notice of Completion for the AEEP B3
24 Project to be filed. He stated that Ghilotti Construction completed the work for just under \$14M of
25 which the majority is reimbursed by CalTrans. He explained that filing of the Notice of Completion
26 provides subcontractors an opportunity to file claims in the next 35 days, at which time should no
27 claims be filed, the project can be closed out.

28 On motion of Director Petterle, seconded by Director Fraites, the Board authorized the
29 General Manager to execute and file a Notice of Completion for the AEEP B3 project by the
30 following vote:

31 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

1 NOES: None

2 **SET PUBLIC HEARING – 2015 URBAN WATER MANAGEMENT PLAN**

3 Mr. McIntyre advised the Board that he, Ryan Grisso and Mr. DeGabriele have been working
4 on the 2015 Urban Water Management Plan. He stated that the Board will need to set a public
5 hearing date to consider comments on the plan. He noted that June 21st at 7:00 p.m. is the
6 recommended date and time for the public hearing. Mr. McIntyre advised the Board that the
7 document needs to be completed by July 1st.

8 On motion of Director Petterle, seconded by Director Baker, the Board set the public hearing
9 to consider comments on the 2015 Urban Water Management Plan at 7:00 p.m. on June 21st at the
10 District Administrative Office, 999 Rush Creek Place, Novato and directed staff to notify the City and
11 County and notice the public hearing once per week for two consecutive weeks in the Novato
12 Advance by the following vote:

13 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

14 NOES: None

15 **INFORMATION ITEMS**

16 **INITIAL REVIEW – FY 17 & FY 18 CAPITAL IMPROVEMENT PROJECT BUDGET**

17 Mr. Bentley provided the Board with the FY17 & FY18 Capital Improvement Project Budget
18 which included the District's share of the Sonoma County Water Agency's Capital Improvement
19 Projects funded through water rates. He stated that also included in the budget is the debt schedule
20 which shows all four Districts. Mr. Bentley informed the Board that the FY17 CIP Budget is set for
21 \$18.5M and \$11.8M for FY18. He advised the Board that there are three projects which will be
22 financed including: the Radio Read Meter Retrofit, the Office/Yard Remodel and the Recycled Water
23 Expansion for the Central Service Area.

24 Mr. Bentley advised the Board that an additional review of the Novato Water and Recycled
25 Water Capital Improvement Budgets is scheduled for May 17th, and a public hearing and approval
26 of the budgets is scheduled for June 21, 2016. He stated that an additional review of the West Marin
27 Water and Oceana Marin Sewer Capital Improvement Budgets is scheduled for June 7th, with a
28 public hearing planned for June 28th in Point Reyes Station.

1 **INITIAL REVIEW – PROPOSED FY 16/17 EQUIPMENT BUDGET**

2 Mr. Bentley provided the Board with the initial review for the Proposed FY16/17 Equipment
3 Budget. He stated that the budget is set at \$245K for the upcoming year and that the more
4 expensive items are a mini track loader, two replacement pickup trucks and a replacement lab
5 information system.

6 Mr. Bentley advised the Board that an additional review of the FY16/17 Equipment Budget is
7 scheduled for May 17th, and a public hearing and approval of the Budget is scheduled for June 21,
8 2016.

9 **COMMENT LETTER TO SWRCB- URBAN WATER CONSERVATION WORKSHOP**

10 Mr. DeGabriele advised the Board that they received the District's comment letter to the
11 State Water Resources Control Board on the Urban Water Conservation Workshop to be held on
12 April 20th. He stated that the District requests that the State Board rescind the Emergency Drought
13 Water Conservation Regulations in the Sonoma-Marin region.

14 **MISCELLANEOUS**

15 The Board received the following miscellaneous items: Disbursements and Self-Insured
16 Workers Comp – 3rd Quarter Report.

17 The Board also received the following news articles: Officials sign Huffman-backed pact to
18 tear down hydroelectric dams and Wild and harnessed, Eel River a vital, troubled North Coast
19 watershed.

20 The Board received the following miscellaneous item at the Board meeting: Comment Letter
21 from City of Petaluma.

22 **ADJOURNMENT**

23 President Schoonover adjourned the meeting at 8:24 p.m.

24 Submitted by
25
26

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28 Katie Young
29 District Secretary
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MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager
Subject: Set Public Hearing to Consider Revisions to Drought Emergency Water Conservation Regulations

April 29, 2016

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RECOMMENDED ACTION: Set Public Hearing for the May 17, 2016 regular Board meeting to consider revisions to the Drought Emergency Water Conservation Regulations.

FINANCIAL IMPACT: None at this time

The State Water Resources Control Board (State Board) is considering revisions to the "Drought Emergency Conservation Regulations" adopted in both 2014 and 2015 in response to the adequate water supply levels that have been achieved in portions of the State this rainy season. The State Board's draft revisions are expected to be published sometime in early May 2016 with final approval expected in late May 2016. Once the draft revisions are published, staff will review, evaluate and generate revisions to North Marin Water District's Drought Emergency Water Conservation Regulations to be presented for Board approval at the May 17, 2016 Public Hearing. The Board is requested to set a Public Hearing at the May 17, 2016 regular Board meeting to consider revisions to the North Marin Water District's Drought Emergency Water Conservation Regulations.

RECOMMENDATION

Board set Public Hearing at the May 17, 2016 regular Board meeting to consider revisions to the North Marin Water District's Drought Emergency Water Conservation Regulations.

Approved by GM CDDate 4/29/2016

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MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Assistant General Manager/Chief Engineer
Subject: Villa Entrada HOA (524 Entrada Dr.) – New Easement
R:\Folders by Job No\6000 jobs\6058\BOD Memos\6058 Villa Entrada HOA Easement BOD memo.doc

Date: April 29, 2016

RECOMMENDED ACTION: The Board approve easement and compensation

FINANCIAL IMPACT: \$14,375 plus \$2,000 contingency (to be paid from FY16 RW Central Expansion CIP)

Project Description

As part of the District's Recycled Water Central Service Area Expansion project, a new 15-foot wide by 220 long pipeline easement is required within the 12 year old, 100 condominium unit Villa Entrada development. The easement is for a new 12-inch recycled water main to be installed between Entrada Dr. and Norman Tank using a trenchless technology called Horizontal Directional Drilling (HDD) as shown in Attachment 1. This new pipeline easement augments the District's other existing pipeline easements within this development for potable water distribution.

Easement Language

District staff, with input from legal counsel, Mr. Carl Nelson, developed the attached easement language (Attachment 2). Said language has also been reviewed and approved by Villa Entrada HOA's attorney.

Easement Compensation

NMWD staff has agreed to compensate the Villa Entrada HOA \$14,375 based on a third party appraisal by Semple Appraisals dated October 20, 2015. The compensation amount is based on an easement area of 3,300 sq. ft. A detailed survey and legal description of the easement is currently being completed by White and Prescott. A contingency amount of \$2,000 is included should the field survey yield any minor deviations from the proposed 15' by 220' easement. Right of way costs such as this easement acquisition are not eligible for any State grant or loan funding. However, this easement expense will be part of the cost share agreement between the District and Marin County Club.

RECOMMENDATION

- 1) Authorize the General Manager to execute an easement with Villa Entrada HOA for a new pipeline easement.
- 2) Authorize the payment of \$14,375 (with a \$2,000 contingency) to compensate the Villa Entrada HOA for receipt of a fully executed easement.

Approved by GM CDDate 4/29/2016

Recording requested by:

NORTH MARIN WATER DISTRICT

When Recorded Mail To:

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

Record Without Fee Per G.C. 27383

RM 2001-238, Lot 187
524 Entrada Dr.
Novato, CA 94947

J-5 6058.15

Space above this line
for Recorder's use

GRANT OF EASEMENT

FOR A VALUABLE CONSIDERATION

VILLA ENTRADA HOMEOWNERS ASSOCIATION,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

herein called "Grantor", hereby grants to NORTH MARIN WATER DISTRICT, a public corporation organized and existing under the County Water District Law of the State of California, herein called the "District", a perpetual easement and right of way for the purpose of laying down, constructing, reconstructing, removing, replacing, repairing, maintaining, operating and using, as the Grantee may see fit, for the transmission and distribution of water (potable and/or recycled), a pipe or pipes and all necessary braces, connections, fastenings, manholes and other appliances and fixtures for use in connection therewith or appurtenant thereto, in, under, on and along that real property in the City of Novato, County of Marin, State of California, described on Exhibit "A" and illustrated on Exhibit "B", attached hereto and made a part thereof.

TOGETHER WITH the right of ingress to and egress from said right of way and the right at all times to enter in, over and upon said right of way and every part thereof and also to use said right of way for all purposes connected with the laying down, constructing, reconstructing, replacing, removing, repairing, maintaining, operating and using said pipe or pipes.

The Grantors and the Grantors' heirs, successors or assigns, shall not do, nor allow to be done, anything which may interfere with the full enjoyment by the District of the rights herein granted, including without limitation the following:

placing or permitting to be placed on said right of way any building or structure (including without limitation fences not approved by District, garden structures, swimming pools, or deck(s), tree(s), large shrub(s), or rock(s) weighing more than 50 pounds);

excavating or permitting an excavation to be made closer than three (3) feet to any structure or pipe placed by the District on said right or way.

Subject to the foregoing provisions, Grantors may change the grade of the surface of said right of way, provided that before making any such change, Grantors (or Grantor's heirs, successors or assigns if Grantors are no longer in possession) shall notify District of the proposed change and pay to District the full expense of raising or lowering of such facilities as solely determined by District if District determines in its sole discretion that the change of the grade necessitates that any District

_____/_____
Grantor/ Grantee

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facilities be raised or lowered. The Grantors and the Grantor's heirs, successors or assigns, shall not otherwise place or cause to be placed any earth, fill or rubble over any structure or pipe placed by the District on said right of way.

Damages to the Property: If any portion of the easement area is damaged as a proximate result of the District's use of the easement area or leakage or other failure of any part of the underlying District pipelines or facilities, or actions of the District, its officers', agents', employees' and/ or contractors' actions in gaining access to the easement, District facilities, or underlying pipelines for purposes of repair, maintenance, connection, or for any other purpose, then the District shall restore the surface of the easement area to its previous condition and to be approved by Grantor, provided that such approval shall not unreasonably be delayed, conditioned, or denied. The preceding sentence shall not apply to the extent such leakage or damage is proximately caused by Grantor, its officers, agents, employees and/ or contractors.

District shall indemnify, protect, defend and hold harmless Grantor from and against any and all losses proximately caused by District's performance of this agreement and use of the easement area, including, but not limited to, the following: (a) a material breach of this agreement by District; (b) any personal injury or death caused, directly or indirectly, by any act or omission of District or its employees or agents; (c) any loss of or damage to property caused, directly or indirectly, by any act or omission of District or its employees or agents; (d) the use, misuse or failure of any equipment or facility used by District, or by any of its employees, or agents, regardless of whether such equipment or facility is furnished, rented or loaned to District. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and other experts and related costs, and Grantor's costs of investigating any claims against Grantor.

Grantor shall indemnify, protect, defend and hold harmless District from and against any and all losses arising from, in connection with or caused by Grantor's use of the easement area, including, but not limited to, the following: (a) a material breach of this agreement by Grantor; (b) any personal injury or death caused, directly or indirectly, by any act or omission of Grantor or its employees or agents; (c) any loss of or damage to property caused, directly or indirectly, by any act or omission of Grantor or its employees or agents; (d) the use, misuse or failure of any equipment or facility used by Grantor, or by any of its employees, or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantor. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and other experts and related costs, and District's costs of investigating any claims against District.

Each party acknowledges and agrees that its obligation to defend the other party hereunder : (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any loss which is claimed or alleged to fall within the scope of the indemnity specified in the two preceding paragraphs, as applicable, regardless of whether the allegations asserted in connection with such loss are or may be groundless, false or fraudulent; and (c) arises at the time the loss is tendered and continues at all times thereafter. The party seeking indemnification shall give the other party prompt notice of any loss under this Section and the indemnifying party shall have the right to defend, settle and compromise any such loss; provided, however, that the indemnified party shall have the right to retain its own counsel at the expense of the indemnifying party if representation of the indemnified party by the counsel retained by the indemnifying party would be inappropriate due to conflicts of interest between Grantor and District.

Grantors may cultivate and landscape the surface of said right of way and may construct a driveway thereon provided that such actions do not in any way conflict with or violate any of the preceding limitations.

Grantors reserve the right to change the location of said right of way to a new location agreeable to District, in its sole and absolute discretion, provided that Grantors shall first provide a right-of-way in the new location at Grantor's sole cost by executing a new easement in the standard form then utilized by the District and pay to District the full expense of relocating such facilities as solely

determined by District.

It is expressly agreed that the District shall be under no obligation to install or maintain a roadway or pavement or other surfacing upon the right-of-way except such as may be convenient for its own purposes, and specifically the District shall not be liable for any contribution for same.

Everywhere herein, where reference is made to the Grantor, it shall also include the Grantor's heirs, assigns, and/or successors and/or agents.

Should there be any variations, errors or omissions in the description herein, Grantor and the Grantor's heirs, successors or assigns, shall convey to District a right-of-way over the pipeline and other installations as laid and located by executing a new easement in the standard form then utilized by the District.

VILLA ENTRADA HOMEOWNERS ASSOCIATION,
A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION

Dated _____	_____ William Bridges
Dated _____	_____ Nadine Sexton
Dated _____	_____ Rose Merritt
Dated _____	_____ Kitty Reyes
Dated _____	_____ William Katz

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing instrument to North Marin Water District, a local governmental agency, is hereby accepted by the undersigned officer on behalf of the Board of Directors of the District pursuant to authority conferred by the Board's Resolution No. 10-14, adopted on August 3, 2010, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated _____

NORTH MARIN WATER DISTRICT

By: _____
Chris DeGabriele, General Manager

(Attach notary slip on back of this page.)

_____ Grantor/ Grantee

EXHIBIT 'A' & 'B'

LEGAL DESCRIPTION AND MAP UNDER PREPARATION

BY NMWD CONSULTANT WHITE & PRESCOTT

7

MEMORANDUM

To: Board of Directors
 From: Drew McIntyre, Chief Engineer 
 Subject: Approve Addendum to Stafford Lake Park Irrigation System Lake Intake Upgrade MOU

Date: April 29, 2016

R:\NON JOB No ISSUES\Stafford Lake\Approve MOU for Stafford Lake Irrigation Pump BOD Memo 4-29-16.doc

RECOMMENDED ACTION: That the Board approve this Addendum to the MOU agreement between Marin County Parks and North Marin Water District for installation of a new Stafford Lake Park lake intake and pump station.

FINANCIAL IMPACT: None, information only

Background

At the July 19, 2011 meeting, the Board approved a Memorandum of Understanding (MOU) between Marin County Parks and North Marin Water District for installation of a new lake intake and pump station at Stafford Lake. Marin County Parks (MCP) has been working on a project to replace the existing irrigation pump system at Stafford Lake Park (Park) since July 2010. MCP selected a project approach to use two submersible pumps/motors on a submersible skid to be located at an approximate lake bottom elevation of 168 feet (see Attachment 1). The submersible pump station would be connected to the existing irrigation system piping onshore through fused welded 6-inch high density polyethylene (HDPE) pipe. This pipe would essentially be laid on top of the existing lake bottom with no excavation until the high water level elevation (196 feet) was reached. As part of this project, a 5'x6' concrete pad with surrounding fence would be constructed (at an elevation of 208.5 feet) to house the pump control equipment. A 1-foot wide by 30-inch deep trench would be required between the lake edge and the electrical panel and a second trench of same size from the electrical panel to the existing pump station where a new main would tie into the existing 6-inch irrigation line. The old existing pump station and the pipe would be left in place as a backup system.

MOU Addendum

MCP is now prepared to move forward with this installation and has requested this Addendum to allow installation earlier in the summer to give more time before the construction cut off date of October 15th. MCP's request is provided in Attachment 2 and the original MOU highlighting the changes in underline/strikeout mode is provided in Attachment 3. Staff has reviewed the request and finds the earlier start date acceptable.

Approved by GM 

Date 4/29/2016

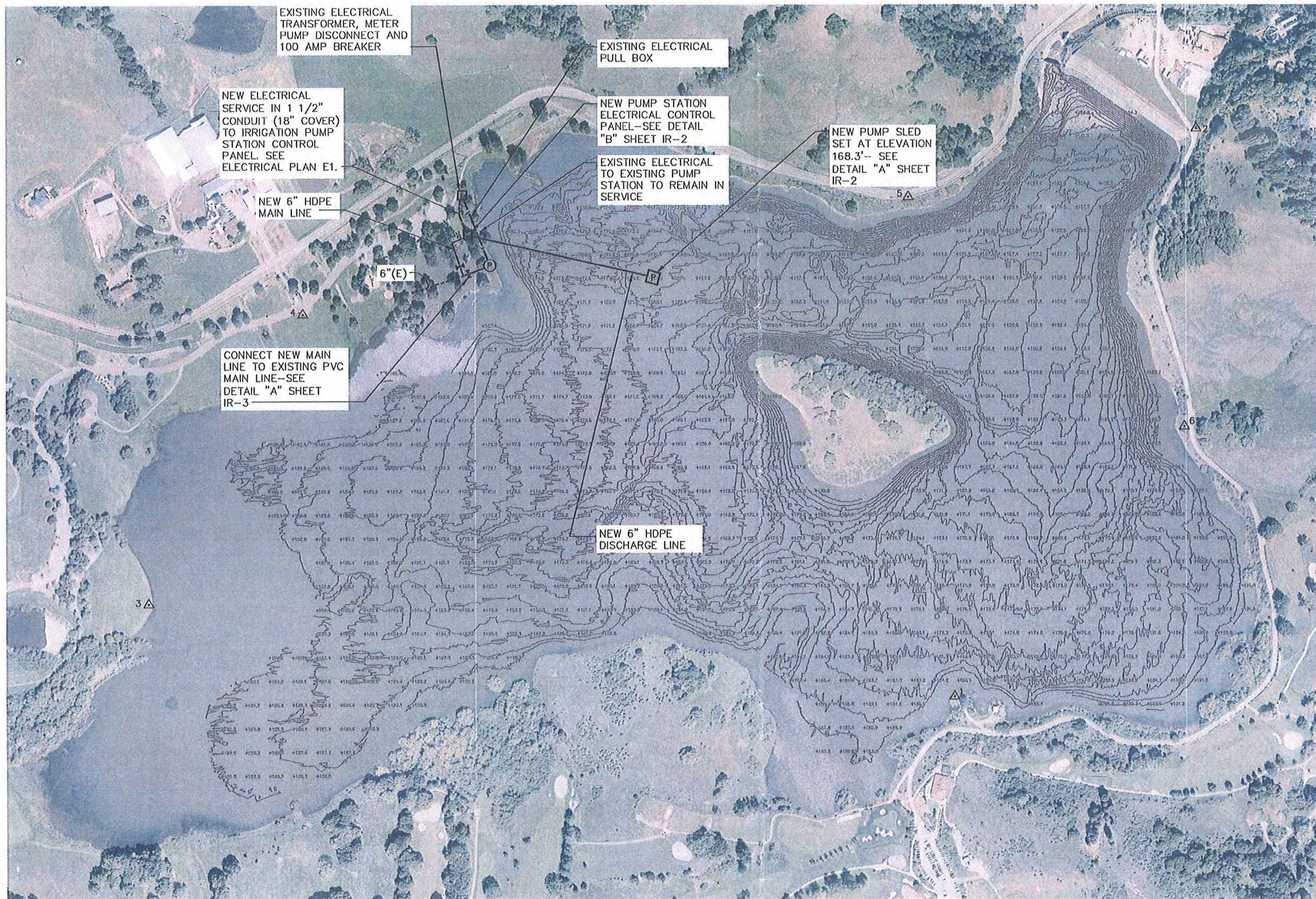
Permits

MCP has confirmed and/or renewed all CEQA and environmental permitting for this project:

1. "NOTICE OF EXEMPTION" Filed 8/22/10 CATEX = §15303 Conversion Of Small Structures.
2. CA DEPT OF FISH & WILDLIFE "FINAL LAKE OR STREAM ALTERATION AGREEMENT" Dated 10/20/105 #1600-2015-0135-R3.
3. ARMY CORPS AUTHORIZATION LETTER File Number 2011-00036N Dated 9/11/15 Under "Army Nationwide Permit 18 for Minor Discharges".
4. CA REGIONAL WATER QUALITY CONTROL BOARD "Conditional Water Quality Certification" Dated 5/5/11 Site #02-21-C0808 (MIL).

RECOMMENDATION

That the Board approve this Addendum to the 2011 MOU agreement between MCP and North Marin Water District for installation of a new lake intake and pump station.



NOTES:
 Installation work shall be completed by October 15th.
 New intake station controls shall be located at Elevation 208.5' (NAVD 29)
 (Confirm controls location/placement on site with owner prior to installation.)

Layout is shown schematically. Actual project feature locations are to be at depth or elevation specified.

Revision: 5-23-2011: Notes added at the request of NMWD, by MCPD.

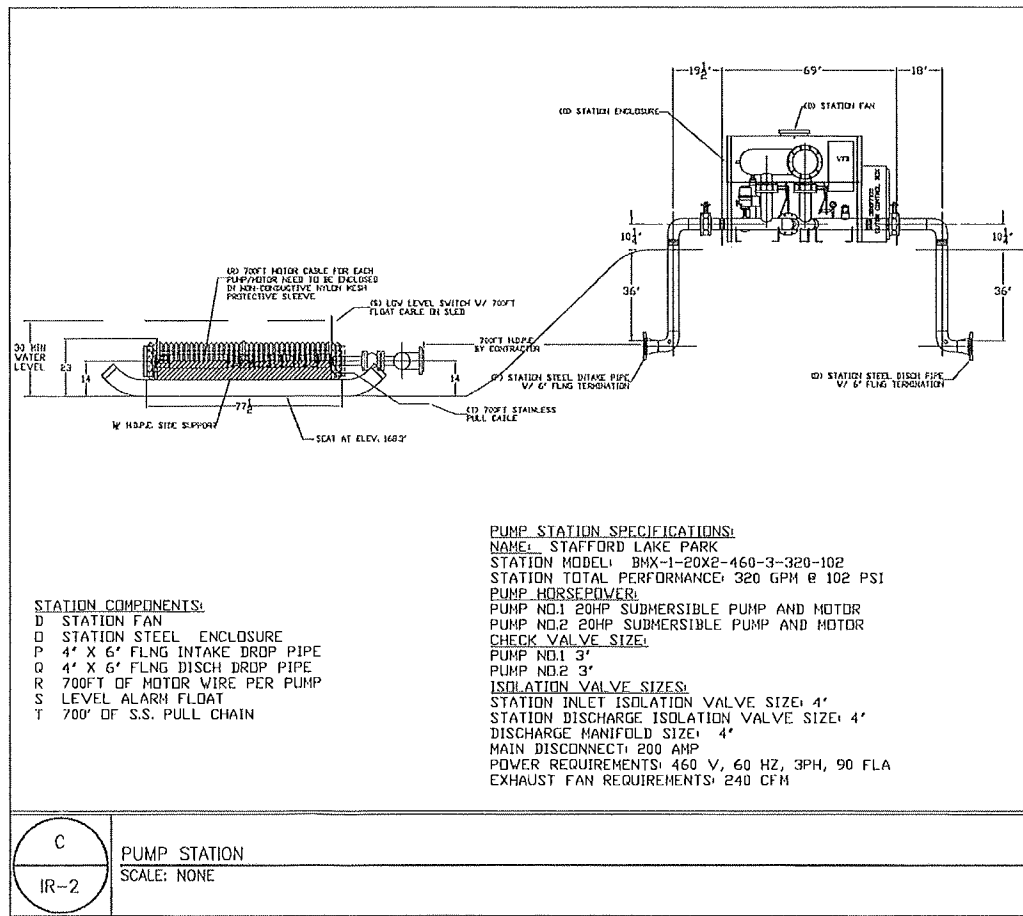
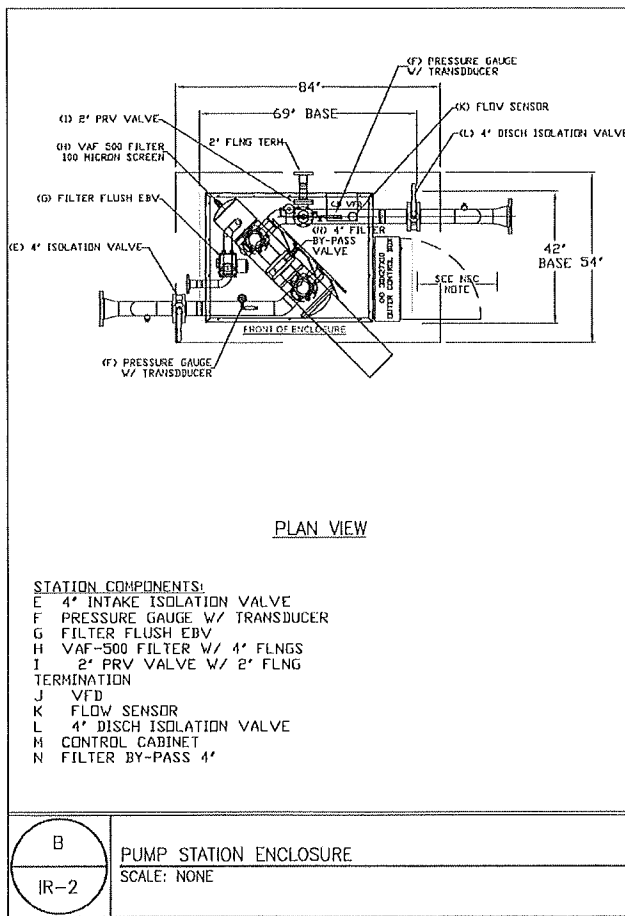
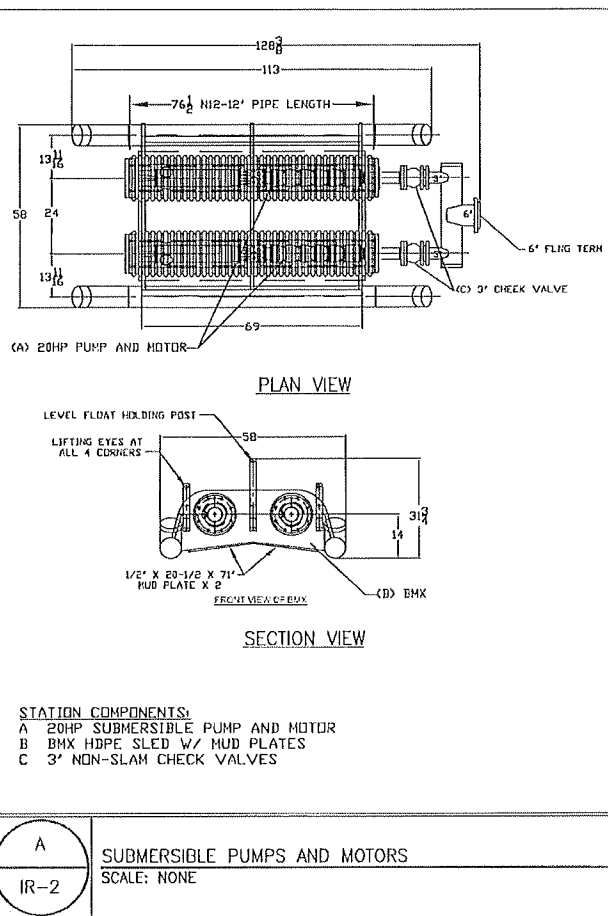
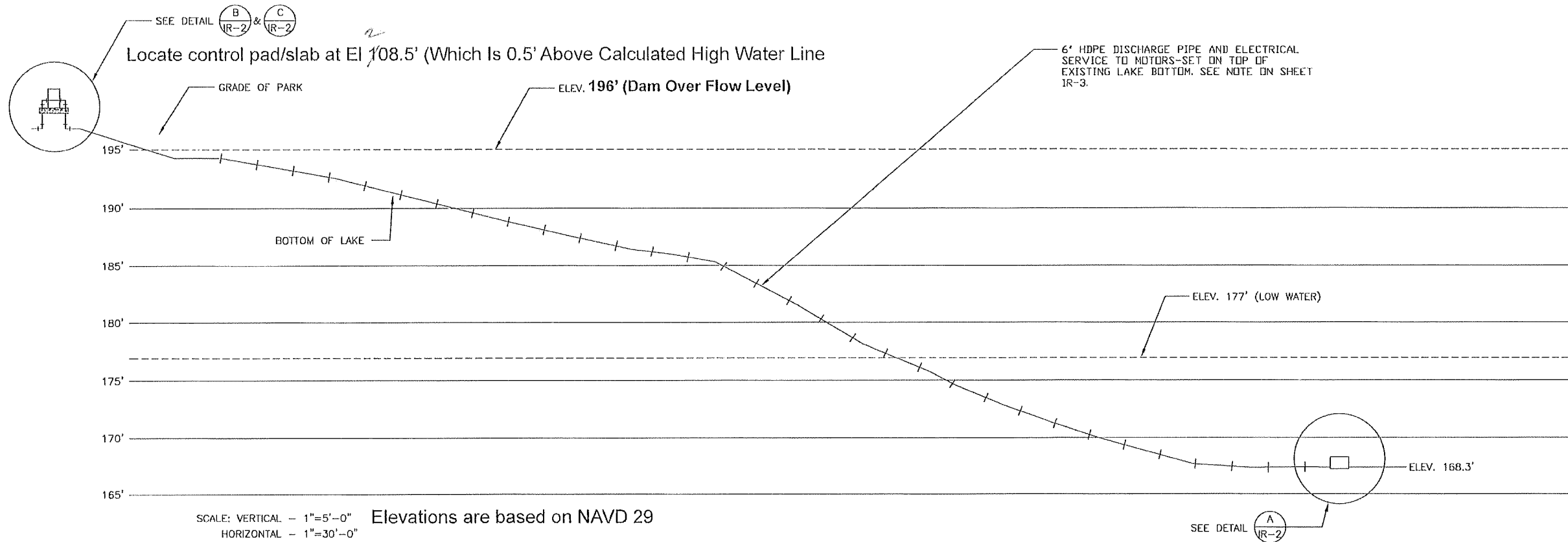
DESIGN: RDM
 DRAWN: CG
 CHECK: RDM
 DATE: FEB. 3, 2011
 REVISED:
 SCALE: 1"=200'

SHEET: IR-1 of 3

SITE PLAN
 New Lake Intake System

STAFFORD LAKE PARK
 NOVATO BLVD/HICKS VALLEY RD
 NOVATO, CALIFORNIA

RUSSELL D. MITCHELL & ASSOC., INC.
 IRRIGATION CONSULTANTS
 2760 CAMINO DIABLO
 WALNUT CREEK, CALIFORNIA 94596
 TELEPHONE: 925-939-3985
 FAX: 925-932-5671



Revision: 5-23-2011: Elevation corrective notes added at the request of NIMWD, by MCPD

RUSSELL D. MITCHELL & ASSOC., INC.
IRRIGATION CONSULTANTS
2760 CAMINO DIABLO
WALNUT CREEK, CALIFORNIA 94596
TELEPHONE: 925-939-3885
FAX: 925-932-5671

STAFFORD LAKE PARK
NOVATO BLVD/HICKS VALLEY RD
NOVATO, CALIFORNIA

DETAILS
New Lake Intake System

DESIGN: RDM
DRAWN: CG
CHECK: RDM
DATE: FEB. 3, 2011
REVISED:
SCALE: AS NOTED

SHEET: IR-2 of 3

RECEIVED

APR 15 2016

North Marin Water District

DATE: April 11, 2016

TO: Chris DeGabriele, General Manager
North Marin Water District

FROM: Kallie Bechler-LaFleche, Administrative Assistant II

RE: First Addendum to a Memorandum of Understanding dated July 26, 2011,
between the County of Marin and North Marin Water District for installation of a
new lake intake and pump station at Stafford Lake.

MESSAGE:

Enclosed are two original First Addendum to Memorandum of Understanding (MOU) between the County of Marin and North Marin Water District, approved by the Marin County Board of Supervisors on April 5, 2016, and signed by the President of the Board of Supervisors.

After the addendum is approved by the NMWD Board of Directors, please have President of the Board of Directors sign both original agreements (using blue ink), have them attested by the NMWD secretary, and then return one *original* MOU to my attention at Marin County Parks. A pre-addressed envelope is included for your convenience.

**FIRST ADDENDUM TO MEMORANDUM OF UNDERSTANDING
BETWEEN THE COUNTY OF MARIN AND THE NORTH MARIN WATER
DISTRICT FOR INSTALLATION OF A NEW LAKE INTAKE AND PUMP STATION**

This First Addendum is made and entered into this 5th day of April, 2016, by and between the COUNTY OF MARIN, a political subdivision of the State of California, (hereinafter referred to as "County") and the NORTH MARIN WATER DISTRICT (hereinafter NMWD), a California special district public water source management agency.

WHEREAS, on July 26, 2011, the County and NMWD entered into an agreement for County's installation of a new intake pump within NMWD's Stafford Lake to service Stafford Lake Park; and

WHEREAS, Section 6 of the agreement obligated County to install the pump in autumn, but no later than October 15; and

WHEREAS, the parties desire to amend the agreement to permit installation of the pump earlier in the dry weather seasons.

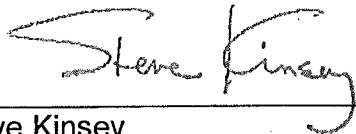
NOW, THEREFORE, the parties agree to modify Section 6 as set forth below:

AGREEMENT

1. Except as otherwise provided herein all terms and conditions of the agreement shall remain in full force and effect.
2. Paragraph 6 is hereby modified to read as follows:
 6. County agrees to install the new lake intake pump system during dry weather seasons, working no later than October 15 without specific written permission from NMWD's General Manager.

IN WITNESS WHEREOF, the parties hereto have executed this First Addendum the day first written above.

COUNTY OF MARIN



By: Steve Kinsey
President, Board of Supervisors

Attest:


Clerk of the Board

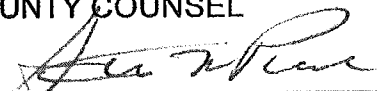
NORTH MARIN WATER DISTRICT

By: John Schoonover
President, Board of Directors

Attest:

Secretary

Approved as to form:
COUNTY COUNSEL

By: 
Signature

Steven M Berl
Print Name

MEMORANDUM OF UNDERSTANDING
Between the
COUNTY OF MARIN
And the
NORTH MARIN WATER DISTRICT
For
INSTALLATION OF A NEW LAKE INTAKE AND PUMP STATION.

This Memorandum of Understanding (MOU), dated 7 / 26 / 2011 is made and entered into by and between the County of Marin, (hereinafter MCPD--Marin County Department of Parks and Open Space) and the North Marin Water District (hereinafter NMWD), a California special district public water source management agency.

WHEREAS NMWD owns Stafford Lake and adjacent properties, upon which it has granted MCPD a 50 year License Agreement for public park purposes (Reference License Agreement dated September 21, 1971, between NMWD and MCPD); and

WHEREAS the License Agreement requires MCPD to obtain written permission from NMWD to construct facilities within NMWD's area prior to commencement of construction of any improvements; and

WHEREAS to support park facilities, the MCPD needs to improve the existing system to access water from deeper in the lake during autumn of dry years when Stafford Lake levels drop below safe operating level of the existing intake system; and

WHEREAS the NMWD needs to ensure that at such time that existing lake intake facilities are abandoned by MCPD, that MCPD will remove the abandoned facilities, subject to NMWD's approval, and subject to environmental permitting, and best management practices established at the time of such abandonment and removal.

AGREEMENT

NOW, THEREFORE the parties to this Agreement agree to:

1. NMWD grants permission to MCPD to install a new lake intake system and pump station as designed, proposed, and described in Exhibit "A", to supplement the existing lake intake system.
2. Upon execution of this agreement and every 5 years thereafter NMWD shall perform an audit to determine an annual water budget for Stafford Lake Park, including requirements for non-irrigated areas.

3. The diversion of Stafford Lake water by MCPD through the existing, new or combined existing and new lake intake system shall not exceed 320 GPM or the annual water budget pursuant to item #2 above.
4. MCPD agrees that when all or part of the system is no longer needed or is abandoned by MCPD, that MCPD will obtain NMWD's written approval to remove the existing facilities, in accordance with and subject to all applicable environmental agency permitting, and best management practices established at the time of existing facility removal.
5. MCPD agrees to comply with all environmental agency permits applicable to this project, and defend, indemnify and hold NMWD harmless for any claims by permitting agencies for non-compliance with permit requirements.
6. ~~MCPD agrees to install the new lake intake system late in the autumn, but no later than October 15th, when the lake water level is lowest, to minimize disturbance of wetted areas of the lake in placing the new lake intake, pump station and mainline piping.~~
MCPD County agrees to install the new lake intake pump system during dry weather seasons working no later than October 15 without specific written permission from NMWD's General Manager.
7. MCPD agrees to notify NMMWD two weeks prior to start of construction and submit a project schedule to allow scheduling of inspections by NMWD.

Access and Insurance Indemnification

NMWD hereby grants to MCPD, its employees, contractors and volunteers, the right to enter NMWD property on Stafford Lake and relevant shores, and uplands areas within what is known as Stafford Lake County Park and Stafford Lake proper for the purposes of installing the lake intake system and appurtenances thereto as described in the project plans, which are incorporated herein at Exhibit "A". MCPD will ensure that its employees, contractors and volunteers understand and comply with applicable codes, safety procedures, and permitting requirements, and ensure safe and responsible behavior while on NMWD property.

MCPD agrees to and shall defend, indemnify and hold NMWD harmless against all claims for damages or injuries which may arise out of the installation and operation of the supplemental irrigation system lake source pump station, including any such claims or lawsuits by MCPD employees, agents, volunteers, or park visitors.

MCPD will require any contractors retained by MCPD in connection with the implementation of the plan pursuant to this agreement to agree in their contract to indemnify NMWD against all claims or lawsuits for damages or injuries which may arise out of the performance of their contract, maintain a Comprehensive General Liability Insurance Policy with a limit of at least \$1,000,000 per occurrence, and provide the NMWD with a certificate of insurance and endorsement evidencing such coverage and naming NMWD as an additional insured in said policy coverage.

Contacts and Notices

All notices under this MOU shall be in writing (unless otherwise specified) delivered to the parties by hand, by commercial courier service, or by United States mail, postage prepaid, addressed to the parties at the addresses set forth below or such other addresses as the parties may designate by notice.

For MCPD:

Ed Hulme
Superintendent
Marin County Department of Parks and Open Space
3501 Civic Center Drive, #260
San Rafael, CA 94903

Phone: (415) 499-6387
Facsimile: (415) 499-3794

For NMWD:

Chris DeGabriele, General Manager
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

PO Box 146 Novato, CA 94948-0146
Phone: 415-897-4133
Fax: 415-892-8043

Duration and Termination:

The terms of the MOU shall remain in full force and effect for the duration of the underlying 50 year License Agreement, which terminates on September 21, 2021. It may be amended and renewed by the mutual consent of both parties in writing. NMWD may terminate the consent granted in this MOU in accordance with the provisions of section number eight (8) of the original agreement dated September 21, 1971. IN WITNESS WHEREOF, the parties hereto have executed this agreement on the attached Signature Page.

COUNTY OF MARIN

By: Susan Adams
President, Board of Supervisors

Attest:

Secretary

NORTH MARIN WATER DISTRICT

By: John Schoonover
President, Board of Directors

Attest:

Secretary

Approved as to form:
COUNTY COUNSEL

By: _____

8

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Assistant General Manager/Chief Engineer
Subject: Adopt Revised Pledged Revenues and Funds Resolution (15-07) for Recycled Water Central Service Area Project

Date: April 29, 2016

R:\Folders by Job No\6000 jobs\6058\SRF Application - Central\BOD Memos\6058 RW Central Extension Resolution Revision BOD MEMO 4-16.doc.docx

RECOMMENDED ACTION: Adopt revised Pledged Revenues and Funds Resolution 15-07

FINANCIAL IMPACT: None at this time

At the May 19, 2015 meeting the Board approved a Pledged Revenues and Funds Resolution as part of the application for State financial assistance for a low interest-rate loan for the Recycled Water Central Service Area Expansion project. Recently, District staff and legal counsel have been informed by the State that revisions to the previously approved Pledged Revenues and Funds Resolution are required. The attached revised resolution shows an underline/strikeout mode (Attachment 1) for contrasting changes between the revised version and original resolution.

RECOMMENDATION

That the Board adopt Revised Resolution 15-07, Pledged Revenues and Funds Resolution.

Approved by GM UDDate 4/29/2016

REVISED
RESOLUTION NO. 15-07

PLEDGED REVENUES AND FUND(S) RESOLUTION

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT TO APPROVE AND AUTHORIZE DEDICATION OF A REVENUE SOURCE FOR THE NORTH MARIN WATER DISTRICT REPAYMENT OF STATE REVOLVING FUND FINANCING
(CWSRF PROJECT NO. 8086-110)

WHEREAS, the Board of Directors of the North Marin Water District (the "District") has authorized the General Manager, or his designee, to apply for State Revolving Fund (SRF) financing to fund all or a portion of the cost of planning, design and construction of the NMWD Recycled Water Central Service Area Project (the Project); and

WHEREAS, the District has authorized an application for said financing from the California State Water Resources Control Board's Water Recycling Construction Program, State Revolving Fund Program, for the purpose of financing the Project; and

WHEREAS, prior to issuing a contract or contracts for said financing, the District as the financing recipient is required to adopt a resolution dedicating a source of funds to remain in effect throughout the term of said financing;

THEREFORE BE IT RESOLVED the North Marin Water District (The "Entity"), hereby dedicates and pledges ~~revenues of the~~ Net Water Revenues of the Novato Water System and the Novato Water Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for North Marin Water District Recycled Water Central Service Area, CWSRF Project Number 8086-110 ~~(the "Project")~~. The Entity commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the entity has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Entity's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Entity commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

* * *

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 49th 3rd day of May 20152016, by the following vote:

AYES: Directors ~~and Schoonover~~

NOES: None

ABSENT: None

ABSTAINED: None

(SEAL)

Katie Young, Secretary
North Marin Water District

9

MEMORANDUM

To: Board of Directors

April 29, 2016

From: Dianne Landeros, Accounting/HR Supervisor *DL*
 Nancy Holton & Nancy Williamson, Senior Accountants *NH NW*

Subject: Selection of CPA Firm to Perform Annual Financial Audit

t:\finance\audit\audit16\audit proposals\bod approve memo 2016.doc

RECOMMENDED ACTION: Authorize the Auditor-Controller to enter into an agreement with Fedak & Brown for a four-year audit contract

FINANCIAL IMPACT: \$67,698 over four-year period (FY2016 through FY2019)

On February 16th the Board authorized staff to solicit proposals for a four-year audit contract. Letters soliciting interest in providing a formal proposal to conduct the audits were mailed to 20 firms. Nine firms responded requesting further information. Respondents were required to provide an extensive description of their governmental auditing experience as well as a not-to-exceed fee for each of the four years. Seven proposals were received. The proposals for FY16 range from a low of \$16,220 to a high of \$29,100. The total of the fees for the entire four-year period ranges from a low of \$67,698 to a high of \$116,400 (Attachment 1). Last year's audit by Fedak & Brown LLP was performed for \$18,770.

Of the seven proposals received in 2016, staff size of the audit firms ranged from 3 to 51 professional employees. All seven of the firms have water district auditing experience. Fedak & Brown (the incumbent firm) has by far the most extensive water agency experience, and their pricing is 12% below the second highest proposal. A summary of each firm's experience is shown in Attachment 2. All of the firms submitting proposals provided documentation indicating adequate governmental experience to perform an effective audit for North Marin.

Staff ranked the proposals, by preference, based on cost, water district audit experience, & staff size in the following order:

	4-Year Proposal Total	Office	Staff Size
1. Fedak & Brown LLP	\$ 67,698	Cypress	12
2. Maze & Associates	\$ 81,393	Pleasant Hill	47
3. The Pun Group	\$ 83,000	Santa Ana	51
4. Fechter & Company	\$ 79,300	Sacramento	10
5. Mann Urrutia Nelson	\$116,400	Sacramento	50
6. Vavrinek, Trine, Day & Co	\$ 95,596	Pleasanton	33
7. RT Dennis Accountancy	\$ 76,700	Rancho Cucamonga	3

Approved by GM CODate 4/29/2016

Charles Z. Fedak, CPA, Partner in Charge of Audit & Accounting at Fedak & Brown LLP, has 43 years of audit and accounting experience and will continue to be the partner with overall responsibility for the audit. Chris Brown, CPA (18 years audit experience) will be the Engagement Partner with Jeff Palmer, Engagement Supervisor (over 10 years audit experience), and Andy Beck, Staff Auditor (10 years audit experience) also assigned to our audit.

The District's experience the past eight years with Charles Z. Fedak & Company (now Fedak & Brown LLP) has been positive. They are organized, do what they promise on time, are easy to work with, professional and efficient. They have annually presented the audit report to the Board in a clear and professional manner. Fedak & Brown has more than 50 water district audit clients, and are proficient in water district issues. They were very helpful in completion of the Comprehensive Annual Financial Report, implementation of GASBs 34 & 68, and securing the Government Finance Officers Association Award for Excellence in Financial Reporting for the past seven years.

RECOMMENDATION

Authorize the Auditor-Controller to enter into an agreement with Fedak & Brown LLP to perform the annual financial audit of the District for a four-year period subject to annual review for a fee not-to-exceed \$16,220 for 2016, \$16,570 for 2017, \$17,638 for 2018, and \$17,270 for 2019. For years when the District receives over \$750,000 in federal funds, a "Single-Audit" is required, and the fee would increase by \$3,136 in 2017, and thereafter increase annually to \$3,248 in 2019. A Single-Audit is not required for FY2016.

Summary of Audit Proposals
Sorted by 4-Year Proposal Total

4/23/16

t:\finance\audit\audit16\audit proposals\[audit proposal analysis.xls]summary

<u>Firm Name</u>	<u>Staff Size</u>	<u>Projected Annual Hours</u>	<u>Annual Cost</u>				<u>Proposal Total¹</u>	<u>Water District Audit Experience</u>	<u>Office Location</u>	<u>Audit Includes</u>		
			<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>				<u>Single Audit</u>	<u>State Controller Report</u>	<u>CAFR</u>
1 Fedak & Brown	12	164	\$16,220	\$16,570	\$17,638	\$17,270	\$67,698	Yes	Cypress	Yes	Yes	Yes
2 RT Dennis Accountancy	3	126	\$17,800	\$18,700	\$19,600	\$20,600	\$76,700	Yes	Rancho Cucamonga	Yes	Yes	Yes
3 Fechter & Company	10	165	\$19,200	\$19,600	\$20,000	\$20,500	\$79,300	Yes	Sacramento	Yes	Yes	Yes
4 Maze & Associates	47	197	\$19,455	\$20,039	\$20,640	\$21,259	\$81,393	Yes	Pleasant Hill	Yes	Yes	Yes
5 The Pun Group	51	160	\$20,000	\$20,500	\$21,000	\$21,500	\$83,000	Yes	Santa Ana	Yes	Yes	Yes
6 Vavrinek, Trine, Day & Co	33	240	\$23,899	\$23,899	\$23,899	\$23,899	\$95,596	Yes	Pleasanton	Yes	Yes	Yes
7 Mann Urrutia Nelson	50	200	\$29,100	\$29,100	\$29,100	\$29,100	\$116,400	Yes	Sacramento	Yes	Yes	Yes

¹ Proposal totals do not include Single Audit amounts (if needed). Single Audit Fees for FY17-19 range from \$3,000 to \$5,500.

Audit Proposals 2016: Summary of Qualifications

Audit Firm	Water District/Governmental Audit Experience
1 Fedak & Brown LLP	<p>Water Districts (partial list): Inverness Public Utilities District Goleta Water District East Orange County Water District Monte Vista Water District Yorba Linda Water District Sacramento Suburban Water District San Lorenzo Valley Water District San Gabriel Valley Municipal Water District</p> <p>Governmental (partial list): Novato Sanitary District Buena Park Library District Santa Clara County Open Space Authority Pleasant Valley Recreation & Park District Rancho Santa Fe Fire Protection District</p>
2 Maze & Associates	<p>Water Districts: (partial list) Contra Costa Water District Santa Clara Valley Water District East Bay Municipal Utility District Diablo Water District Mid-Peninsula Water District Calaveras County Water District</p> <p>Governmental (partial list): City of Livermore City of Petaluma El Dorado Irrigation District San Mateo County Transportation Authority Fairfield Suisun Sanitation District</p>
3 The Pun Group	<p>Water Districts: Casitas Municipal Water District Trabuco Canyon Water District El Toro Water District Palmdale Water District East Orange County Water District</p> <p>Governmental: (partial list) West County Wastewater District City of Stockton Dist Palos Verdes Library District Valley Sanitary District</p>


Attachment 2

Audit Proposals 2016: Summary of Qualifications

Audit Firm	Water District/Governmental Audit Experience
4 Fechter & Company	<div data-bbox="783 183 1339 264" style="border: 1px solid black; padding: 2px;"> Water Districts: Rio Linda-Elverta Community Water District Washington County Water District </div> <p>Governmental (partial list): Bayshore Sanitary District Dixon Public Library East Contra Costa Irrigation District Granada Sanitary District</p>
5 Mann Urrutia Nelson CPAs & Associates	<div data-bbox="783 475 1339 557" style="border: 1px solid black; padding: 2px;"> Water Districts: Santa Nella County Water District Solano County Water Agency </div> <p>Governmental (partial list): Ironhouse Sanitary District City of Novato Rodeo Sanitary District Sacramento-Yolo Mosquito & Vector Control District</p>
6 Vavrinek, Trine, Day & Co, LLP	<div data-bbox="783 768 1339 930" style="border: 1px solid black; padding: 2px;"> Water Districts: Santa Clara Water District Elsinore Valley Municipal Water District Glendale Water and Power Montara Water and Sanitary District Yucaipa Valley Water District </div> <p>Governmental (partial list): County of Orange Fairfield-Suisun Sanitary District Marin Energy Authority Alameda County Waste Management Authority</p>
7 RT Dennis Accountancy	<div data-bbox="783 1141 1339 1287" style="border: 1px solid black; padding: 2px;"> Water Districts: Apple Valley Heights Water District Joshua Basin Water District Mojave Water Agency Thunderbird Water District </div> <p>Governmental (partial list): Hesperia Park & Recreation District Saratoga Cemetery District Colusa County Office of Education Del Norte County Unified School District</p>

10

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subject: Water Shortage Contingency Plan for West Marin Service Area - Resolution
V:\Memos to Board\WM Water Shortage Contingency Plan 2016.doc

April 29, 2016

RECOMMENDED ACTION: Approve Resolution

FINANCIAL IMPACT: None

The Draft Water Shortage Contingency Plan (WSCP) for the West Marin Service Area has been revised from the prior version (April 2014) and is attached to the Resolution for Board review (Attachment 1).

The previous WSCP was solely triggered by the 28" rainfall threshold measured at the Kent Lake precipitation gage between the months of October through April 1 of the following year. Revisions were made to this draft WSCP to allow the Board the authority and flexibility to declare dry conditions and subsequent voluntary or mandatory water use restrictions and/or water use reduction mandates in response to a more flexible range of drought conditions including actions in response to State Water Resources Control Board (State Board) water conservation orders (which previously did not trigger WSCP stages of action). This proposed flexibility in the WSCP will especially help navigate in the circumstance where NMWD is ordered to mandate conservation in years when water supply is adequate.

A summary of notable changes to the WSCP include the following:

1. Revisions to the Stage 1, 2, and 3 Triggers allowing Board determination of Dry Conditions based on advice from NMWD staff or the State Board;
2. Changes to the voluntary and mandatory reduction levels in each stage to allow flexible levels of mandated water use reduction to match current conditions or conservation orders;
3. Revisions to the Stages of Actions allowing the Board the authority to determine appropriate water use restrictions in response to current conditions or conservation orders; and
4. Augmentation to the language allowing Board implementation of the Drought Revenue Recovery Surcharge in the event that a (Stage 2 or 3) mandatory reduction in water use is triggered.

Staff is expecting the State Board to take some level of action given the regional differences

in water supply conditions this year throughout the State. This WSCP will be used to respond accordingly to any future changes to the current State Conservation Order, should a change be made this spring. Staff may bring the Water Conservation Ordinance and/or Resolutions back to the Board for adjustment or rescission depending on how the State responds based on the framework of this WSCP.

RECOMMENDATION

The Board approve Resolution updating the Draft Water Shortage Contingency Plan for West Marin Service Area.

RESOLUTION 16-XX

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
APPROVING THE WATER SHORTAGE CONTINGENCY PLAN FOR WEST MARIN
SERVICE AREA**

WHEREAS, North Marin Water District staff has prepared an updated draft Water Shortage Contingency Plan for West Marin Service Area to facilitate a more flexible response to a range of drought and dry conditions or water conservation orders from the State of California;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of North Marin Water District that the attached Water Shortage Contingency Plan for West Marin Service Area, dated May 2, 2016, shall be approved and implemented.

* * * * *

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 2nd of May 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)

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DRAFT

**NORTH MARIN WATER DISTRICT'S
WATER SHORTAGE CONTINGENCY PLAN
FOR WEST MARIN SERVICE AREA**

April 29, 2016

**NORTH MARIN WATER DISTRICT
WATER SHORTAGE CONTINGENCY PLAN
FOR WEST MARIN SERVICE AREA
April 2016**

Customer Notification

- I. January 1 water year classification “dry”
 - A. NMWD notifies customer by bill message.

“There are dry year conditions on Lagunitas Creek which may trigger implementation of water shortage contingency measures. Final determination will be made on April 1. Please use water wisely.”
 - B. NMWD issues press release in February and March informing that potential dry year conditions exist and promoting customer participation in NMWD water conservation programs.
- II. April 1 water year classification “normal”
 - A. Spring edition of NMWD West Marin “Water Line” promotes conservation measures.
- III. April 1 water year classification “dry”
 - A. Spring edition of NMWD West Marin “Water Line” informs customers of “Water Shortage Emergency,” public hearing and contingency measures. Water conservation programs and giveaways to be on display.
 - B. Stages of Action published as required in Point Reyes Light and posted at Point Reyes Station post office.

Specific Triggers

- Stage 1 Trigger:** When the total precipitation that occurs from October through April 1 of the following year is less than 28” as measured at the MMWD Kent precipitation gage and the period is April 1 through June 30, or when the NMWD Board of Directors determines that Dry Conditions prevail based on advice from NMWD staff or the State Water Resources Control Board.
- Stage 2 Trigger:** When the total precipitation that occurs from October through April 1 of the following year is less than 28” as measured at the MMWD Kent precipitation gage and the period is July 1 through November 1, or when the NMWD Board of Directors determines that Dry Conditions prevail based on advice from NMWD staff or the State Water Resources Control Board.
- Stage 3 Trigger:** When the total precipitation that occurs from October through April 1 of the following year is less than 28” as measured at the MMWD Kent precipitation gage and water demands in any preceding thirty-day period exceed an average of 433,000 gpd, or when the NMWD Board of Directors determines that Critical Dry Conditions prevail based on advice from NMWD staff or State Water Resources Control Board.

Consumption Limits (do not apply where private well or recycled water supply is used)

Stage 1: (Request for up to _____% voluntary reduction)

Residential: _____% voluntary reduction in water use from a prior year for similar billing period to be determined by the NMWD Board of Directors depending on circumstances in place at the time of enactment.

Commercial and Industrial: _____% voluntary reduction in water use from a prior year for similar billing period (exceptions may be granted in order to preserve jobs) to be determined by the NMWD Board of Directors depending on circumstances in place at time of enactment.

Stage 2: (Mandatory water use restrictions to enable reduction in water use up to _____%)

Residential: Water use for certain purposes are restricted as determined by the NMWD Board of Directors depending on circumstances in place at time of enactment.

Commercial and Industrial: Water use for certain purposes are restricted as determined by the NMWD Board of Directors depending on circumstances in place at time of enactment (exceptions may be granted in order to preserve jobs).

Stage 3: (Up to 50% mandatory reduction)

Residential: _____% mandatory reduction in water use from a prior year for similar billing period or maximum gallons per person per day allowance to be determined by the NMWD Board of Directors depending on circumstances in place at time of enactment.

Commercial and Industrial: _____% mandatory reduction in water use from a prior year for similar billing period to be determined by the NMWD Board of Directors depending on circumstances in place at time of enactment (exceptions may be granted to preserve jobs).

Stages of Action

Stage 1 Voluntary - achieve _____% reduction¹ in water use by implementation of any of the following

- a. Encourage voluntary rationing;
- b. Pursue vigorous enforcement of water wasting regulations and provisions of District's Water Conservation Regulation 17 which requires water saving devices in new construction, prohibits installation of certain wasteful types of turf configurations, and encourages turf avoidance;
- c. Request customers to make conscious efforts to conserve water;
- d. Request other governmental agencies to demonstrate leadership and implement restrictive water use programs;
- e. Distribute water saving kits upon customer request, to assure availability to existing and new customers (Note: Similar kits were distributed system wide to all customers

¹Exact amount and District wide measurement of goal and method of achievement to be established by Board of Directors after examining projected supplies and after holding water shortage emergency public hearing.

during the 1976-77 California drought);

- f. Encourage private sector to use alternate water sources such as recycled water or use of private wells;
- g. Encourage the non-commercial washing of privately owned motor vehicles, trailers and boats only from a bucket and except that a hose equipped with a shut-off nozzle may be used for a quick rinse.;
- h. Encourage nighttime irrigation;
- i. Request restaurants, hotels, cafes, cafeterias, bars or other public places where food or drink are served/purchased to serve water only upon request;
- j. Implement detailed measures from other stages to meet desired objective;
- k. Any use of potable water from a fire hydrant except for fighting fire, human consumption, essential construction needs or use in connection with animals;
- l. Navy style showering will be promoted (e.g., turn on water to wet person or persons, turn off water, lather up, scrub, then turn on water for a quick rinse, then turn off shower with free push button showerhead control valves available to customers upon request);
- m. Customers will be urged not to regularly flush their toilets for disposal of urine only;
- n. Request hotel and motel operators to provide guests with the option of choosing not to have towels and linens laundered daily;
- o. Prohibit use of potable water for dust control at construction sites or other locations;

Stage 2 Mandatory - achieve a ____% reduction¹ in water use by declaring a water shortage emergency and implementing Stage 1 (voluntary) and Stage 2 (mandatory) restrictions on water use for the following certain purposes

- a. Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by the Marin County Fire Department or other public agency for the purpose of public safety;
- b. Refilling a completely drained swimming pool and/or initial filling of any swimming pool;
- c. Non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut-off nozzle may be used for a quick rinse;
- d. Watering of any lawn, garden, landscaped area, tree, shrub or other plant except from a hand-held hose or container or drip irrigation system except sprinklers can be used if customer maintains the volume or percent reduction pursuant to the NMWD Board of Directors determination compared to a prior year's use in same billing period;
- e. Any non-residential use by a vehicle washing facility in excess of the volume percent or reduction pursuant to the NMWD Board of Directors determination;
- f. Irrigating landscape other than between the hours of 7pm and 9am the following day;
- g. Irrigating landscape more than _____ days per week;
- h. Irrigating landscape during or within 48 hours of measureable precipitation;
- i. Irrigating with potable water of lawn area on public street medians.

- j. Intertie deliveries through the intertie to Inverness Public Utility District (IPUD), except for critical needs as determined by the General Manager.

Stage 3 Mandatory – achieve up to a _____%² reduction in water use by declaring a water emergency and implementing Stage 1 (Voluntary), Stage 2 (Mandatory) and the following additional Stage 3 (Mandatory) requirements.

- a. Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time day or night during the period of July 1, through October 31. (These designated lawns will be allowed to dry up for the summer). Affected customers will be advised on tested methods for re-greening the lawns at minimum expense beginning on November 1, during a Stage 3 mandatory period if operating conditions permit. By following the prescribed instructions, the affected customers will likely avoid the cost of replacing lawns.
- b. Planting any new landscaping, except for designated drought resistant landscaping authorized by NMWD.
- c. Public groups may apply to the General Manager for exemptions for watering specific public lawns used extensively for community wide recreation. Such public area lawn watering shall only be done under methods and time periods prescribed by the General Manager. Such exemptions will only be given by the General Manager, if the mandatory _____% reduction in water can otherwise be achieved on a service area basis.
- d. All day and nighttime sprinkling will be discontinued. Any and all outside watering will be done only with a hand held nozzle. An exception will be made to permit drip irrigation for established perennial plants and trees using manual or automatic time controlled water application sufficient only for assured plant survival.
- e. No new annual plants, vegetables, flowers or vines may be planted until the Stage 3 mandatory period is over. An exception will be considered on a case by case basis for customers who are eliminating existing thirsty landscaping and replacing same with drought resisting landscaping prescribed by NMWD, as in b. above.
- f. Limit deliveries of water to outside service area customers to that needed for human consumption, sanitation and public safety only or as stipulated in outside service agreements.
- g. Discontinue all water deliveries through the intertie to IPUD.

<u>Plan Preparation</u>	This plan has been coordinated with County, State and Federal Emergency Services Offices.
<u>Adoption of Plan</u>	The Stage of Action will be enacted after public hearing required by the District's Emergency Water Conservation Ordinance and a determination by the District's Board of Directors that a West Marin Water Shortage Emergency exists.
<u>Monitoring of Actual Water Use</u>	Monitoring of water use will be by meters with data analysis using the District's computers.
<u>Mandatory Prohibitions</u>	<p>Wasting of water is prohibited by Regulation 17 of the North Marin Water District.</p> <p>Stage 2 and Stage 3 of the Water Shortage Contingency Plan contain specific mandatory provisions.</p>
<u>Revenue and Expenditure Analysis</u>	<p>Temporary Drought Revenue Recovery Surcharge</p> <p>In the event that mandatory water use restrictions or mandatory reduction in water use is triggered (Stage 2 or Stage 3 herein), a Temporary Drought Revenue Recovery Surcharge may be implemented. The Temporary Drought Revenue Recovery Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use. The Temporary Drought Revenue Recovery Surcharge shall be a quantity charge for each 1,000 gallons as specified in District Regulation 54.</p>

11

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Rate Increase Letter to West Marin Water and Oceana Marin Sewer Customers
t:\aclword\budget\wm\17\2016 prop 218 ltr cover memo.docx

April 29, 2016

RECOMMENDED ACTION: Approve Letter to Customers**FINANCIAL IMPACT:** \$750

California law requires that customers be notified of a water or sewer rate increase at least 45 days prior to the public hearing where the Board considers adoption of said increase. A public hearing is scheduled for Tuesday, June 28, 2016 at 7:00 PM at the Dance Palace in Point Reyes Station. The June 28 public hearing date requires that the notification letters be postmarked no later than May 14, 2016. The letters will be printed in-house and the marginal postage, stationary and copying cost for the 1,008 active customers will be approximately \$750.

West Marin Water

The rate increase proposed for West Marin Water customers will generate 5% (\$38,000 annually) in additional revenue. Consistent with the structure of the increase proposed for Novato customers, the bimonthly service charge component of the water bill is proposed to remain unchanged. The commodity rate is proposed to increase 7% effective July 1, 2016.

The percentage increase for each customer will vary based upon their individual water use. The Annual Water Cost Calculator on the District's website allows each customer to see the impact of the proposed increase on their annual water cost based upon their water use over the past 12 months. The median residential customer, assuming no change in water use, would see a 5% increase, amounting to \$2.67 per month (\$32 annually).

Oceana Marin Sewer

A 10% rate increase (a \$7 increase to \$78 per month) effective July 1, 2016 is proposed for Oceana Marin sewer service. The increase would generate \$20,000 annually to begin to accumulate funds to pay for projects identified in the Oceana Marin Master Plan Update provided to the Board in January.

The proposed letters are attached for Board review and comment. Legal counsel has reviewed the letters to assure compliance with the notification requirements of California law.

RECOMMENDATION:

Approve mailing the rate increase letters to customers.

May 13, 2016

NMWD Account # 1234567

John Smith
PO Box 1234
Point Reyes Station, CA 94956

RE: Notice of Proposed Water Cost Increase – West Marin Service Area

Dear Customer:

This letter is to advise you of **proposed increases to West Marin water rates** that would take effect on July 1, 2016. It also provides information about a **Public Hearing scheduled on June 28, 2016**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

HOW MUCH IS THE PROPOSED RATE INCREASE?

A 5% increase in the cost of water is proposed, which would result in an average increase of \$2.67 per month (\$32 annually) for the typical (median) single-family residential customer who consumes 55,400 gallons of water annually. Those using less than the median would see an increase less than \$32 annually, and those using more would pay more. The increase for non-residential customers (commercial, institutional and irrigation accounts) would vary based on water use and meter size. The median non-residential account would also see an average annual 5% cost increase. No increase in the bimonthly service charge is proposed. A detailed description of the proposed water rate increases is included on page 3.

You can determine the increase in your annual water cost based on your water use over the past year from our website. Insert your NMWD account number and the name on your account into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

REASON FOR THE PROPOSED INCREASE

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the 95-year-old rural West Marin Water System is expensive. Today the system includes 25 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 778 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

ADDITIONAL INFORMATION

Greater detail of the various rates and customer categories is provided on page 3.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:00 pm, Tuesday, June 28, 2016, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners or customers, the proposed increases will not be adopted.

Your written protest must be received prior to the close of the June 28, 2016 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including the history of the West Marin Water System, or to view the most recent Coastal Area Water Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris DeGabriele", written in a cursive style.

Chris DeGabriele
General Manager

West Marin Water Recent Capital Improvement Projects – Status Report		
<u>Project</u>	<u>Expenditures thru 3/31/16</u>	<u>Status</u>
1 Replace PRE Tank #3 - 25,000 gal.....	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE.....	159,990	Complete
3 Bear Valley Pump Station Upgrade.....	88,132	Complete
4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal.....	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal.....	561,742	Complete
6 Install Parallel 8" Main on Hwy 1.....	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps.....	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Park PS.....	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank.....	164,262	Complete
10 Point Reyes Well Replacement.....	262,968	Complete
11 Olema Pump Station Flood Protection & RTU Upgrade.....	39,262	Complete
12 Gallagher Pipeline & Stream Gauge.....	1,579,583	Complete
13 Upsize Pipeline from Bear Valley Tanks.....	142,972	Complete
14 Replace PRE Tank #4A - 82,000 gallon.....	24,181	In Progress
15 Tank & Pipeline Seismic Upgrades.....	153,881	In Progress
16 Water Treatment Plant Enhancements.....	190,918	In Progress
	<u>\$4,210,291</u>	

PROPOSED

West Marin Water System Rate Changes

EFFECTIVE JULY 1, 2016

<u>BIMONTHLY SERVICE CHARGE</u>	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
For STANDARD 5/8 x 3/4-INCH METER.....	\$30.00	\$30.00	0%
For 1-inch residential meter for fire service.....	\$34.00	\$34.00	0%
For 1-inch meter.....	\$60.00	\$60.00	0%
For all meters in Paradise Ranch Estates.....	\$46.00	\$46.00	0%
<u>QUANTITY CHARGE</u>			
<u>Residential Rate Per Dwelling Unit</u>			
First 400 gallons per day.....	\$7.61	\$8.14	7%
From 401 to 900 gallons per day.....	\$10.54	\$11.28	7%
From 901+ gallons per day.....	\$16.91	\$18.09	7%
<u>Commercial, Institutional & Irrigation Rate</u>			
November 1 through May 31.....	\$7.69	\$8.23	7%
June 1 through October 31.....	\$10.64	\$11.38	7%
<u>PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL</u>			
<u>Zone</u>			
1 Point Reyes Station.....	\$0.00	\$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365').....	\$0.20	\$0.21	7%
3 Olema.....	\$0.75	\$0.80	7%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$5.08	\$5.44	7%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$3.05	\$3.26	7%

May 13, 2016

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2016. It also provides information about a **Public Hearing scheduled on June 28, 2016**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$71/month (\$852/year). A **10% increase** is proposed equaling \$7/month (\$84/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$7 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for the 2016/17 fiscal year of \$936 (\$78 per month for July 2016 through June 2017).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 229 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The Oceana Marin system held a cash balance of \$389,000 at March 31, 2016. The proposed rate increase, if enacted, would generate \$19,236 of additional revenue annually (\$84/year X 229 customers). As you can likely surmise, additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. The entire Master Plan Update is available for review at: <http://www.nmwd.com/pdfs/agenda/011916.pdf>.

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 7:00 pm, Tuesday, June 28, 2016, at the Dance Palace (503 B Street) in Point Reyes Station.

You are invited to present oral or written testimony on the proposal at the public hearing. You have the right to protest this proposed rate increase. If you do, you must submit your protest in writing, even if you plan to attend the public hearing. If written protests are submitted by a majority of the affected property owners the proposed increase will not be imposed.

Your written protest must be received prior to the close of the June 28, 2016 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or to view the most recent Coastal Area Sewer Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,




Chris DeGabriele
General Manager

12

MEMORANDUM

To: Board of Directors

April 29, 2016

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – FY 2016/17 Proposed Novato Operations Budget

t:\aclword\budget\17\ops review 17 l.docx

RECOMMENDED ACTION: Information Only – Initial Review**FINANCIAL IMPACT:** None at this time - \$24.1 Million Expenditure Plan for FY17**Budget Summary**

The fiscal year 2016/17 (FY17) budget proposed herein projects a net "bottom line" cash deficit of \$544,000. A rate increase of 5% is factored into the budget effective June 1, 2016, as well as a Temporary Drought Revenue Recovery Surcharge (Surcharge) budgeted to run from June 1, 2016 through October 31, 2016. The 5% increase adds \$770,000 to FY17 budgeted revenue, and the Surcharge adds \$725,000 (combined total \$1,495,000).

The \$544,000 budgeted deficit compares to a FY16 projected cash decrease of \$450,000. FY17 water sales volume is budgeted at 2.2BG, consistent with the FY16 projected sales volume, but significantly below the 2.7BG budgeted for the past several years. FY16 water consumption is the lowest since 1979.

Looking simply at operating revenue (water sales) less operating expenditures, the proposed FY17 budget projects a net operating income of \$1.1 million, which compares to this year's projected net operating income of \$1.0 million. Total budgeted outlay, which includes capital improvement projects and debt service, is budgeted at \$24.1 million, down 5% from the FY16 budget.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.2BG, which is in line with the current fiscal year estimated actual, and 24% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

The proposed 5% rate increase is structured as a 7% increase in the commodity rate and no increase in the fixed service charge. If approved, the median residential customer would see an average monthly increase of \$2.85. The proposed rate increase would generate \$770,000 in additional revenue next fiscal year. In addition, implementation of the aforesaid Surcharge from June 1 through October 31 would generate an estimated \$725,000 in additional revenue. The Surcharge would add \$0.90 per month on average to the typical residential water bill and \$9.00 per month, on average, to the typical non-residential water bill.

Other Revenue – Connection Fee revenue is budgeted at \$100,000, basically as a placeholder as Staff is not aware of any significant developer projects ready to commence construction next fiscal year. The Connection Fee budget projection compares with \$895,000 of Connection Fee revenue estimated for the current fiscal year.

The wheeling charge to Marin Municipal Water District is budgeted at \$88,000 (\$17.55/AF for 5,000AF, or 1.6BG). In addition, MMWD will pay the annual fixed AEEP capital contribution of \$245,000 in accord with the terms of the 2014 Interconnection Agreement. The combination of these two payments is almost a 7-fold increase over the prior annual wheeling charge, and represents compensation for MMWD's beneficial enjoyment of the AEEP. Funds in the District's treasury are budgeted to earn an average interest rate of 0.5%. Miscellaneous Revenue includes income from the rental of the Point Reyes home (\$35,000), the Little Mountain cell phone tower lease (\$18,000), Indian Valley Golf Club lease (\$11,000), two grazing leases (\$3,600), rental of the District's security apartment (\$11,000), and rental of the Pacheco Valle tennis courts (\$2,650).

Other Sources of Funds – A State Revolving Fund loan of \$3 million is included for the FY17 work on the AMI project (total project cost spread over 3 fiscal years is estimated at \$5 million) and a \$3 million bank loan is anticipated for work to renovate the District headquarters buildings.

Operating Expenditures

Total Operating Expenditures are projected to decrease 3% (\$498,000) from the FY16 budget. The reduction in purchased water will save over \$1 million. Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to decrease 21% (\$1,002,000) from this year's budget. The volume of water purchased from the Sonoma County Water Agency is forecast at 1.45BG, a 500MG reduction from the current budget. SCWA's wholesale water rate will increase 6.6% to \$2,547/MG on July 1. Including Stafford production at 750 MG (2,300 acre-feet), total budgeted potable production is 2.2 BG.

Water Treatment is budgeted to increase 4% (\$80,000) from this year's budget. Power cost is budgeted at 19.1¢/kWh, up 3% per kWh, consistent with the Photovoltaic Power Purchase

Agreement. Normal rainfall is assumed for next winter allowing the Stafford Treatment Plant to produce 750 MG (2,300 AF).

Transmission and Distribution is budgeted to increase 16%, due in part to employment of a Chief Engineer early in the fiscal year to assume the department-head duties as the Assistant General Manager/Chief Engineer transitions into the role of the General Manager, who plans to retire late in the fiscal year. Employment of a new Chief Engineer was included in the current budget, but deferred for a year.

General Administration again includes a series of studies. Six are included in the FY17 Administrative Budget, totaling \$455,000, an increase of \$165,000 from the FY16 budget, as follows:

	Project	Cost	Description
1	Local Water Supply Enhancement Study	\$100,000	Increase local yield (\$100k/yr for 2 years)
2	Novato Master Plan Update	\$85,000	5 Year Update
3	Cost of Service Study Peer Review	\$30,000	Outside Review of Water Rate Structure
4	Stafford Lake Water Rights Update	\$50,000	Legal Review and update of entitlements
5	STP Efficiency Improvements	\$150,000	Increase finished water throughput
6	Stafford Lake Sanitary Survey	\$40,000	Watershed Survey
		<u>\$455,000</u>	

Staffing - The proposed budget includes a staffing level of 53.7 full-time equivalent (FTE) employees, up 1.0 FTE (2%) from the current year budget. Two apprentice treatment plant operators were hired earlier this year after a senior treatment plant operator retired. A 5% spot adjustment is included for the Auditor-Controller, and a Maintenance Foreman position has been created to be filled, on a competitive basis, by an existing employee. The proposed staffing level of 53.7 FTE is down 5.4 FTE (9%) from the level adopted in the FY08 budget.

<u>FTE Staffing</u>	<u>FY17</u>	<u>FY16</u>	<u>Reason for Change</u>
Administration	9.0	9.0	
Consumer Services	6.0	6.0	
Construction/Maintenance	12.0	12.0	
Engineering	7.7	7.7	
Maintenance	8.0	8.0	
Operations	6.0	5.0	2 apprentices replace Sr TP Operator
Water Quality	<u>5.0</u>	<u>5.0</u>	
	<u>53.7</u>	<u>52.7</u>	

Temporary staffing is proposed to decrease by 144 hours (2%), to 8,786 hours, budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY17</u>	<u>FY16</u>
Administration	416	450
Customer Accounting	1,750	2,000
Construction/Maintenance	1,760	1,760
Engineering	1,000	1,000
Maintenance	1,220	1,020
Operations	700	1,200
Water Conservation	1,440	1,500
Water Quality	<u>500</u>	<u>0</u>
	<u>8,786</u>	<u>8,930</u>

For budgeting purposes, a 2.7% cost-of-living salary increase has been factored into the budget effective October 1, 2016, as well as a 1.6% salary increase to offset the negotiated requirement that employees pay an additional 1.6% of salary toward their retirement benefit. The COLA and CalPERS offset adjustments would increase total salaries by \$149,000, pushing up the total overheaded cost of payroll by \$195,000 (2.6%).

The District's average CalPERS retirement contribution rate will decrease 0.5% (to 20.2%) from the amount budgeted last year. Over the past four years employees have annually contributed a larger share of the retirement obligation, and beginning October 1, 2016, all employees will pay 100% of the CalPERS employee contribution. The CalPERS Board is scheduled to approve 2017 group health insurance rates in June. For budgeting purposes, a 6.7% increase in group health insurance rates effective January 1, 2017 is assumed, which is the average rate of increase over the past 10 years, and which would increase budgeted labor cost by \$57,000. The cost for first dollar worker's compensation insurance is budgeted to increase 10%. While the District intends to continue self-insuring this coverage, proposals have been requested for standard workers' compensation insurance to provide a current calculation of savings (or loss) accrued through self-insuring this coverage.

Total budgeted operating expenditures are down \$498,000 (3%) compared to the adopted FY16 budget. An analysis of the significant differences between the FY16 budget and the proposed FY17 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY16 Budget	FY17 % Change
Materials, Services & Supplies	\$244,000	7%
Labor	203,000	3%
Depreciation	100,000	4%
Vehicle Expense	19,000	8%
Distributed G&A & Overheads	-44,000	-7%
Purchased Water Cost	-1,020,000	-22%
Net Decrease	<u>(\$498,000)</u>	<u>-4%</u>

This budget draft will be fine-tuned in conjunction with preparation of the West Marin Budgets, additional review of the Capital Improvement Projects budget, and with updated information regarding 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 Potable Water
Operating Budget**

FISCAL YEAR

2016-17

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2016/17

	<i>Proposed Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
OPERATING INCOME			
1 Water Sales	\$16,655,000	\$15,163,000	\$17,768,000
2 Wheeling & Misc Service Charges	348,000	325,000	380,000
3 Total Operating Income	\$17,003,000	\$15,488,000	\$18,148,000
OPERATING EXPENDITURES			
4 Source of Supply	\$3,867,000	\$3,916,000	\$4,869,000
5 Pumping	362,000	241,000	367,000
6 Operations	568,000	667,000	609,000
7 Water Treatment	2,055,000	1,642,000	1,975,000
8 Transmission & Distribution	3,135,000	2,727,000	2,698,000
9 Consumer Accounting	631,000	603,000	592,000
10 Water Conservation	459,000	393,000	450,000
11 General Administration	2,034,000	1,754,000	2,149,000
12 Depreciation Expense	2,800,000	2,580,000	2,700,000
13 Total Operating Expenditures	\$15,911,000	\$14,523,000	\$16,409,000
14 NET OPERATING INCOME (LOSS)	\$1,092,000	\$965,000	\$1,739,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$52,000	\$56,000	\$64,000
16 Miscellaneous Revenue	132,000	104,000	83,000
17 Interest Expense	(481,000)	(494,000)	(510,000)
18 Miscellaneous Expense	(20,000)	\$0	(20,000)
19 Total Non-Operating Income/(Expense)	(\$317,000)	(\$334,000)	(\$383,000)
20 NET INCOME/(LOSS)	\$775,000	\$631,000	\$1,356,000
OTHER SOURCES/(USES) OF CASH			
21 Add Depreciation Expense	\$2,800,000	\$2,580,000	\$2,700,000
22 Connection Fees	100,000	895,000	538,000
23 Caltrans AEEP Capital Contribution	0	2,600,000	2,740,000
24 MMWD AEEP Capital Contribution	245,000	245,000	245,000
25 Loans	6,000,000	100,000	2,000,000
26 Capital Equipment Expenditures	(245,000)	(65,000)	(199,000)
27 Capital Improvement Projects	(8,341,000)	(4,928,000)	(9,040,000)
28 Debt Principal Payments	(1,063,000)	(1,050,000)	(1,035,000)
29 Connection Fee Transfer to RWS	(815,000)	(708,000)	(717,000)
30 Working Capital Increase/(Decrease)	0	(750,000)	0
31 Total Other Sources/(Uses)	(\$1,319,000)	(\$1,081,000)	(\$2,768,000)
32 CASH INCREASE/(DECREASE)	(\$544,000)	(\$450,000)	(\$1,412,000)

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NORTH MARIN WATER DISTRICT
NOVATO POTABLE WATER
PROPOSED 2016/17 OPERATING BUDGET

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NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2016/17

	Proposed Budget 2016/17	Estimated Actual 2015/16	Adopted Budget 2015/16
OPERATING INCOME			
1 Water Sales	\$16,655,000	\$15,163,000	\$17,768,000
2 Wheeling & Misc Service Charges	348,000	325,000	380,000
3 Total Operating Income	\$17,003,000	\$15,488,000	\$18,148,000
OPERATING EXPENDITURES			
4 Source of Supply	\$3,867,000	\$3,916,000	\$4,869,000
5 Pumping	362,000	241,000	367,000
6 Operations	568,000	667,000	609,000
7 Water Treatment	2,055,000	1,642,000	1,975,000
8 Transmission & Distribution	3,135,000	2,727,000	2,698,000
9 Consumer Accounting	631,000	603,000	592,000
10 Water Conservation	459,000	393,000	450,000
11 General Administration	2,034,000	1,754,000	2,149,000
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North Marin Water District

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
STATISTICS								
1 Active Meters	20,525	20,525	20,525	20,498	20,505	20,492	20,490	20,464
2 Avg Commodity Rate/1,000 Gal (Net)	\$5.36	\$5.04	\$5.05	\$4.87	\$4.81	\$4.32	\$4.05	\$3.82
3 Potable Consumption (BG)	2.70	2.20	2.70	2.44	2.95	3.02	2.82	2.79
OPERATING INCOME								
4 Water Sales	\$16,725,000	\$15,230,000	\$16,000,000	\$16,101,706	\$18,385,017	\$16,626,526	\$14,220,429	\$12,727,649
5 Bill Adjustments	(70,000)	(67,000)	(92,000)	(82,790)	(95,470)	(104,567)	(58,770)	(66,248)
6 Sales to MMWD	0	0	0	0	432,294	0	0	0
7 Wheeling Charges-MMWD	88,000	66,000	120,000	119,144	100,527	251,980	58,802	53,662
8 Miscellaneous Service Revenue	260,000	259,000	260,000	276,388	265,496	223,619	197,752	145,787
9 TOTAL OPERATING INCOME	\$17,003,000	\$15,488,000	\$16,288,000	\$16,414,448	\$19,087,864	\$16,997,558	\$14,418,213	\$12,860,850
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$18,000	\$9,000	\$19,000	\$11,641	\$9,698	\$9,103	\$9,064	\$8,965
12 Operating Expense - Source	10,000	13,000	11,000	11,044	10,497	6,821	11,488	5,927
13 Maintenance/Monitoring of Dam	63,000	17,000	50,000	11,635	19,438	38,295	25,716	8,290
14 Maintenance of Lake & Intakes	18,000	7,000	21,000	511	11,701	14,481	10,377	8,619
15 Maintenance of Watershed	43,000	17,000	41,000	15,151	17,015	23,405	8,188	2,152
16 Water Purchased for Resale to MMWD	0	0	0	0	253,539	0	0	0
17 Water Quality Surveillance	25,000	3,000	17,000	7,467	13,713	12,776	16,385	12,377
18 Contract Water - SCWA	3,690,000	3,850,000	4,710,000	4,333,100	5,698,211	5,135,330	5,047,469	3,790,789
19 TOTAL SOURCE OF SUPPLY	\$3,867,000	\$3,916,000	\$4,869,000	\$4,390,549	\$6,033,812	\$5,240,211	\$5,128,687	\$3,837,119
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$237	\$0	\$0	\$0	\$641
21 Maintenance of Structures/Grounds	36,000	30,000	39,000	51,544	46,502	24,115	29,042	17,153
22 Maintenance of Pumping Equipment	68,000	16,000	70,000	51,013	27,696	35,637	50,797	17,354
23 Electric Power - Pumping	255,000	195,000	255,000	213,909	255,711	263,471	204,927	233,222
24 TOTAL PUMPING	\$362,000	\$241,000	\$367,000	\$316,703	\$329,909	\$323,223	\$284,766	\$268,370
OPERATIONS								
25 Supervision & Engineering	\$171,000	\$252,000	\$182,000	\$241,264	\$219,520	\$187,986	\$185,838	\$185,361
26 Operating Expense	203,000	304,000	255,000	244,900	274,893	264,400	255,272	191,713
27 Maintenance Expense	89,000	26,000	84,000	37,667	79,906	101,036	105,545	94,633
28 Telemetry Equipment/Controls Maint	88,000	67,000	71,000	86,544	62,223	44,349	67,936	83,047
29 Leased Line Expense	17,000	18,000	17,000	17,986	17,675	17,921	18,930	20,841
30 TOTAL OPERATIONS	\$568,000	\$667,000	\$609,000	\$628,361	\$654,217	\$615,692	\$633,521	\$575,595

North Marin Water District

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
WATER TREATMENT								
31 Supervision & Engineering	\$92,000	\$118,000	\$97,000	\$112,433	\$111,096	\$112,612	\$100,916	\$121,459
32 Operating Expense	297,000	256,000	288,000	333,020	285,050	308,301	206,957	320,882
33 Purification Chemicals	425,000	166,000	425,000	358,907	316,762	400,627	253,797	464,140
34 Sludge Disposal	84,000	88,000	87,000	72,720	66,085	103,196	100,861	84,618
35 Maintenance of Structures/Grounds	90,000	60,000	80,000	79,728	60,148	52,242	82,839	71,772
36 Purification Equipment Maintenance	164,000	152,000	140,000	104,290	137,838	137,793	136,782	105,217
37 Electric Power - Treatment	134,000	120,000	134,000	120,592	135,637	112,767	114,184	128,913
38 Laboratory Expense (net)	769,000	682,000	724,000	691,990	655,315	602,901	568,124	517,044
39 TOTAL WATER TREATMENT	\$2,055,000	\$1,642,000	\$1,975,000	\$1,873,680	\$1,767,931	\$1,830,439	\$1,564,460	\$1,814,045
TRANSMISSION & DISTRIBUTION								
40 Supervision & Engineering	\$749,000	\$551,000	\$485,000	\$562,934	\$486,544	\$427,430	\$423,813	\$466,110
41 Maps & Records	141,000	105,000	138,000	108,956	77,995	106,669	96,058	74,154
42 Operation of T&D System	633,000	498,000	556,000	404,243	511,708	460,489	478,959	422,375
43 Storage Facilities Expense	165,000	139,000	147,000	167,362	134,352	87,843	140,564	158,247
44 Maintenance of Valves & Regulators	224,000	153,000	208,000	151,691	91,709	117,299	132,239	190,866
45 Maintenance of Mains	135,000	215,000	126,000	149,898	72,176	86,906	49,922	146,814
46 Backflow Prevention Program	180,000	150,000	131,000	156,590	147,878	102,338	84,714	124,121
47 Maintenance of Copper Services	183,000	148,000	183,000	202,193	141,987	175,880	190,698	164,388
48 Maintenance of PB Service Lines	459,000	568,000	443,000	432,820	411,357	483,006	443,509	347,802
49 Maintenance of Meters	107,000	97,000	132,000	100,401	94,418	93,360	135,900	146,170
50 Detector Check Assembly Maint	77,000	66,000	71,000	65,749	52,369	7,581	38,361	36,509
51 Maintenance of Hydrants	82,000	37,000	78,000	25,655	22,154	28,531	33,980	50,354
52 TOTAL TRANSMISSION & DISTRIB	\$3,135,000	\$2,727,000	\$2,698,000	\$2,528,492	\$2,244,647	\$2,177,332	\$2,248,717	\$2,327,910
CONSUMER ACCOUNTING								
53 Meter Reading & Collection	\$225,000	\$187,000	\$209,000	\$166,919	\$182,216	\$180,030	\$170,589	\$142,581
54 Billing & Accounting	266,000	274,000	256,000	269,054	256,653	247,897	282,702	282,046
55 Contract Billing	18,000	17,000	19,000	16,946	17,561	18,110	18,231	18,285
56 Postage & Supplies	63,000	60,000	53,000	60,032	61,791	64,497	63,359	70,347
57 Credit Card Fees	25,000	26,000	23,000	23,893	14,149			
58 Lock Box Service	11,000	11,000	11,000	10,080				
59 Uncollectible Accounts	17,000	17,000	15,000	14,818	19,500	23,230	26,685	32,723
60 Office Equipment Expense	22,000	28,000	21,000	16,743	23,905	8,290	8,690	9,835
61 Distributed to Other Operations	(16,000)	(17,000)	(15,000)	(16,233)	(15,276)	(13,961)	(15,726)	(15,762)
62 TOTAL CONSUMER ACCOUNTING	\$631,000	\$603,000	\$592,000	\$562,252	\$560,499	\$528,093	\$554,530	\$540,055

North Marin Water District

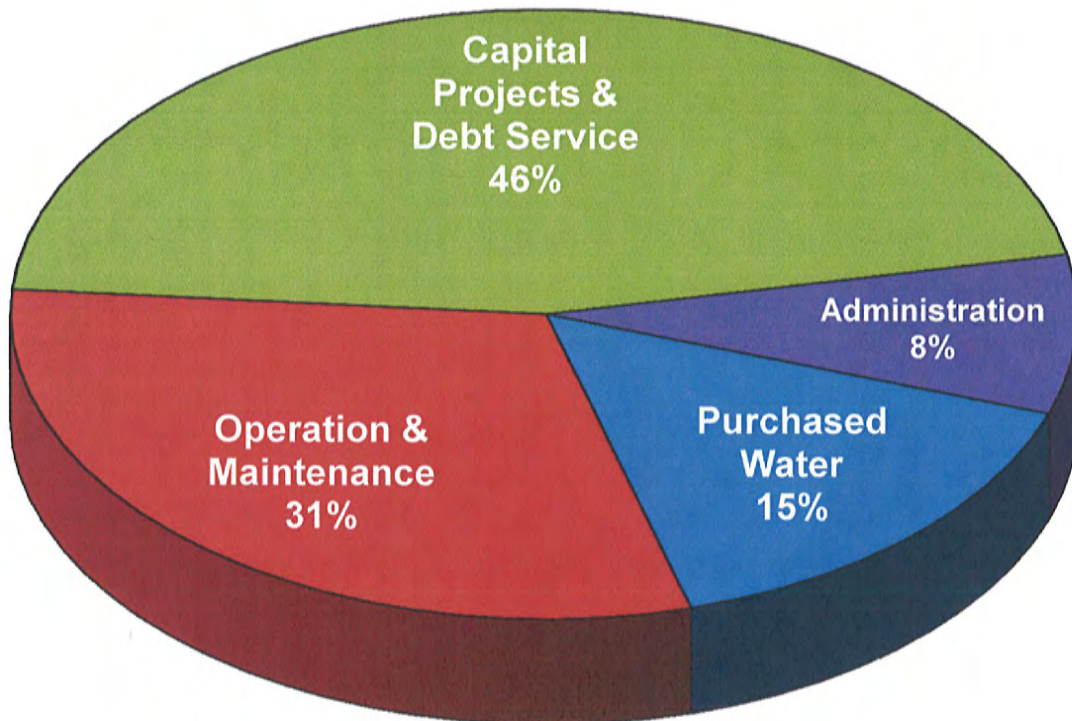
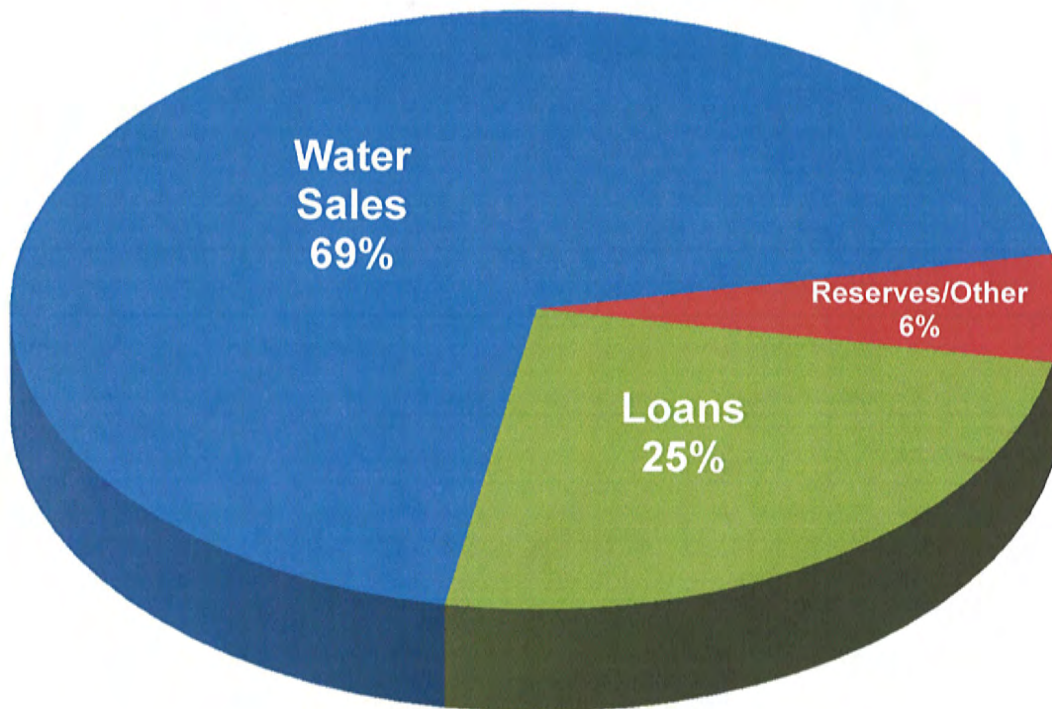
NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2016/17

	Proposed Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
WATER CONSERVATION								
63 Residential	\$380,000	\$340,000	\$345,000	\$410,154	\$362,499	\$222,637	\$213,883	\$338,093
64 Commercial	19,000	5,000	25,000	5,352	2,605	1,169	1,414	15,423
65 Public Outreach/Information	40,000	26,000	50,000	34,148	51,638	28,477	41,251	19,047
66 Large Landscape	20,000	22,000	30,000	10,747	12,702	13,966	13,780	10,337
TOTAL WATER CONSERVATION	\$459,000	\$393,000	\$450,000	\$460,401	\$429,444	\$266,249	\$270,328	\$382,900
GENERAL & ADMINISTRATION								
67 Director's Expense	\$33,000	\$34,000	\$32,000	\$30,400	\$25,300	\$14,400	\$15,000	\$15,100
68 Legal Fees	13,000	13,000	12,000	9,956	20,906	10,112	7,098	8,572
69 Human Resources	30,000	24,000	34,000	33,977	28,386	35,917	21,860	32,112
70 Auditing Services	17,000	19,000	21,000	18,380	21,050	20,600	28,900	27,800
71 Consulting Services/Studies	455,000	138,000	290,000	107,015	0	53,327	34,731	
72 General Office Salaries	1,322,000	1,279,000	1,533,000	1,191,792	1,184,164	1,214,210	1,252,684	1,177,170
73 Office Supplies	47,000	22,000	47,000	36,877	46,174	37,232	22,743	38,870
74 Employee Events	12,000	13,000	12,000	7,379	7,227	6,204	5,931	4,469
75 Other Administrative Expense	13,000	10,000	16,000	13,390	13,240	18,150	17,254	17,414
76 Election Cost	0	0	70,000	0	250	0	250	0
77 Dues & Subscriptions	60,000	56,000	57,000	53,296	47,842	45,607	49,260	47,775
78 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,118	8,112
79 Meetings, Conf & Training	203,000	147,000	184,000	136,863	117,425	112,402	97,626	101,472
80 Telephone, Water, Gas & Electricity	41,000	41,000	39,000	38,580	33,328	32,995	26,172	29,012
81 Building & Grounds Maintenance	57,000	69,000	51,000	48,891	35,642	41,194	36,438	35,902
82 Office Equipment Expense	94,000	96,000	90,000	97,868	90,231	82,349	89,291	74,325
83 Insurance Premiums & Claims	118,000	157,000	103,000	102,073	72,192	76,473	113,556	118,451
84 Retiree Medical Benefits	173,000	172,000	174,000	175,580	159,691	166,699	160,725	147,084
85 (Gain)/Loss on Overhead Charges	(122,000)	(49,000)	(70,000)	(85,682)	(222,710)	(136,354)	(297,783)	(172,628)
86 G&A Distributed to Other Operations	(154,000)	(130,000)	(169,000)	(113,218)	(76,538)	(77,443)	(101,630)	(104,515)
87 G&A Applied to Construction Projects	(386,000)	(365,000)	(385,000)	(353,998)	(389,569)	(392,205)	(327,881)	(269,439)
88 Expensed Improvement Projects								122,785
89 Expensed Equipment Purchases							3,383	29,993
TOTAL GENERAL & ADMINISTRATION	\$2,034,000	\$1,754,000	\$2,149,000	\$1,557,531	\$1,222,343	\$1,369,981	\$1,263,726	\$1,489,836
90 Depreciation Expense	\$2,800,000	\$2,580,000	\$2,700,000	\$2,507,124	\$2,445,634	\$2,417,032	\$2,372,380	\$2,309,166
91 TOTAL OPERATING EXPENSE	\$15,911,000	\$14,523,000	\$16,409,000	\$14,825,093	\$15,688,436	\$14,768,252	\$14,321,115	\$13,544,996
92 NET OPERATING INCOME/(LOSS)	\$1,092,000	\$965,000	(\$121,000)	\$1,589,355	\$3,399,428	\$2,229,306	\$97,098	(\$684,146)

**NOVATO POTABLE WATER
FISCAL YEAR 2016-17**

SOURCE OF FUNDS = \$24.1 MILLION



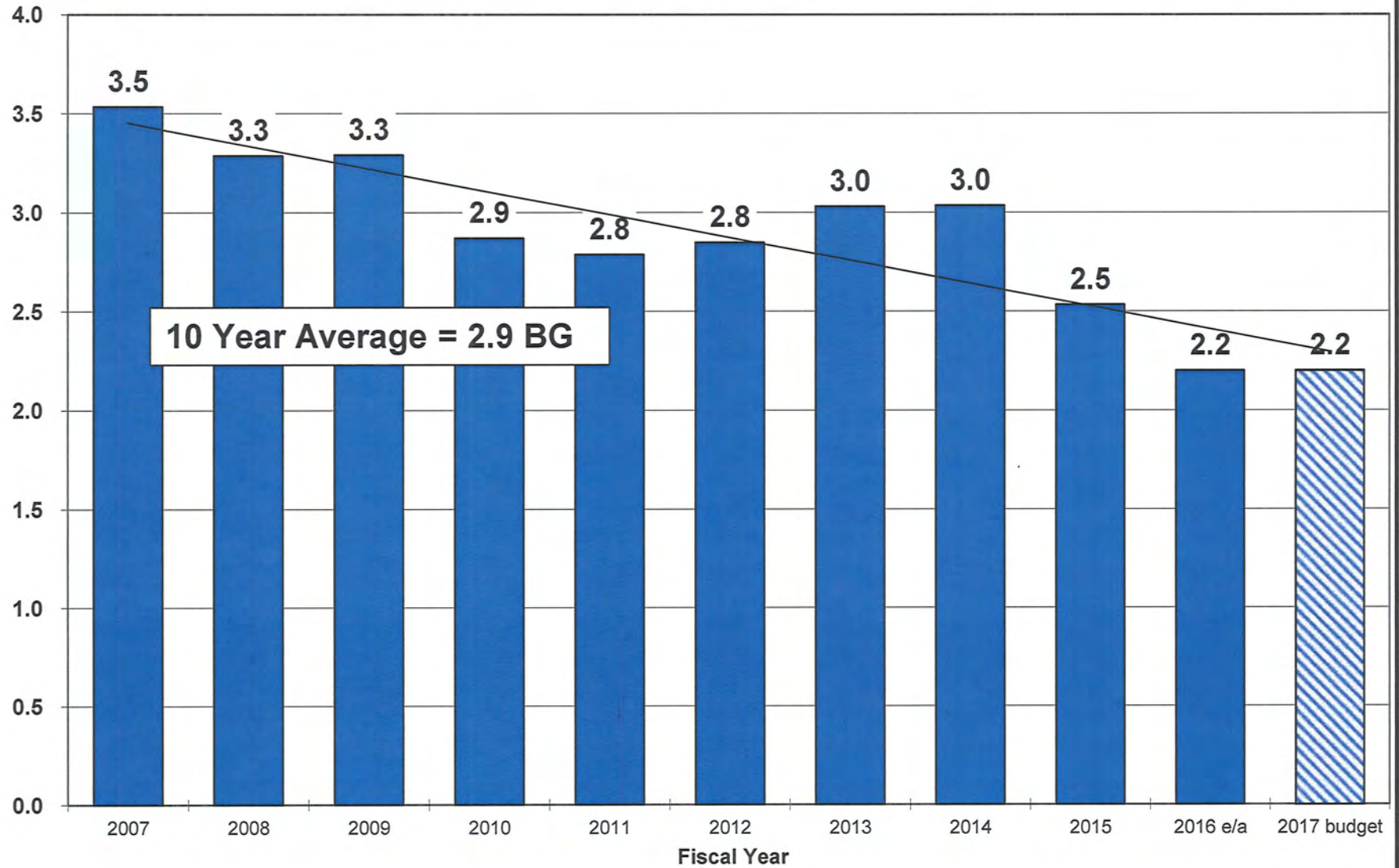
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Billion
Gallons

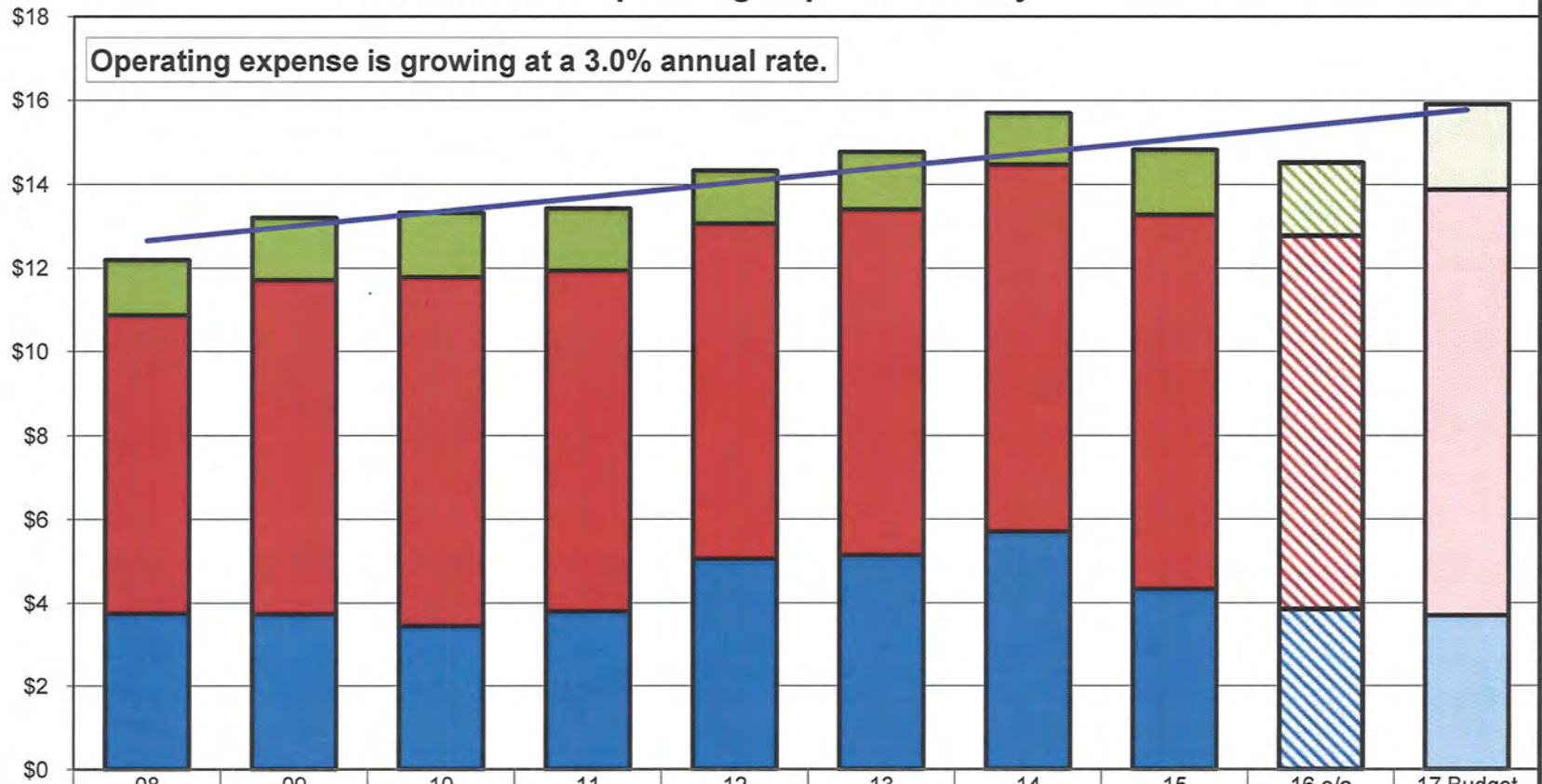
Novato Water Billed Consumption 10 Year History



Million \$

Novato Water Operating Expense History

Operating expense is growing at a 3.0% annual rate.



	08	09	10	11	12	13	14	15	16 e/a	17 Budget
Admin	\$1.3	\$1.5	\$1.5	\$1.5	\$1.3	\$1.4	\$1.2	\$1.6	\$1.8	\$2.0
O&M	\$7.1	\$8.0	\$8.3	\$8.1	\$8.0	\$8.3	\$8.8	\$8.9	\$8.9	\$10.2
Purch Wtr	\$3.7	\$3.7	\$3.4	\$3.8	\$5.0	\$5.1	\$5.7	\$4.3	\$3.9	\$3.7
Total	\$12.2	\$13.2	\$13.3	\$13.4	\$14.3	\$14.8	\$15.7	\$14.8	\$14.5	\$15.9
Regression	\$12.6	\$13.0	\$13.3	\$13.7	\$14.0	\$14.4	\$14.7	\$15.1	\$15.4	\$15.8

Fiscal Year

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

4/28/16

t:\accountants\data\dues and subscriptions.xls|fy17 budget

	Organization	Employee	Dept	Last Renewed	Renewal Period	Last Paid	FY17 Budget
1	ADTS Drug Testing Program	Arendell	41	12/31/15	1/16-12/16	\$836	\$860
2	Alliance for Water Efficiency	Grisso	21	7/30/15	7/15-8/16	\$500	\$520
3	American Water Works Association	DeGabriele*	10	11/25/15	1/16-12/16	\$3,753	\$3,870
4	American Water Works Association	Chandrasekera	21	11/25/15	1/16-12/16	\$255	\$260
5	American Water Works Association	Goodpaster	61	8/20/15	8/15-8/16	\$249	\$260
6	Assoc of State Dam Safety Officials	McIntyre	21	10/29/15	10/15-9/16	\$50	\$50
7	Association of CA Water Agencies	DeGabriele	10	12/31/15	1/16-12/16	\$16,995	\$17,500
8	AWWA - Backflow Assembly Tester	Kurfirfirst	51	2/19/15	10/15-9/18	\$180	\$0
9	AWWA - Cross Connection Control Spec	Kurfirfirst	51	2/19/15	5/15-4/17	\$80	\$80
10	AWWA - G1-WQ Analyst	Bena	61	10/16/14	5/15-5/17	\$55	\$60
11	AWWA - G3-WQ Analyst	Lucchesi	61	1/3/13	6/13-6/15	\$55	\$0
12	AWWA - G3-WQ Analyst	Ramudo	61	3/31/06	3/08-3/10	\$46	\$50
13	AWWA - G3-WQ Analyst	Reischmann	61	10/9/14	9/14-9/17	\$55	\$0
14	AWWA - G4-WQ Analyst	Goodpaster	61	7/16/15	9/15-9/17	\$55	\$0
15	AWWA Water Conservation Practitioner	Grisso	21	12/5/12	1/13-12/14	\$70	\$70
16	Bay Area Water Works Association	Chandrasekera	21	7/5/12	1/12-12/12	\$20	\$20
17	Bay Area Water Works Association	McIntyre	21	10/29/15	1/16-12/16	\$20	\$20
18	Bay Area Water Works Association	Ramudo	61	12/21/11	1/12-12/12	\$60	\$20
19	Baywork (FBO San Jose Water)	Landeros	11	7/23/15	7/15-6/16	\$765	\$790
20	Board of Prof Engineers & Surveyors	DeGabriele	10	8/8/14	7/14-6/16	\$115	\$0
21	Board of Prof Engineers & Surveyors	Chandrasekera	21	9/11/14	10/14-9/16	\$115	\$120
22	Board of Prof Engineers & Surveyors	Jackson	21	2/11/16	4/16-3/18	\$116	\$0
23	Board of Prof Engineers & Surveyors	McIntyre	21	4/2/15	4/15-3/17	\$115	\$120
24	CA Urban Water Conservation Council	Grisso	21	5/14/15	1/15-12/15	\$3,219	\$3,320
25	CWEA - Membership	Bena	61	9/17/15	10/15-9/16	\$164	\$170
26	CWEA - Membership	Reischmann	61	7/30/15	7/15-7/16	\$156	\$160
27	Contractor's State License Board	Arendell	41	2/18/16	4/16-4/18	\$690	\$0
28	Costco Wholesale Membership	DeGabriele	10	11/25/15	1/16-12/16	\$110	\$110
29	CWEA-Laboratory Analyst Grade 1	Bena	61	2/4/16	4/16-3/17	\$80	\$80
30	CWEA-Laboratory Analyst Grade 2	Reischmann	61	11/5/15	1/16-12/16	\$86	\$90
31	Dept Pesticide Reg-Qualified Applicator License	Cilia	51	11/13/14	1/15-12/16	\$60	\$60
32	DHS - Distrib Op Certification I	Roberto	12	5/8/14	5/14-5/17	\$70	\$70
33	DHS - Distrib Op Certification I	Breit	41	1/30/14	6/14-5/16	\$70	\$0
34	DHS - Distrib Op Certification I	Lemos, James	41				\$70
35	DHS - Distrib Op Certification I	Ortiz	41	4/25/13	8/13-8/16	\$70	\$0
36	DHS - Distrib Op Certification I	Rupp	41	2/20/14	5/14-5/17	\$120	\$120
37	DHS - Distrib Op Certification I	Sjoblom	41	2/7/13	8/13-8/16	\$70	\$0
38	DHS - Distrib Op Certification I	Baccai	51	3/31/10	8/10-8/13	\$50	\$50
39	DHS - Distrib Op Certification I	Cilia	51	2/4/16	9/16-8/18	\$70	\$0
40	DHS - Distrib Op Certification II	Foster	31				\$80
41	DHS - Distrib Op Certification II	Castellucci	41	5/8/14	5/14-5/17	\$80	\$80
42	DHS - Distrib Op Certification II	Corda, Joe	41	11/19/15	12/15-12/18	\$80	\$0
43	DHS - Distrib Op Certification II	Kane	11	2/20/14	7/14-7/17	\$80	\$80
44	DHS - Distrib Op Certification II	Kehoe, C	41	10/1/15	11/15-11/17	\$180	\$0
45	DHS - Distrib Op Certification II	Kurfirfirst	51	1/24/13	6/13-6/16	\$80	\$0
46	DHS - Distrib Op Certification II	Latanyshyn	51	9/4/14	2/15-2/18	\$80	\$0
47	DHS - Distrib Op Certification II	LeBrun	51	10/29/15	11/15-11/18	\$80	\$0
48	DHS - Distrib Op Certification II	Bena	61	3/9/14	3/14-2/17	\$80	\$80
49	DHS - Distrib Op Certification II	Goodpaster	61	10/17/13	4/14-4/17	\$80	\$80
50	DHS - Distrib Op Certification II	Lucchesi	61	3/26/15	10/15-10/18	\$60	\$0
51	DHS - Distrib Op Certification II	Ramudo	61	4/15/15	9/15-8/18	\$80	\$0
52	DHS - Distrib Op Certification II	Reischmann	61	4/19/15	10/15-10/18	\$60	\$0
53	DHS - Distrib Op Certification III	Garrett	31	2/27/14	8/14-8/17	\$90	\$90
54	DHS - Distrib Op Certification III	Jennison	31	12/12/13	8/14-8/17	\$60	\$90
55	DHS - Distrib Op Certification III	Clark	51	7/30/15	12/15-12/18	\$90	\$0
56	DHS - Distrib Op Certification III	Lemos, Kerry	51	1/28/16	6/16-6/19	\$120	\$0
57	DHS - Distrib Op Certification III	Arendell	41	12/11/14	1/15-1/18	\$120	\$120
58	DHS - Distrib Op Certification III	Reed	41	2/1/12	7/14-7/17	\$80	\$0
59	DHS - Distrib Op Certification IV	Corda, Jeff	31	10/13/10	11/13-11/16	\$90	\$0

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

4/28/16

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	Organization	Employee	Dept	Last Renewed	Renewal Period	Last Paid	FY17 Budget
60	DHS - Distrib Op Certification V	Stompe	31	10/15/15	3/16-3/19	\$105	\$0
61	DHS - Treatment Operator Certif II	Reed	41	1/2/14	9/16-9/19	\$60	\$0
62	DHS - Treatment Operator Certif II	Foster	31				\$60
63	DHS - Treatment Operator Certif II	Clark	51	2/19/15	7/15-7/18	\$60	\$0
64	DHS - Treatment Operator Certif II	Lucchesi	61	4/10/14	2/15-2/18	\$60	\$60
65	DHS - Treatment Operator Certif II	Reischmann	61	4/17/14	9/14-9/17	\$60	\$60
66	DHS - Treatment Operator Certif III	Corde, Jeff	31	6/27/13	11/13-11/16	\$90	\$0
67	DHS - Treatment Operator Certif III	Garrett	31	2/27/14	12/13-12/16	\$120	\$120
68	DHS - Treatment Operator Certif IV	Jennison	31	12/19/13	6/14-6/17	\$105	\$110
69	DHS - Treatment Operator Certif IV	Stompe	31	8/26/14	2/15-2/18	\$104	\$0
70	GFOA - Financial Stmt Review	Landeros	11	11/5/15	7/14-7/15	\$435	\$450
71	GFOA - Membership	Landeros	11	7/30/15	8/15-8/16	\$160	\$160
72	HCC-Contractor's Bond	Arendell	41	2/11/16	3/16-3/17	\$690	\$0
73	Irrigation Association	Grisso	21	11/19/15	1/16-12/16	\$100	\$100
74	LAFCO (Co of Marin)	DeGabriele	10	7/30/15	7/15-6/16	\$10,995	\$13,260
75	National Fire Protection Assoc	McIntyre	21	1/28/16	1/16-12/16	\$175	\$180
76	National Notary Association (Dues)	Young	11	8/13/15	9/15-8/16	\$59	\$60
77	National Notary Association (Dues)	Kehoe	21	6/15/11	9/11-1/16	\$129	\$0
78	National Notary Association (Ins)	Young	11	11/6/14	2/15-2/18	\$78	\$0
79	National Notary Association (Ins)	Kehoe	21	8/1/13	1/14-1/18	\$98	\$0
80	National Safety Council	Clark	51	7/23/15	8/15-7/16	\$450	\$460
81	NACE - Natl Assoc Corrosion Engineers	Jackson	21	4/2/15	7/15-6/16	\$130	\$130
82	No American Lake Management Soc	Stompe	31	2/10/15	3/15-2/16	\$110	\$110
83	North Bay Watershed Association	DeGabriele	10	8/10/15	7/15-6/16	\$6,216	\$6,400
84	Novato Chamber of Commerce	Bentley	11	12/10/15	11/15-10/16	\$830	\$850
85	Novato Heights Property Owners	DeGabriele	10	3/27/14	1/14-12/14	\$150	\$150
86	Rotary - Novato Sunrise	McIntyre	21	7/23/15	7/15-6/16	\$180	\$190
87	Rotary - Point Reyes Station	Clark	51	1/22/16	7/15-6/16	\$130	\$130
88	Rotary Club of Novato	Chandrasekera	21				\$180
89	Rotary Club of Novato	DeGabriele	10	8/13/15	7/15-6/16	\$175	\$180
90	Society for HR Management (SHRM)	Landeros	11	8/20/15	9/15-8/16	\$190	\$200
91	Soroptimist	Young	11	7/21/15	7/15-6/16	\$175	\$180
92	Special District Leadership Foundation	DeGabriele	10	1/28/09	1/09-6/16	\$50	\$50
93	Steel Structures Painting Council	McIntyre	21	8/6/15	7/15-6/16	\$95	\$100
94	Tomaes Bay Watershed Council	Clark	31	2/8/12	1/12-12/12	\$1,000	\$1,000
95	Underground Service Alert - Membership	Arendell	41	8/20/15	7/15-6/16	\$945	\$970
96	USC Foundation-Cross Connect Control	Kurfirist	51		1/16-12/16	\$500	\$520
97	Water Education Foundation	DeGabriele	10	12/24/15	1/16-12/16	\$140	\$140
98	Wine Country Water Works Assoc.	Garrett	31	6/20/12	1/12-12/12	\$25	\$25
99	Wine Country Water Works Assoc.	Jennison	31	6/20/12	1/12-12/12	\$20	\$25
100	Wine Country Water Works Assoc.	Arendell	41	8/20/15	7/15-6/16	\$25	\$25
101	Wine Country Water Works Assoc.	Castellucci	41	8/20/15	7/15-6/16	\$25	\$25
102	Wine Country Water Works Assoc.	Corde, Joe	41				\$25
103	Wine Country Water Works Assoc.	Kane, Shawn	12	8/20/15	7/15-6/16	\$25	\$25
104	Wine Country Water Works Assoc.	Kehoe, Chris	41	8/20/15	7/15-6/16	\$25	\$25
105	Wine Country Water Works Assoc.	Reed	41	8/20/15	7/15-6/16	\$25	\$25
106	Wine Country Water Works Assoc.	Latanyshyn	51	6/13/13	7/13-6/14	\$45	\$25
107	Wine Country Water Works Assoc.	Lemos	51	6/13/13	7/13-6/14	\$45	\$25
108	Wine Country Water Works Assoc.	Lucchesi	61	8/20/15	7/15-6/16	\$25	\$25
109	Wine Country Water Works Assoc.	Reischmann	61	8/20/15	7/15-6/16	\$25	\$25
110	Wine Country Water Works Assoc.	Sjoblom	41	8/20/15	7/15-6/16	\$25	\$25

* Membership allows GM + 4 emps - DeGabriele, Clark, Ramudo, McIntyre & Stompe are enrolled \$56,799 \$56,555

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

4/28/16

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	Organization	Employee	Dept	Last Renewed	Renewal Period	Last Paid	FY17 Budget
Periodical Subscriptions							
1	Bender, Matthew (Government Codes)	DeGabriele	10	1/21/16	1/16-12/16	\$968	\$1,000
2	Marin Independent Journal	DeGabriele	10	10/8/15	9/15-8/16	\$453	\$470
3	Marinscope (Advance)	DeGabriele	10	12/31/15	9/15-8/16	\$49	\$50
4	Point Reyes Light	DeGabriele	10	12/18/14	12/14-12/16	\$119	\$120
5	AICPA Journal of Accountancy	Bentley	11	8/20/15	9/15-8/16	\$69	\$70
6	Personnel Concepts (Lbr Law Posters)	Bentley	11	7/3/14	7/14-6/15	\$247	\$250
7	Engineering News Record (ENR)	McIntyre	21	10/29/15	2/16-2/17	\$80	\$80
8	The Climate Registry	Clark	51	12/3/15	1/16-12/16	\$750	\$770
9	Cal/OSHA Compliance Advisor	Clark	51	8/20/15	9/15-8/16	\$299	\$310
						\$3,034	\$3,120

Software Subscriptions/Maint Agreements

1	Parkinson (Hightower/SWK)	Bentley	11	7/23/15	7/15-6/16	\$940	\$970
2	Parkinson (DCD)	Bentley	11	7/23/15	7/15-6/16	\$320	\$330
3	Parkinson (SAGE100)	Bentley	11	7/23/15	7/15-6/16	\$4,817	\$6,500
4	Parkinson (Custom)	Bentley	11	7/23/15	5/15-7/16	\$4,558	\$4,690
5	Parkinson (Fixed Assets)	Bentley	11	7/2/15	7/15-7/16	\$742	\$760
6	Sage Software (HR ABRA Network)	Bentley	11	7/9/15	7/15-6/16	\$892	\$920
7	Spector Soft Web Filter	Bentley	11	10/29/15	10/15-9/16	\$2,296	\$1,170
8	CDW Govt Trend Anti-Virus Software	Bentley	11	12/3/15	11/15-10/16	\$1,080	\$1,080
9	Itron MVRs (Meter reading device hardware)	Bentley	12	1/7/16	1/16-12/16	\$1,534	\$1,580
10	Parcel Quest	McIntyre	21	7/3/14	7/14-6/15	\$754	\$1,800
11	Open Spacial GIS Software Suite	McIntyre	21	11/26/15	10/15-10/16	\$8,760	\$9,020
12	DLT Solutions - AutoCAD Licenses	McIntyre	21	12/10/15	1/16-12/16	\$2,892	\$2,980
13	E&M - Wonderware - Distrib SCADA	Clark	31	3/24/16	3/16-3/17	\$7,808	\$8,040
14	Alldata (Fleet Maint Software)	Clark	51	5/14/15	6/7/15-6/7/16	\$1,500	\$0
15	ShopKey (Fleet Maintenance Software)	Clark	51				\$4,780
16	AWWA - Target Solutions (Training/Certification Tracking)	Bentley	12	2/6/15	1/15-12/15	\$179	\$180
17	AWWA - Target Solutions (Training/Certification Tracking)	Clark	31	2/6/15	1/15-12/15	\$895	\$920
18	AWWA - Target Solutions (Training/Certification Tracking)	Arendell	41	2/6/15	1/15-12/15	\$2,148	\$2,210
19	AWWA - Target Solutions (Training/Certification Tracking)	Clark	51	2/6/15	1/15-12/15	\$1,253	\$1,290
20	AWWA - Target Solutions (Training/Certification Tracking)	Clark	61	2/6/15	1/15-12/15	\$895	\$920
21	Accelerated Tech (LIMS)	Clark	61	12/31/15	12/15-12/16	\$5,552	\$0
22	Standard Methods	Ramudo	61	10/30/14	9/14-8/15	\$295	\$0
						\$50,110	\$50,140
						\$109,943	\$109,815

Dues & Subscriptions Expense Distribution

Dues & Subscriptions	56402-01-10	10	\$40,288	\$43,300
Dues & Subscriptions	56402-01-11	11	\$3,088	\$3,090
Dues & Subscriptions	56402-01-12	12	\$95	\$95
Dues & Subscriptions	56402-01-21	21	\$5,467	\$5,460
Dues & Subscriptions	56402-01-31	31	\$1,919	\$1,710
Dues & Subscriptions	56402-01-41	41	\$4,216	\$2,370
Dues & Subscriptions	56402-01-51	51	\$3,169	\$2,430
Dues & Subscriptions	56402-01-61	61	\$1,591	\$1,220
			\$59,833	\$59,675

Software Subscription Expense Distribution

Admin Equip	56701-01-11	11	\$15,645	\$16,420
Cons Svcs Equipment	55601-01-12	12	\$1,713	\$1,760
Maps & Records	54004-01-21	21	\$12,406	\$13,800
Maint Telemetry Equip	52502-01-31	31	\$8,703	\$8,960
Maint of Mains	54511-01-41	41	\$2,148	\$2,210
Maintenance Exp	52406-01-51	51	\$2,753	\$6,070
WQ Exp	53702-01-61	61	\$6,742	\$920
			\$50,110	\$50,140
			\$109,943	\$109,815

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MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Initial Review – FY 2016/17 Novato Recycled Water System Budget
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April 29, 2016

RECOMMENDED ACTION: Information Only – Initial Review
FINANCIAL IMPACT: \$8.9 Million FY17 Expenditure Plan

The FY 2016/17 (FY17) Recycled Water System (RWS) budget projects demand of 140MG next fiscal year (see chart of historical water use attached), consistent with the current year estimated actual. Current fiscal year recycled water use is down in concert with the ubiquitous drought news. Consistent with the potable water rate increase, a 7% commodity rate increase is proposed to be effective June 1, 2016. The proposed increase is projected to generate \$48,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to decrease 2% (\$9,000) from the existing FY16 budget. The FY17 budget projects purchase of 90MG (\$126,000) of tertiary treated water from Novato Sanitary District and 45MG (\$63,000) from Las Gallinas Valley Sanitary District, both at \$1,400/MG. The Deer Island Plant is budgeted to produce 5MG during the summer to keep it in good running order, and will continue to serve as a backup facility.

The \$11.7 million project to expand recycled water distribution facilities to central Novato will break ground next fiscal year, with \$7.5 million anticipated to be expended over the 12-month period. The District is jumping the final hurdles to obtain a 1% State Revolving Fund loan to construct the facilities, along with a \$1.5 million grant and a contribution from Marin Country Club for their share of the expansion. Additional Federal/State grant funds may be forthcoming as well but are not included at this time due to pending confirmation.

The RWS is budgeted to receive \$815,000 in Connection Fee monies from the Novato potable water system in FY17 to pay for the expansion loan debt service and to cover the \$80,000 cost of the NBWRA's grant administration. With the Connection Fee monies, the proposed budget projects a cash surplus next fiscal year of \$404,000.

The RWS construction is premised on the assumption that it will be financed via Connection Fees paid by new development. Since FY07, the Novato potable system has paid \$4.9 to the RWS for 1) debt service (\$2.3M); 2) the grant funding local share obligation (\$1.6M); and 3) NBWRA grant procurement fees (\$1M). During this same period, only \$500,000 in

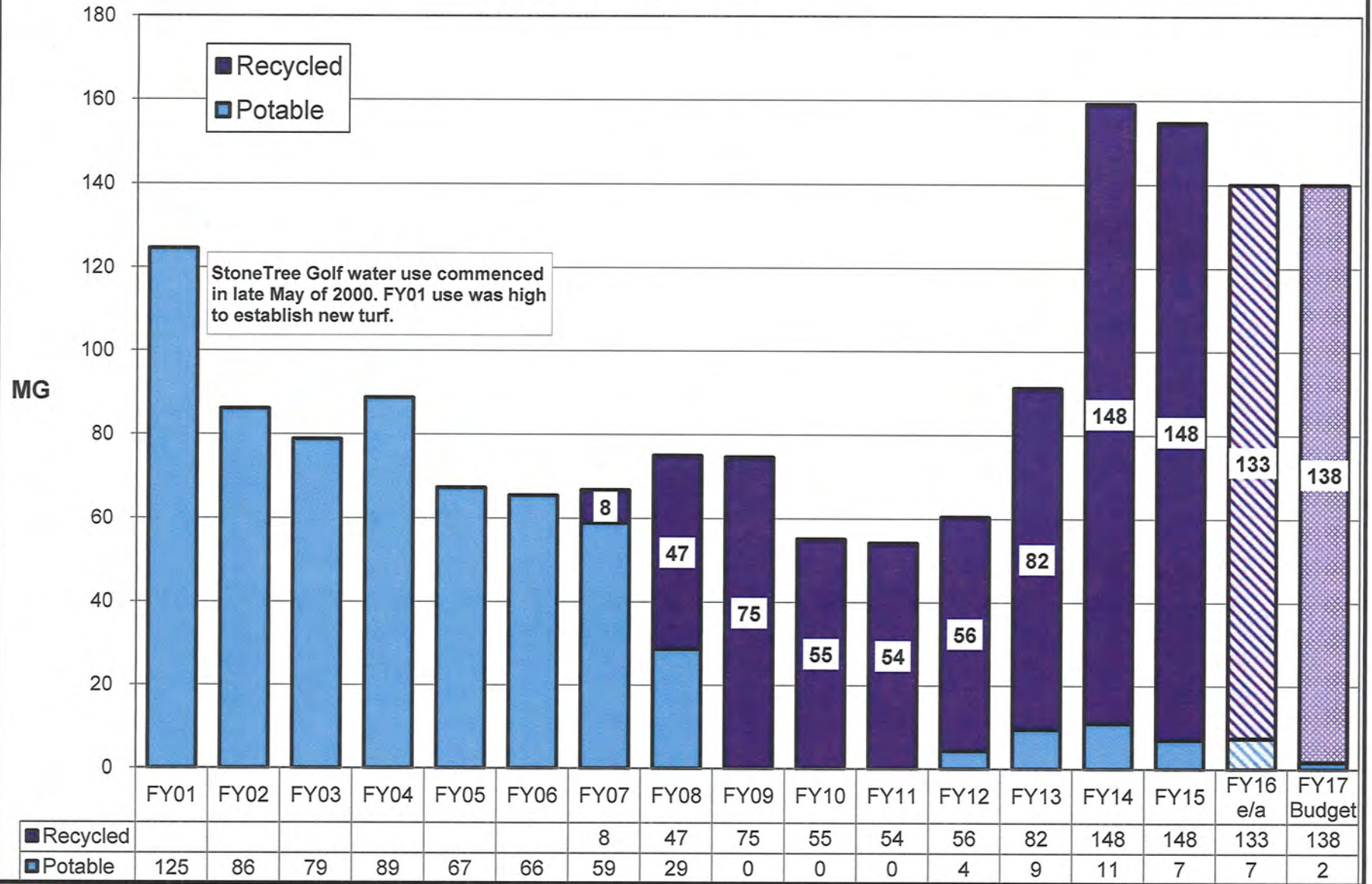
Connection Fee receipts has been available to finance the RWS. Thus the Connection Fee Reserve is now \$4.4 million in arrears, as funds have been transferred to the RWS in anticipation of future Connection Fee receipt. The proposed FY17 Novato Potable Water System Budget projects receipt of \$100,000 in Connection Fees, and a transfer of \$815,000 to the RWS. Thus the FY17 Novato water budget projects an increase in the arrearage of an additional \$715,000. When the RWS Central Expansion is complete, annual RWS debt service will require an average of 44 equivalent dwelling units of new development annually (\$1.3M). Clearly, future development in Novato is key to successful long-term funding of the RWS.

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

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2016/17

	<i>Proposed Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
# BASIC DATA			
1 Active Meters	44	44	44
2 Average Commodity Rate	\$5.26	\$4.92	\$4.92
3 Consumption (MG)	140	140	155
OPERATING INCOME			
4 Recycled Water Sales	\$737,000	\$689,000	\$762,000
5 Bimonthly Service Charge	29,000	29,000	28,000
6 Total Operating Income	\$766,000	\$718,000	\$790,000
OPERATING EXPENDITURES			
7 Purchased Water - NSD	\$126,000	\$110,000	\$140,000
8 Purchased Water - LGVSD	63,000	\$60,000	77,000
9 Pumping	6,000	3,000	8,000
10 Operations	59,000	71,000	40,000
11 Water Treatment	25,000	7,000	21,000
12 Transmission & Distribution	32,000	13,000	32,000
13 Consumer Accounting	1,000	1,000	1,000
14 General Administration	56,000	47,000	58,000
15 Depreciation	472,000	472,000	472,000
16 Total Operating Expenditures	\$840,000	\$784,000	\$849,000
17 NET OPERATING INCOME (LOSS)	(\$74,000)	(\$66,000)	(\$59,000)
NON-OPERATING INCOME/(EXPENSE)			
18 Interest Revenue	\$6,000	\$5,000	\$10,000
19 Stone Tree Golf Interest Payments	39,000	45,000	44,000
20 Deer Island SRF Loan Interest Expense	(63,000)	(68,000)	(68,000)
21 Distrib System SRF Loans Interest Exp	(201,000)	(207,000)	(212,000)
22 Consulting Services/Studies	0	(48,000)	(30,000)
23 Total Non-Operating Income/(Expense)	(\$219,000)	(\$273,000)	(\$256,000)
24 NET INCOME/(LOSS)	(\$293,000)	(\$339,000)	(\$315,000)
OTHER SOURCES/(USES) OF FUNDS			
25 Add Depreciation Expense	\$472,000	\$472,000	\$472,000
26 Fed Grant/SRF Loan - Central Expansion	7,500,000	700,000	3,500,000
27 Connection Fees Transferred from Novato	815,000	708,000	717,000
28 Stone Tree Golf Principal Repayment	212,000	206,000	206,000
29 Capital Improvement Projects	(7,680,000)	(775,000)	(3,680,000)
30 Deer Island SRF Loan Principal Payments	(210,000)	(205,000)	(205,000)
31 Distrib System SRF Loan Principal Pmts	(412,000)	(404,000)	(402,000)
32 Total Other Sources/(Uses)	\$697,000	\$702,000	\$608,000
33 CASH INCREASE/(DECREASE)	\$404,000	\$363,000	\$293,000

Recycled Water Use History



PROPOSED CAPITAL IMPROVEMENT PROJECTS

4/28/16

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		FY16 Budget	FY16 Est Actual	FY17	FY18	FY19	FY20	FY21
6. RECYCLED WATER								
5.7127.00	a. NBWRA Grant Program Administration	\$80,000	\$75,000	\$80,000	\$80,000	\$10,000	\$10,000	\$10,000
5.6058.10	b. Expansion to Central Area (Note 4)	\$3,500,000	\$700,000	\$7,500,000	\$3,500,000			
	c. Other Recycled Water Expenditures	\$100,000	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
		\$3,680,000	\$775,000	\$7,680,000	\$3,680,000	\$110,000	\$110,000	\$110,000

Note 4 - \$11.7M RW Central Expansion funded by \$1.5M Federal Grant, \$9.6M SRF loan & \$800K local contribution. Marin Country Club Contribution with debt service paid from FRC funds.

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MEMORANDUM


To: Board of Directors

From: Drew McIntyre, Assistant General Manager/Chief Engineer

Subject: FY15-16 Third Quarter Progress Report – Engineering Department

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Date: April 29, 2016



The purpose of this memo is to provide a third quarter status report to the Board on the District's performance in completing budgeted FY15-16 Capital Improvements Projects (CIP). The following information supplements the progress report summary provided to the Board each month.

SUMMARY

<u>Service Areas</u>	<u>Project Costs (\$)</u>		<u>% Complete</u>		<u>Earned Value (\$)</u>	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato Water	9,040,000	4,928,000	82	55	5,093,250	3,559,500
Novato Recycled	3,680,000	775,000	75	62	2,685,000	591,250
West Marin	345,000	260,000	67	36	225,900	180,250
TOTAL	13,065,000	5,963,000	75	51	8,004,150	4,331,000

The above table summarizes the detailed tabulation of CIPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. In summary, CIP expenditures for Novato, Novato Recycled Water and West Marin service areas will not exceed approved FY15-16 budget levels. For the Novato Water system, the above tabulation shows that CIP expenditures are forecast to be \$4,112,000 below (55% of the approved budget, versus a forecast of 81% at this time last year). Actual performance for the Novato Water system (i.e., 55%) is trailing planned performance for project completion (i.e., 82%). For the Novato Recycled Water System, the above tabulation shows that CIP expenditures are forecast to be \$775,000 (~\$2,905,000 below the approved budget). Actual performance for the Novato Recycled Water system is below (i.e., 62%) planned performance for project completion (i.e., 75%). With respect to West Marin (including Oceana Marin), year-end CIP expenditures of \$260,000 are forecast to be below (i.e., 75%) the approved FY15-16 budget value (versus a forecast of 87% at this time last year). Planned performance through the third quarter for West Marin was projected to be 67% and actual completion performance is at 36%. Overall, for the Novato Water, Novato Recycled Water and West Marin water systems, combined actual performance is below (i.e., 51%) planned performance (i.e., 75%).

Novato Service Area Project Costs Variances

As shown in Attachment A, all but one FY15-16 Novato CIPs (i.e., Tanks Access Hatch/Level Alarms) are currently projected to be completed at or below original budget.

No new projects have been added or deferred/dropped during the third quarter.

Novato Recycled Water Service Area Project Costs Variances

No recycled water projects have been added or deferred/dropped during the third quarter.

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

As shown in Attachment A, all but one FY15-16 West Marin CIPs expenditures (i.e., Upsize 4" Pipe from Bear Valley Tanks) are currently projected to be within the original budget. No new West Marin projects have been added or deferred/dropped during the third quarter.

Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY15-16 labor budget for Developer Projects and District Projects is 1,480 (10% of total) and 4,980 (33% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY15-16 is provided in Attachment C. At the end of the third quarter, actual engineering labor hours expended for Developer work was 46% (683 hours) versus 75% (1,110 hours) budgeted. With respect to District Projects, 3,457 engineering labor hours (69% of budget) have been expended on Capital Improvement Projects when compared against a third quarter estimate of 3,735 hours (75% of budget).

NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY15-16									
AS OF MARCH 31, 2016									
STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE
					Budget	Forecast	Baseline	Actual	Planned Actual
1. PIPELINE REPLACEMENTS/ADDITIONS									
C	Eng	1	1.a.1	So. Novato Blvd - Rowland to Sunset	\$400,000	\$215,000	100	100	\$400,000 \$215,000
PC	Eng	2	1.b.1	Zone A Pressure Improvements	\$150,000	\$150,000	75	40	\$112,500 \$60,000
			1.b.2	San Mateo 24" Inlet/Outlet Pipe DEFER	\$150,000	\$0			
			1.c.1	Repl PB in Sync w/City Paving	\$70,000	\$0			
C	Eng	3	1.c.2	PB Repl: Grandview (14)	\$0	\$45,000	100	100	\$0 \$45,000
			1.d.1	Other Relocations	\$80,000	\$0			
TBC	Eng	4	1.e.1	AEEP - Hwy 101 Widening	\$4,890,000	\$4,000,000	75	75	\$3,667,500 \$3,000,000
				SubTotal	\$5,740,000	\$4,410,000			
2. SYSTEM IMPROVEMENTS									
C	Maint	5	2.a	RTU Upgrades	\$15,000	\$16,000	100	100	\$15,000 \$16,000
PC	Eng	6	2.b	Flushing Taps at Dead Ends	\$50,000	\$25,000	75	25	\$37,500 \$6,250
PC	Eng	7	2.c	DCDA Repair/Replace	\$190,000	\$25,000	75	5	\$142,500 \$1,250
C	Eng	8	2.d	Anode Installations	\$30,000	\$22,000	75	100	\$22,500 \$22,000
C	Maint	9	2.e	Radio Telemetry	\$25,000	\$25,000	75	100	\$18,750 \$25,000
TBC	Eng	10	2.f	Inaccurate Meter Replacement	\$10,000	\$10,000	75	20	\$7,500 \$2,000
PC	Maint	11	2.g	Backflow Device Upgrade - BMK (15)	\$30,000	\$15,000	75	50	\$22,500 \$7,500
C	Maint	12	2.h	Tank Access Hatch/Level Alarms (10)	\$35,000	\$45,000	100	100	\$35,000 \$45,000
PC	Eng	13	2.i	Automate Zone Valve (Slowdown Ct)	\$50,000	\$5,000	75	5	\$37,500 \$250
PC	Admin	14	2.j	Radio Read Meter Retrofit (Pilot Study)	\$500,000	\$100,000	62	10	\$310,000 \$10,000
				SubTotal	\$935,000	\$288,000			
3. BUILDINGS, YARD, & S.T.P. IMPROVEMENTS									
			3.a.1	Electronic Document Management System DEFER	\$150,000	\$0			
			3.a.2	Office/Yard Building Refurbish DEFER	\$1,500,000	\$0			
C	Maint	15	3.a.3	Office HVAC	\$0	\$30,000	100	100	\$0 \$30,000
			3.a.4	Office Emergency Generator DEFER	\$150,000	\$0			
TBC	Eng	16	3.b.1	Dam Concrete Repair	\$50,000	\$50,000	75	5	\$37,500 \$2,500
C	Ops	17	3.b.2	Watershed Erosion Control	\$25,000	\$25,000	98	100	\$24,500 \$25,000
			3.b.3	STP Emergency Power Generator DEFER	\$150,000	\$0			
				SubTotal	\$2,025,000	\$105,000			
4. STORAGE TANKS & PUMP STATIONS									
PC	Ops	18	4.a	Hydropneumatic Tank Repairs	\$60,000	\$10,000	75	5	\$45,000 \$500
PC	Maint	19	4.b	Lynwood PS Motor Control Center	\$120,000	\$25,000	75	5	\$90,000 \$1,250
TBC	Eng	20	4.c	Sunset Tank Cl2 Mixing System	\$90,000	\$90,000	75	50	\$67,500 \$45,000
			4.d	Crest PS (design/const)/Reloc School Rd PS DEFER	\$70,000	\$0			
				SubTotal	\$340,000	\$125,000			
				Novato Water Total	9,040,000	\$4,928,000	82	55	\$5,093,250 \$3,559,500
5. RECYCLED WATER FACILITY									
TBC	Eng	21	5.a	NBWRA Grant Program Administration	\$80,000	\$75,000	75	75	\$60,000 \$56,250
PC	Eng	22	5.b-e	Recycled Water Central Service Area	\$3,500,000	\$700,000	75	50	\$2,625,000 \$535,000
			5.f	Other Recycled Water Expenditures	\$100,000	\$0			
				Novato Recycled Total	\$3,680,000	\$775,000	75	62	\$2,685,000 \$591,250
				Total Novato	\$12,720,000	\$5,703,000	78	58	\$7,778,250 \$4,150,750
PROJECT FORECAST REVISED									
C - Completed				Baseline projects with revised forecast budget increases (indicated by shaded box)					
PC - Partially completed				Baselined projects to be deferred (indicated in strikeout)					
TBC - To be completed				New projects added (indicated in bold)					
				Prior year projects carried over indicated in italics and brackets <>					

WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY15-16
AS OF MARCH 31, 2016

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				6. West Marin Water System						
				System Improvements						
C	Eng	23	6.a	Upsize 4" Pipe from Bear Valley Tanks	\$100,000	\$110,000	100	100	\$100,000	\$110,000
TBC	Eng	24	6.b	Tanks #2 & #3 Seismic Piping Upgrade	\$30,000	\$30,000	50	50	\$15,000	\$15,000
PC	Ops	25	6.c	Replace PRE Tank #4A	\$50,000	\$25,000	70	1	\$35,000	\$250
			6.d	PB in Sync w/County Paving	\$50,000	\$0				
	Ops	26	6.e	Green Sand Filter Media Replace	\$75,000	\$0	50	0	\$37,500	\$0
C	Eng	27	6.f	<Replace Pump in Well #2>	\$0	\$55,000	100	100	\$0	\$55,000
					\$305,000	\$220,000				
				7. Oceana Marin Sewer System						
	Ops	28	7.a	Infiltration Study & Repair	\$40,000	\$10,000	96	0	\$38,400	\$0
	Maint	29	7.b	Force Main Repairs	\$0	\$30,000	0	0	\$0	\$0
				SubTotal	\$40,000	\$40,000				
				Total West Marin	\$345,000	\$260,000	67	36	\$225,900	\$180,250
				FY15-16 TOTAL	\$13,065,000	\$5,963,000	75	51	\$8,004,150	\$4,331,000
1C - Completed					PROJECT FORECAST REVISED					
PC - Partially completed					Baseline projects with revised forecast budget increases (indicated by shaded box)					
TBC - To be completed					Baselined projects to be deferred (indicated in strikeout)					
					New projects added (indicated in bold)					
					Prior year projects carried over indicated in italics					
CONSULTING SERVICES/STUDIES					PROJECT COSTS		% COMPLETE		EARNED VALUE	
					BUDGET	FORECAST	BASELINE	ACTUAL	PLANNED	ACTUAL
	1 7140.00	a.		Stafford Dam Emergency Action Plan	\$40,000	\$33,000	75	100	\$30,000	\$33,000
	1 6600.81	b.		STP Taste and Odor Consultant	\$15,000	\$27,471	75	100	\$11,250	\$27,471
	1 4048.00	c.		Hydropneumatic Tank Inspections	\$50,000	\$0	75	0	\$37,500	\$0
	1 4050.00	d.		2015 Urban Water Management Plan	\$10,000	\$35,000	75	75	\$7,500	\$26,250
	1 4054.00	e.		Insured Property Valuation Assessment	\$40,000	\$38,500	100	100	\$40,000	\$38,500
	1 7126.00	f.		Local Water Supply Enhancement Study - DEFER	\$100,000	\$0	75	0	\$75,000	\$0
	1 7060.00	g.		Retiree Health Liability Actuarial Update	\$5,000	\$4,000	100	100	\$5,000	\$4,000
	1 4055.00	h.		Stafford Lake Sanitary Survey	\$30,000	\$0	75	0	\$22,500	\$0
	5 4053.00	i.		NMWD/NSD Central Srvc Area Expansion Study	\$30,000	\$25,000	100	100	\$30,000	\$25,000
	5 4045.00	j.		Recycled Water Engineering Report Update	\$0	\$23,000	75	75	\$0	\$17,250
	2 4051.00	k.		Gallagher Well #2 Hydrogeologic Study	\$58,000	\$27,828	100	100	\$58,000	\$27,828
	8 4046.00	l.		Oceana Marin Master Plan Update - Finished in FY15	\$15,000	\$0	0	0	\$0	\$0
					\$393,000	\$214,000				

FY15_16 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2016			Qtr 2, 2016			Qtr 3, 2016			Qtr 4, 2016		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	1 A PIPELINE REPLACEMENTS/ADDITIONS	Wed 7/1/15	Thu 6/30/16	100%													
2	1A1 So. Novato Blvd - Rowland to Sunset (12"CI@1,000')	Wed 7/1/15	Thu 12/31/15	100%	ENG / CC												
3	1B MAIN/PIPELINE ADDITIONS	Wed 7/1/15	Thu 6/30/16	20%													
4	1B1 Zone A Pressure Improvements	Wed 7/1/15	Thu 6/30/16	40%	ENG / DJ												
5	1B2 San Mateo 24" Inlet/Outlet DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DJ												
6	1E AQUEDUCT REPLACEMENTS/ENHANCEMENTS	Wed 7/1/15	Thu 6/30/16	75%													
7	1E1 Aqueduct Energy Efficiency Project	Wed 7/1/15	Thu 6/30/16	75%	ENG / DM												
8	2 SYSTEM IMPROVEMENTS	Wed 7/1/15	Thu 6/30/16	45%													
9	2A RTU Upgrades	Mon 2/1/16	Sat 4/30/16	100%	MAINT/RC												
10	2B Flushing Taps at Dead-Ends	Fri 1/1/16	Thu 6/30/16	25%	ENG / CC												
11	2C DCA Repair/Replace (14/yr)	Tue 12/1/15	Thu 6/30/16	5%	ENG / DJ												
12	2D Anode Installations (150/yr)	Fri 1/1/16	Thu 6/30/16	100%	ENG / CC												
13	2E Radio Telemetry	Wed 7/1/15	Thu 6/30/16	100%	MAINT/RC												
14	2F Inaccurate Meter Replacement	Tue 12/1/15	Thu 6/30/16	20%	ENG / DJ												
15	2G Backflow Device Upgrade - BMK (14)	Mon 2/1/16	Thu 6/30/16	50%	MAINT/RC												
16	2H Tank Access Hatch/Level Alarms	Wed 7/1/15	Thu 3/31/16	100%	MAINT/RC												
17	2I Automate Zone Valve (Slowdown Ct)	Tue 12/1/15	Thu 6/30/16	5%	ENG / DJ												
18	2J Radio Read Meter Retrofit (Pilot Study)	Sun 11/1/15	Thu 6/30/16	10%	ADMIN / DB												
19	2J Local Water Supply Enhancement Study DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DM												
20	3 BUILDING, YARD, STP IMPROVEMENTS	Wed 7/1/15	Thu 6/30/16	14%													
21	3A ADMIN BUILDING	Wed 7/1/15	Thu 6/30/16	0%													
22	3A1 Electronic Document Management System DEFER	Wed 7/1/15	Thu 6/30/16	0%	ADMIN												
23	3A2 Office Emergency Generator DEFER	Wed 7/1/15	Thu 6/30/16	0%	MAINT/RC												



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

FY15_16 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2016			Qtr 2, 2016			Qtr 3, 2016			Qtr 4, 2016		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
24	3A3 Office/Yard Building Refurbish DEFER	Wed 7/1/15	Thu 6/30/16	0%	ADMIN / CD												
25	3B STAFFORD TREAMENT PLANT	Wed 7/1/15	Thu 6/30/16	29%													
26	3B1 Dam Concrete Spillway Repair	Wed 7/1/15	Thu 6/30/16	5%	ENG / DM												
27	3B2 STP Emergency Power Generator DEFER	Wed 7/1/15	Thu 6/30/16	0%	OPS / RC												
28	3B3 Watershed Erosion Control	Mon 11/2/15	Fri 4/1/16	100%	OPS / RC												
29	3C Stafford Dam Emergency Action Plan	Wed 7/1/15	Thu 6/30/16	100%	ENG / DM												
30	4 STORAGE TANKS/PUMP STATIONS	Wed 7/1/15	Thu 6/30/16	20%													
31	4A Hydropneumatic Tank Inspections	Mon 2/1/16	Thu 6/30/16	5%	ENG / DJ												
32	4B Lynwood Pump Station Motor Control Center	Fri 4/15/16	Thu 6/30/16	5%	MAINT/RC												
33	4C Sunset Tank C2 Mixing System	Wed 7/1/15	Thu 6/30/16	50%	ENG / DJ												
34	4D Crest PS (Design/Const)/Reloc School Rd PS DEFER	Wed 7/1/15	Thu 6/30/16	0%	ENG / DJ												
35	5 RECYCLED WATER	Wed 7/1/15	Thu 6/30/16	62%													
36	5A NBWRA Grant Program Admin	Wed 7/1/15	Thu 6/30/16	75%	ENG / DM												
37	5B Expansion to Central Area	Wed 7/1/15	Thu 6/30/16	50%	ENG / DM												
38	6 WEST MARIN WATER SYSTEM IMPROVEMENTS	Wed 7/1/15	Thu 6/30/16	23%													
39	6A Upsize 4" Pipe fom Bear Valley Tanks	Wed 7/1/15	Thu 12/31/15	100%	ENG / CC												
40	6B Tanks #2 & #3 Seismic Piping Upgrade	Fri 1/1/16	Thu 6/30/16	50%	ENG / JK												
41	6C Replace PRE Tank #4A	Tue 9/1/15	Thu 6/30/16	1%	ENG / CC												
42	6D PB Replace in Sync w/County Paving	Wed 7/1/15	Thu 6/30/16	0%	ENG / JK												
43	6E Green Sand Filter Media Replace	Fri 1/1/16	Thu 6/30/16	0%	OPS / RC												
44	7 OCEANA MARIN SEWER SYSTEM	Wed 7/1/15	Thu 6/30/16	0%													
45	7A Infiltration Study & Repair	Mon 2/1/16	Fri 4/1/16	0%	OPS / RC												



Current

Baseline

Inactive Task

Inactive Task



Inactive Milestone

Inactive Summary

Manual Task

Duration-only



Manual Summary Rollup

Manual Summary

Start-only

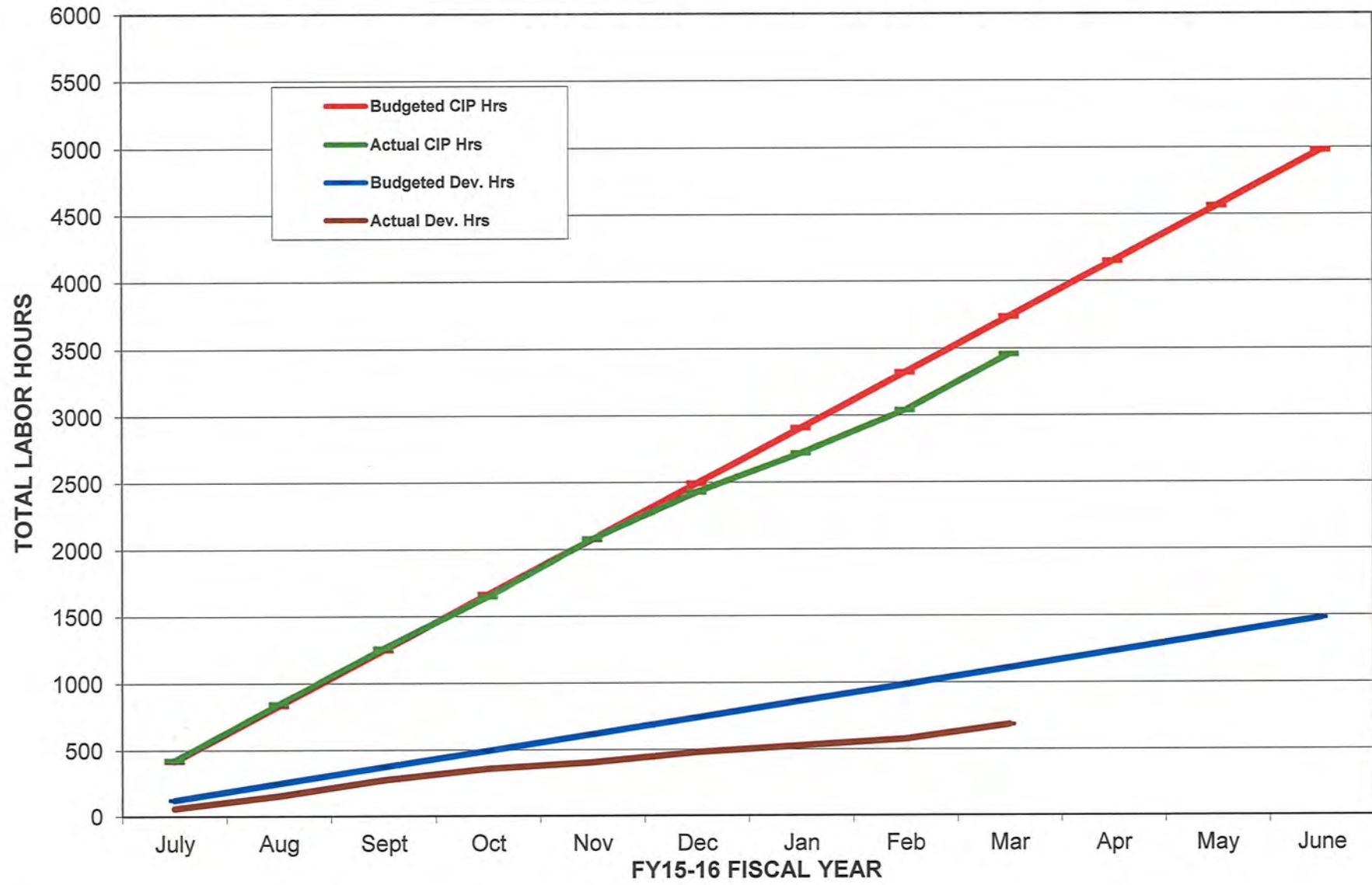
Finish-only



Progress



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



15

MEMORANDUM

To: Board of Directors

April 29, 2016

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Quarterly Progress Report - Water Conservation (July-March 2015/2016)

V:\Memos to Board\Quarterly Reports\Water Conservation FY 2015_2016 QTR 3 Summary Report.doc

RECOMMENDED ACTION: Information**FINANCIAL IMPACT:** NoneWater Conservation:

This memo provides an update on water conservation and public outreach activities implemented during the first three quarters of Fiscal Year 2015/2016 (FY 16). 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	FY16	FY15	FY14
Water Smart Home Surveys	187	238	302
Water Smart Commercial Surveys	8	7	3
High Efficiency Toilet Rebates (Residential)	217	211	249
High Efficiency Toilet Rebates (Commercial)	1	9	1
Retrofit on Resale (Dwellings Certified)	163	197	215
High Efficiency Washing Machine Rebates	82	111	250
Cash for Grass Rebates	116 ¹	96	33
Water Smart Landscape Rebates	6	3	6
Smart Irrigation Controller Rebates	7	4	16
New Construction Sign-offs (Residential)	25	25	15
New Construction Sign-offs (Commercial)	18	15	7
Large Landscape Audits (measured by number of meters)	5	0	0
Large Landscape Budgets (measured by number of accounts)	437	437	437

(1) Cash for Grass participants removed 119,118 square feet of turf (vs. 84,629 square feet in FY 15).

Water Conservation program participation has remained steady with the Cash for Grass program continuing to increase in participation levels at record pace. This record level of participation is likely due to drought response in the first half of the fiscal year steering people to alternatives to traditional lawn landscaping. The customer participation inquiries due to the drought have subsided in response to the rainfall and adequate water supply levels achieved this year which may result in a leveling off of the participation levels. The "Lawn be Gone" Sheet Mulching Pilot Program, similar to Cash for Grass with materials provided instead of a rebate, has also received a fair number of participants. In addition to the program participation numbers listed in

Table 1 above, the District rebated 21 pool covers and 5 hot water recirculation systems in the first three quarters of the fiscal year. Staff also regularly patrolled and followed up on water waste/non-essential use reports in accordance with Ordinance No. 28 and corresponding Resolutions in compliance with the State Water Resources Control Board Emergency Water Conservation Regulation.

Public Outreach and Conservation Marketing

In the first three quarters of FY16, the District distributed a Fall 2015 issue of “Water Line” to Novato and West Marin service areas and continued participation in the Drought 2015 Campaign administered by the Sonoma Marin Saving Water Partnership. The District also actively maintains a Facebook page with regular updates on water use efficiency, construction projects and other District activities. In September, the District participated in the Sonoma Marin Saving Water Partnership organized “Drought Drive-Up Day”, to distribute water saving materials and fixtures. This event was held at the front entrance to the District office and was very well attended with over 200 customers receiving “Drought Kits”.

Budget

Table 2 summarizes the first three quarter expenditures between the three fiscal years for (July-March). FY16 expenditures continue to climb due to the increase in Cash for Grass program participation.

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

	FY16	FY15	FY14
Total Budget	\$410,000	445,000	\$400,000
July-March Expenditures	\$294,631	273,318	\$260,193

16

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Assistant General Manager/Chief Engineer
Subject: North Bay Water Reuse Authority Board Meeting – April 25, 2016
R:\Folders by Job No\7000 jobs\7127\Board Memos\7127 NBRWA Update 4_25_16.doc



April 29, 2016

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Supplemental information is provided as follows using item numbers referenced in the attached meeting agenda and draft minutes (Attachment 1). A complete agenda packet is available via www.nbwra.org.

2. Roll Call

NMWD Board was represented by Director Schoonover. Ryan Grisso attended this meeting as I was attending a National Marine Fisheries Service meeting in Santa Rosa with the General Manager.

7. Financial Report for the Period Ending March 31, 2016

The program manager reports that all budgeted items are tracking normally for the FY15/16 budget. Discretionary expenses for meeting room rentals and Federal/State Congressional tours during this FY total \$4,871 leaving a current fund balance of \$37,014. NMWD's FY15/16 contribution remains unchanged at \$62,649 (vs. \$61,076 in FY14/15). No changes are expected in NMWD's Phase 1 member agency costs.

8. Budgets, Member Agency Cost Allocations

The NBWRA Board approved the previously presented FY16/17 budget. NMWD's Phase 1 member agency cost for FY16/17 is \$57,179 (~9% below the current budget year) and is included in NMWD's proposed FY16/17 budget. As mentioned previously, due to uncertainty in the number of Phase 2 projects scheduled for environmental review, an amended budget will be brought back to the NBWRA Board at the October 24, 2016 meeting for approval.

9. Program Development, Federal, and State Advocacy Reports

At the state level, there continues to be a lot of discussion on opposing SB163 (Hertzberg) as currently written due to mandates and punitive measures if wastewater agencies do not reduce ocean outfall discharge by 50% in 2026 and by 100% in 2036. Opposition letters from WateReuse California as well as a water-wastewater industry coalition including ACWA are provided as Attachment 2. A similar opposition letter is being considered by NBWRA.

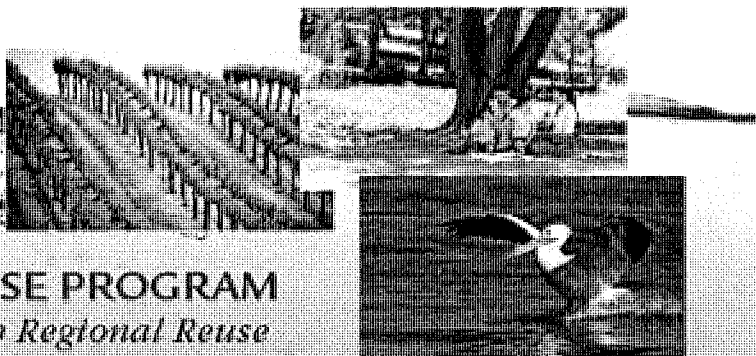
12. NBWRA Beyond Phase 2

As a follow up to last month's discussion on restructuring NBWRA for long term viability, Chair Rabbitt discussed the option of hiring an outside facilitator to assist in this effort. It is unclear at this time what the facilitation costs would be or how it would be funded. We can expect to hear more about this subject at future meetings.



NORTH BAY WATER REUSE PROGRAM

Expanding Water Supplies with Regional Reuse



BOARD OF DIRECTORS MEETING

AGENDA

**Monday, April 25, 2016
9:30 A.M.**

**Novato City Hall Council Chambers
901 Sherman Avenue, Novato, CA 94945**

Consultants unable to attend in person may call in: Phone: +1 (602) 567-4030 Access code: 1980; <https://conferencing.brwncaid.com/conference/1980>

1. Call to Order (1 minute)

2. Roll Call (1 minutes)

3. Public Comment (3 minutes)

(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

4. Introductions (2 minutes)

Action

5. Board Meeting Minutes of March 28, 2016 (1 minute)

(The Board will consider approving the minutes from the March 28, 2016 Board meeting.)

Information

6. Report from the Program Manager (2 minutes)

6.a Consultant Progress Reports

(The Board will review the Report from the Program Manager and Consultant Progress Reports.)

Information

7. Financial Report for the Period Ending March 31, 2016 (5 minutes)

(The Board will review the financial report for the period ending March 31, 2016.)

Action

8. Budgets, Member Agency Cost Allocations, and Scopes and Costs for FY2014/15, FY2015/16, and FY2016/17 (10 minutes)

(The Board will consider approving the budget and cost allocations for FY2016/17.)

**North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Aviation Boulevard, Santa Rosa, CA 95403
707-235-8965 • NBWRA.org**

Las Gallinas Valley Sanitary District • Napa County • Napa Sanitation District • North Marin Water District • City of Petaluma • Marin County
Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District • Marin Municipal Water District • City of American Canyon

- Information** **9. Program Development, Federal, and State Advocacy Status Reports (10 minutes)**
(The Board will be updated on the status of Program Development, Federal Advocacy, and State Advocacy.)
- Information** **10. Outreach Program Update (5 minutes)**
(The Board will be updated on the Outreach Program.)
- Information** **11. Engineering, Environmental, and Public Involvement Services Report (10 minutes)**
(The Board will be updated on the Engineering, Environmental, and Public Involvement Services Report.)
- Information** **12. Comments from Chair and Board Members (5 minutes)**
(The Chair and Board members will provide comments on topics of interest.)
- 13. Adjournment (1 minute)**

<p style="text-align: center;">Next Board Meeting Monday, July 25, 2016, 9:30 A. M. Novato City Hall Council Chambers</p>

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a Board meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Program Manager at (510) 410-5923. Notification of at least 48 hours prior to the meeting or time when services are needed will assist in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. A copy of all the documents constituting the agenda packet is available for public inspection prior to the meeting at 500 Davidson Street, Novato, CA 94945. Any person may request that a copy of the agenda or the agenda packet be mailed to them for a fee of \$.10 per page plus actual mailing costs. If you wish to request such a mailing, please contact Chuck Weir, Weir Technical Services, 3026 Ferndale Court, Pleasanton, CA 94588, 510-410-5923, chuckweir@sbcglobal.net. The agenda for each meeting is also available on-line at www.nbwra.org and will be available at the meeting.)

**North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Aviation Boulevard, Santa Rosa, CA 95403
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Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District • Marin Municipal Water District • City of American Canyon

**North Bay Water Reuse Authority
Board of Directors Meeting
Minutes
April 25, 2016**

1. Call to Order

Chair Rabbitt called the meeting to order at 9:42 a.m. on Monday, April 25, 2016 at the Novato City Hall Council Chambers, 901 Sherman Avenue, Novato, CA 94945. Consultants and others who were unable to attend participated via telephone, 1 (602) 567-4030, passcode 1980; <https://conferencing.brwncaid.com/conference/1980>.

2. Roll Call

PRESENT:	David Rabbitt, Chair	Sonoma County Water Agency
	Bill Long, Vice Chair	Novato Sanitary District
	Keith Caldwell	Napa County
	Rabi Elias	Las Gallinas Valley Sanitary District
	Jack Gibson	Marin Municipal Water District
	David Glass	City of Petaluma
	Susan Gorin	Sonoma Valley County Sanitation District
	John Schoonover	North Marin Water District
	Jill Techel	Napa Sanitation District

ABSENT: City of American Canyon, Marin County

OTHERS

PRESENT:	Chuck Weir, Program Manager	Weir Technical Services
	Kevin Booker	Sonoma County Water Agency
	Ginger Bryant	Bryant & Associates
	Grant Davis	Sonoma County Water Agency
	Ryan Grisso	North Marin Water District
	Tim Healy	Napa Sanitation District
	Pam Jeane	Sonoma Valley County Sanitation District
	Sandeep Karkal	Novato Sanitary District
	Susan McGuire	Las Gallinas Valley Sanitary District
	Mark Millan	Data Instincts
	Phillip Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group (by telephone)
	Larry Russell	Marin Municipal Water District
	Mike Savage	Brown and Caldwell
	Brad Sherwood	Sonoma County Water Agency
	Jake Spaulding	Sonoma County Water Agency
	Dawn Taffler	Kennedy Jenks Consultants (by telephone)
	Leah Walker	City of Petaluma

3. Public Comments

There were no comments from the public

4. Introductions

Introductions were not made.

5. Board Meeting Minutes of March 28, 2016.

A motion by Director Schoonover, seconded by Director Gorin to approve the March 28, 2016 minutes was unanimously approved.

6. Report from the Program Manager

The Board reviewed the consultant progress reports for March 2016. The Program Manager highlighted the remaining agenda items.

a. Consultant Progress Reports

The Board reviewed the consultant progress reports for March 2016.

7. Financial Report for the Period Ending March 31, 2016

The Board reviewed the Financial Report and noted expenses for Fiscal Year 2015/16 are tracking within budget.

8. Budgets, Member Agency Cost Allocations, and Scopes and Costs for FY2014/15, FY2015/16, and FY2016/17

The Program Manager provided an overview of the budget process and noted that since the Phase 2 list of projects has not yet been finalized the Board is being asked to approve the FY2016/17 Budget that has been presented to them the past two years. Once the Phase 2 project list is finalized scopes and costs can be also be finalized for a two-year budget that will be presented to the Board at the October 24, 2016 Board meeting

The recommendation to the Board for approving the budget and funding for FY2016/17 is based on the following items:

- a. An amended two-year budget for FY2016/17 and FY2017/18 will be presented to the Board for approval at the October 24, 2016 Board meeting.
- b. Work on the environmental review process will not begin on July 1, 2016. Based on TAC direction the process will be delayed until after Board approval of a revised two year budget at the October 24, 2016 Board meeting. The EIR/EIS level of effort and scope of work will be based on the selected projects.
- c. The level of effort for Bryant and Associates includes increased monthly fees for The Ferguson Group and The Oñate Group.
- d. SCWA will invoice for 50% of the costs shown for FY2016/17. As a disclaimer, SCWA will not make payments to consultants if the funds are not available in the Trust (i.e. if we start spending the budget very quickly we may need to either hold payment to consultants (or consultants may delay work) or accelerate the 2nd invoice). This should not be an issue as there is a sizable balance in the trust at the current time. Full invoicing for FY2016/17 will occur after Board approval of the two year budget.

A motion by director Elias, seconded by Director Long to approve the recommendation noted above was unanimously approved.

9. Program Development, Federal, and State Advocacy Update

The following items were discussed: State Advocacy, Program Development and Federal Advocacy, outreach efforts.

Ginger Bryant provided an update on Program Development and Federal Advocacy, including efforts to include RIFIA loans and WaterSMART grants in a Western Water Bill.

Pilar Oñate-Quintana discussed State Advocacy noted water and wastewater agency opposition to SB163, Hertzberg, which would require 50% of treated wastewater to be used for beneficial reuse by 2026 and 100% by 2036. She recommended that NBWRA send a letter of opposition that will support the points made by CASA and WaterReuse. Director Caldwell asked where local legislators stood on SB163 and was informed that they were not yet fully aware of the issues. She also noted that in terms of the State budget that it was likely the remaining Prop 1 water recycling funds will be appropriated to the State Water Board this year.

10. Outreach Program Update.

Mark Millan discussed the following: Coordination with the team on Chair Rabbitt's presentation for the NBWA Conference April 22, 2016, Coordination with the team and Napa SD regarding press information for their Recycled Water Expansion Ribbon Cutting Celebration May 2, 2016, and preparation of materials for this week's Washington D.C. meetings.

11. Engineering, Environmental, and Public Involvement Services Report

Mike Savage gave an update on the production and comment schedule for the chapters in the Feasibility Study Report.

12. Comments from Chair and Board Members

Chair Rabbitt thanked everyone for their efforts to date. He discussed the Governance Task force and noted they were looking at an outside facilitator to assist in the process. He noted that money is available and that they would try to keep costs low. He mentioned David Gardiner as a possible facilitator.

13. Adjournment

Chair Rabbitt adjourned the meeting at 10:44 a.m. The next meeting will be Monday, July 25, 2016 at 9:30 a.m. at Novato City Hall Council Chambers.

Minutes approved by the Board _____.

Charles V. Weir
Program Manager

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WATER REUSE

CALIFORNIA

April 20, 2016

The Honorable Robert Hertzberg
California State Senate
State Capitol, Room 4038
Sacramento, CA 95814

RE: SB 163 – OPPOSE UNLESS AMENDED

Dear Senator Hertzberg:

It is with regret that we must oppose your bill, SB 163 unless the statewide mandate to ban the discharge of wastewater into the ocean is removed from the measure. However, we do support the stated goal of SB 163, which is to foster greater recycling along the coast. For this reason we urge you to consider other approaches that are feasible and do not contain a one-size-fits-all solution for all of California's coastal communities.

In our view, mandates and the punitive measures in SB 163 are not appropriate given the significant expansion of water recycling in California, including potable reuse, which has greatly accelerated since 2010. (See attachments) Communities in record numbers are implementing water recycling programs as state funding has become available, indirect potable reuse regulations have been completed and community acceptance has increased. SB 163 ignores this progress and presumes that legislating an ocean discharge ban, with severe regulatory consequences for failure to comply, are needed in order to maximize water recycling in the state. We disagree.

We urge you to consider other approaches that would foster water recycling such as reinstating a statewide taskforce on water recycling that would focus on all the barriers to water recycling in California. We believe it is critical to plan the state's water recycling future, especially with the acceleration of potable reuse, the reduced wastewater supply as a result of conservation and the ongoing water supply needs of fish and wildlife. As discussed with you and your staff, we are also open to other more targeted legislative approaches that do not include a ban on ocean discharge and foster water recycling.

Please do not hesitate to call me at (916) 669-8401, or Richard Harris our legislative advocate at (916) 930-7743, if you have questions regarding the WateReuse California position on SB 163.

Sincerely,


Jennifer West
Managing Director



San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

 EAST BAY
MUNICIPAL UTILITY DISTRICT



April 18, 2016

The Honorable Bob Hertzberg
California State Senate
State Capitol, Room 4038
Sacramento, CA 95814

Subject: Coalition OPPOSE - SB 163 (Hertzberg): Recycled Water Mandate for Ocean Dischargers - As Introduced / As Proposed to be Amended

Dear Senator Hertzberg,

The coalition of undersigned associations and individual water and wastewater agencies respectfully oppose SB 163 (Hertzberg), which would impose an unworkable mandate on each wastewater treatment facility that discharges through an ocean outfall in order to achieve at least 50 percent reuse of the facility's actual annual flow for beneficial purposes by 2026 and 100 percent by 2036.

Our coalition represents nearly all of the ocean dischargers who would be directly impacted by the mandate approach currently outlined in the bill, and many more agencies that are interested in issues pertaining to recycled water production throughout the state. As discussed in detail below, these dischargers have very different circumstances with respect to the quantities of water they are able to recycle and discharge. The water and wastewater community is highly supportive of developing recycled water projects and increasing recycled water production and use in the future. We are also committed to the aspirational goals set forth by the State Water Resources Control Board for increases in recycled water production and use. Unfortunately, the statewide ocean discharge prohibition in SB 163 is simply unworkable for a variety of reasons, including the following:

- A statewide mandate will cost local public agencies tens of billions of dollars, most if not all of which will be borne by local ratepayers, some in disadvantaged communities.
- A statewide mandate is not a feasible, practical, or efficient method to promote water recycling. Regional and watershed differences are crucial, and barriers are multiple.
- Significant efforts are already underway to expand production and use of recycled water. SB 163 would undermine these efforts, hindering recycled water goals rather than promoting them.
- Several regulatory efforts must be completed before agencies can examine the full suite of reuse options, including development of direct potable reuse regulations.
- Exemptions or extensions to the proposed deadline place the burden on local agencies, will not avoid disruption in long-term agency planning, and are unhelpful.
- A task force to examine substantive barriers to recycled water production and beneficial use is a necessary first step that would improve recycled water outcomes.

Each one of these issues is discussed in greater detail below.

Cost to Implement SB 163 Would be Astronomical

The cost to implement a 100 percent reuse mandate on all ocean dischargers in the state would be staggering. Initial estimates are in the tens of billions of dollars, and would include massive treatment facility upgrades, significant infrastructure costs, and a fundamental shift in how wastewater operations with ocean outfalls are managed today. These costs would be borne, in part or in whole, by local ratepayers. This could result in wastewater bills that are three, four, or even five times current wastewater rates. In some cases, this would have a significant impact on disadvantaged communities within the jurisdiction of the local wastewater agency.

In order to comply with this arbitrary mandate, ocean dischargers would be required to add advanced treatment infrastructure such as filtration, microfiltration, reverse osmosis, and/or ultraviolet disinfection with advanced oxidation. Nearly all agencies would be required to develop expansive additional distribution infrastructure to deliver this new water. In combination, these actions would cost billions of dollars. Despite recent increases in grant and low interest loan funds for recycled water through Proposition 1 and the State Revolving Fund (SRF) Loan program, the current level of assistance is nowhere near enough to make the 100 percent mandate feasible or affordable for local ratepayers. SB 163 offers no practical solutions to address this funding shortfall.

A Statewide Ocean Discharge Prohibition is Not Feasible, Practical, or Efficient

California has more than fifty ocean dischargers across the state, ranging in size from agencies that discharge a few hundred thousand gallons per day up to 330 million gallons per day. Every watershed, region, treatment facility and outfall is different, and the capability to beneficially reuse water varies widely. A reliable and feasible end use for recycled water is not always available, and is dependent on factors other than simply the ocean discharger's technical ability to supply recycled water. The blanket mandate approach contemplated by SB 163 simply does not work because of this variability and the need to account for local conditions. For example:

- In many cases the regional demand simply does not exist to reuse 100 percent of an agency's ocean discharge. Some agencies are also long distances from groundwater basins or reservoirs suitable for recharge or storage, making such alternatives impractical.
- Many wastewater agencies are not water purveyors and have complex relationships with local water supply agencies, leaving limited options for distribution of recycled water.
- Some communities are built out and densely populated, making the development of purple pipes and distribution infrastructure for non-potable water exceedingly difficult and prohibitively expensive.
- Advanced treatment produces brine, which must be managed and ultimately discharged, meaning a true ocean discharge prohibition is unattainable.
- Public acceptance of beneficial reuse of wastewater, both for direct potable and indirect potable reuses, still remains an obstacle. While water and wastewater agencies and others are actively seeking to educate the public and dispel misconceptions regarding the safety of recycled water, this remains an issue that needs to be addressed.

SB 163 Is Counterproductive and Hinders Existing Water Recycling Efforts

Not only is the approach contemplated by SB 163 infeasible, the specter of a 50 or 100 percent statewide mandate could interfere with existing water recycling efforts currently underway. Water and wastewater agencies are already actively planning for the future and looking for opportunities to maximize recycled

water production and beneficial reuse. Coalition member agencies are producing hundreds of thousands of acre-feet of recycled water each year, and with recent funding initiatives and the potential for additional financial incentives down the road, California is well on its way to meeting the recycled water goals set forth by the State Water Resources Control Board. The ocean discharge prohibition in SB 163 undermines these efforts. Many agencies already have capital projects planned for long-term time horizons, are pursuing joint projects with other agencies, and are otherwise managing and balancing their water supply goals. If the mandate in SB 163 goes into effect, agencies would be forced to significantly modify their long term planning and budgeting priorities and spend billions of ratepayer dollars to focus solely on achieving this arbitrary ocean discharge prohibition.

SB 163 is Premature in Light of Pending Regulatory Efforts

Aside from the enormous practical and cost implications of moving to a 100 percent reuse mandate for ocean dischargers, the proposal is premature in light of pending regulatory efforts intended to lay the foundation for additional recycled water production and beneficial uses moving forward. Specifically, an existing "regulatory gap" needs to be filled before wastewater agencies can determine what methods, processes and types of reuse make the most sense for the required increase in use of recycled water in their service areas.

The State Water Board is currently receiving input from an expert panel and an advisory group on the feasibility of developing criteria for direct potable reuse (DPR). Depending on the results of that process and any regulations or actions that arise therefrom, the suite of options for wastewater agencies to beneficially reuse their water could change and expand dramatically. The availability of DPR is absolutely essential for maximizing recycled water production and beneficial use in the state, yet SB 163 attempts to impose a mandate before that process has been completed. The State Water Board is also currently developing regulations regarding surface water augmentation with recycled water. That process will inform available options for those agencies not in close proximity to groundwater basins conducive to replenishment with recycled water, and could change the dynamics of decision making at certain agencies. Finally, several bills in this legislative session (and in recent years) are laying the groundwork for expanded use of on-site treatment and recycling. This could have a significant impact on flows to wastewater facilities and change the dynamics of discharge in the future. These regulatory processes need to be finalized before agencies can fully evaluate their options as it relates to appropriate levels of treatment, available outlets for recycled water, and the best "fit" for a particular region and situation. Adopting a mandate in advance of the completion of these regulations and processes would require agencies to pursue paths that might not be the most beneficial to the agency, the ratepayers, or water supply in the region or state.

Burdening Local Agencies with "Proving an Exemption" is Not Good Policy

It is our understanding that amendments to the bill are currently under development that would provide some possible extensions for compliance deadlines based on a number of the feasibility issues outlined above. If the underlying mandate remains in place, these are simply unhelpful.

Under the anticipated approach, the burden would be on the local wastewater agency to demonstrate to the State Water Board that they meet eligibility criteria for an exemption or extension. It is not clear what would be required to make such a showing, what the State Water Board would be required to consider, how such requests would be analyzed, and how long this process might take. Establishing a mandate that clearly cannot be met by all ocean dischargers, and then asking those same local agencies to prove they are unable to comply and hope that the State Water Resources Control Board might grant them an extension or exception is simply bad public policy.

Task Force is Needed to Examine Key Barriers to Meeting Recycling Goals

Our coalition of water and wastewater agencies has been actively working on possible alternative approaches that would help advance recycled water production, not impede it. There are several unanswered questions related to how to increase recycled water production in the state, both among ocean dischargers and other dischargers alike. Thus, our proposed alternative to the mandate is to convene a task force that would develop a roadmap for new water. The task force would be statewide in its scope, focusing on both ocean dischargers and inland dischargers, examining both potable and non-potable reuse, and identifying water-recycling issues relevant to inland and coastal areas as well as agricultural and urban interests. The task force would ultimately produce an action plan designed to increase recycled water production in California, meet the statewide water recycling goals and overcome any barriers preventing increases in recycled water production and beneficial use from being realized.

The water and wastewater community is fully supportive of recycled water projects where it makes sense, where there are opportunities for beneficial use and watershed conditions are present to maximize supplies of this water. However, the drivers for this progress will be a vision for local water supply reliability and cooperative, beneficial partnerships between water and wastewater agencies on projects that make sense.

We thank you for your consideration and urge you to oppose SB 163 (Hertzberg).

Sincerely,



California Association of Sanitation Agencies



Inland Empire Utilities Agency



Association of California Water Agencies



City of San Diego, Public Utilities Department



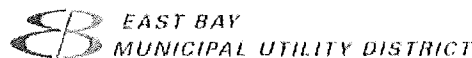
California Municipal Utilities Association



Irvine Ranch Water District



San Francisco Public Utilities Commission



East Bay Municipal Utility District

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



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY, MAY 2, 2016

9:00AM

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

This is a combined WAC and TAC meeting.

1. Check In
2. Public Comment
3. Recap from the April 4, 2016 WAC/TAC Meeting and Approval of Minutes
4. RCPA Presentation – Climate Action 2020 and Beyond
5. PWRPA Energy Contract
6. Sonoma Marin Saving Water Partnership
 - a. Water Production Relative to 2013 Benchmark
 - b. SWRCB Emergency Urban Water Conservation Regulations
 - c. “Take it from the Tap”
 - d. Eco Friendly Garden Tour
7. Water Supply Conditions and Temporary Urgency Change Order
8. Biological Opinion Status Update
9. Integrated Regional Water Management Plan(s) Update
10. Items for Next Agenda
11. Check Out

Draft Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
April 4, 2016

Attendees: Tom Schwedhelm, City of Santa Rosa
Linda Reed, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Rocky Vogler, City of Santa Rosa
Elise Howard, City of Santa Rosa
Colin Close, City of Santa Rosa
Linda Hall, City of Santa Rosa
Amy Brennan, City of Santa Rosa
Mark Millan, Town of Windsor
Jim Smith, Town of Windsor
Paul Piazza, Town of Windsor
Elizabeth Cargay, Town of Windsor
Susan Harvey, City of Cotati
Craig Scott, City of Cotati
Mark Heneveld, Valley of the Moon Water District
Dan Muelrath, Valley of the Moon Water District
Laurie Gallian, City of Sonoma
Dan Takasugi, City of Sonoma
Joseph Callinan, City of Rohnert Park
Jake Mackenzie, City of Rohnert Park
John McArthur, City of Rohnert Park
Mark Bautista, City of Rohnert Park
Mike Healy, City of Petaluma
Dan St. John, City of Petaluma
Kent Carothers, City of Petaluma
Rick Fraites, North Marin Water District
Chris DeGabriele, North Marin Water District
Jack Gibson, Marin Municipal Water District
Larry Russell, Marin Municipal Water District
Mike Ban, Marin Municipal Water District
Efren Carrillo, Board of Supervisors
Grant Davis, SCWA
David Manning, SCWA
Michael Gossman, SCWA
Carrie Pollard, SCWA
Don Seymour, SCWA

Public Attendees: Brenda Adelman, RRWPC
Dietrich Stroeh, Stuber-Stroeh Engineering Group
Bob Anderson, United Wine Growers
Jim Downey
Margaret DiGenova, California American Water

1. Check-in

Mike Healy, WAC Chair, called the meeting to order at 9:09 a.m.

2. Public Comments

None

3. Recap from the February 1, 2016 WAC/TAC Meeting and Approval of Minutes
Moved by Laurie Gallian, City of Sonoma, seconded by Susan Harvey, City of Cotati, to approve the minutes of the February 1, 2016 WAC/TAC meeting; unanimously approved.
4. Recap from the March 7, 2016 TAC Meeting and Approval of Minutes
Moved by James Smith, City of Windsor, seconded by Dan Muelrath, Valley of the Moon, to approve the minutes of the March 7, 2016 TAC meeting; unanimously approved.
5. Water Supply Coordination Council
No minutes from the meeting were prepared as the committee planned for the April 4 WAC TAC meeting.
6. Water Supply Conditions and Temporary Urgency Change Order
Grant Davis, SCWA, reported that water supply conditions are good in Sonoma County and the State water condition has improved. Lake Sonoma and Lake Mendocino are currently at water supply capacity. Control of the reservoirs has been turned over to SCWA. SCWA will file a temporary urgency change petition with the State Water Board for reduced minimum instream flows this summer to meet Biological Opinion requirements. Questions and comments followed from the committee and public.
7. Sonoma Marin Saving Water Partnership
 - a. Water Production Relative to 2013 Benchmark
Chris DeGabriele, North Marin Water District, reviewed the table that was sent to committee members.
 - b. Approve Resolution concerning SWRCB Emergency Urban Water Conservation Regulations
Chris DeGabriele, North Marin Water District, reviewed the proposed resolution from the WAC requesting the State Water Board rescind the Emergency Urban Water Conservation Regulations for Water Contractors and small water suppliers in the Sonoma-Marin region. Moved by Joe Callinan, City of Rohnert Park, seconded by Mark Millan, City of Windsor; unanimously approved.
 - c. "Take it from the Tap" Outreach Kick-Off Postponed
Jennifer Burke, City of Santa Rosa, reported on the campaign postponement. May 18 is the new kick off date, coinciding with Water Awareness Month.
8. Approve FY 2016/17 SCWA Budget
Mike Gossman, SCWA, gave an overview of the 2016\17 SCWA budget. The budget will be presented to Sonoma County Water Agency Board on April 19 for approval. Motion by Joseph Callinan, City of Rohnert Park, seconded by Laurie Gallian, City of Sonoma; unanimously approved.
9. Biological Opinion Status Update
David Manning, SCWA, reviewed the update that was sent to the members. Comments followed by committee members and the public.
10. SCWA/Sonoma County/NBWRA Participation at White House Water Summit
Efren Carrillo, SCWA reported on the White House Water Summit, attended by him, Grant Davis, SCWA, and David Rabbit, representing the North Bay Water Reuse Authority.

Sonoma County was recognized for water conservation and environmental projects.
Comments followed by committee members and the public.

11. Items for next WAC/TAC Agenda on May 2

Climate Action Plan 2020

Water Supply Conditions

Biological Opinion Status Update

12. Items for next TAC Agenda on June 6

Water Supply Conditions

Biological Opinion Status Update

13. Check Out

Next WAC/TAC meeting is May 2

Next TAC meeting is June 6

Meeting was adjourned at 10:10 a.m.

State Water Resources Control Board Conservation Standard Tracking for the Sonoma-Marín Saving Water Partnership

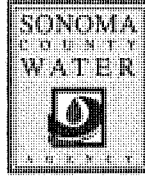
Table 1: Monthly Water Use Relative to 2013 Benchmark

Water Retailer	March 2016 (Gallons)	2013 Benchmark (Gallons)	Relative to 2013 Benchmark	Conservation Standard	March 2016 GPCD*
Cal Am	16,628,177	18,771,000	11%	25%	60
Cotati	17,758,880	20,756,709	14%	20%	79
Marin Municipal	452,965,475	619,824,809	27%	20%	77
North Marin	170,745,924	211,000,000	19%	24%	90
Petaluma	155,430,927	203,357,922	24%	16%	81
Rohnert Park	90,847,259	103,000,000	12%	16%	68
Santa Rosa	368,961,087	412,723,300	11%	16%	70
Sonoma	34,084,015	45,716,955	25%	28%	95
Valley of the Moon	41,480,832	61,077,591	32%	20%	56
Windsor	56,795,829	75,753,288	25%	16%	67
SMSWP Total				19%	

* GPCD is provided as information only

Table 2: Aggregate June 2015 to Current Month Relative to 2013 Benchmark

Water Retailer	Aggregate June 2015 to Date (Gallons)	2013 Benchmark (Gallons)	Relative to 2013 Benchmark	Conservation Standard
Cal Am	193,490,265	253,049,000	24%	25%
Cotati	207,571,837	269,185,511	23%	20%
Marin Municipal	5,962,780,034	7,519,210,672	21%	20%
North Marin	1,812,610,185	2,668,000,000	32%	24%
Petaluma	2,004,619,059	2,595,608,602	23%	16%
Rohnert Park	1,140,556,704	1,370,000,000	17%	16%
Santa Rosa	4,439,629,522	5,867,190,174	24%	16%
Sonoma	446,347,930	608,681,668	27%	28%
Valley of the Moon	617,469,553	861,570,724	28%	20%
Windsor	801,768,768	1,038,890,273	23%	16%
SMSWP Total	16,221,145,453	21,065,970,788	23%	19%



Russian River Biological Opinion Update – May 2016

The Sonoma County Water Agency is continually planning and implementing the Russian River Biological Opinion requirements. The following project updates provide a brief synopsis of current work. For more detailed information about these activities, please visit www.sonomacountywater.org.

Dry Creek Habitat Enhancement Project

Easement agreements have been signed with six property owners for work in 2016 and right-of-way staff are securing agreements for construction in 2017. Planning is underway for Miles 4-6. Three engineering design firms (Inter-Fluve, ESA, and Cardno) met with staff from the Water Agency, US Army Corps of Engineers, US Fish and Wildlife Service, NMFS, and California Dept. of Fish and Wildlife to kick-off the Mile 4-6 engineering design process.

The US Army Corps is using information from Mile 2-6 to complete two feasibility studies that should pave the way for federal funding. The first Army Corps study under the Continuing Authorities Program (CAP) will be completed this spring and will recommend reaches in Miles 2 and 3 that are eligible for less than \$10 million dollars in total federal funding. The second Army Corps effort for Mile 4-6 planning, called a General Investigation (GI) Ecosystem Restoration study, has less funding restrictions and should be completed by 2018.

The Water Agency has been working with NOAA's NMFS on a programmatic Dry Creek Safe Harbor Agreement (SHA) that would provide extra protection to landowners participating in the Dry Creek Habitat Enhancement Project. The SHA was signed on March 3 and staff from NMFS and the Water Agency are meeting with property owners to discuss enrollment in the Safe Harbor Program

Fish Monitoring

At the end of March, Water Agency biologists began operating traps to capture downstream migrating juvenile salmonids in several Russian River tributaries. The downstream migrant trapping season typically extends through early summer.

Mirabel Screen and Fish Ladder Replacement

It is anticipated that construction will end in late spring, with the project officially complete sometime in the fall.

Russian River Estuary Management Project

- The 2016 Lagoon Management Period begins on May 15. The 2016 Lagoon Management Plan is similar to previous years, with the exception of monitoring of harbor seals and other pinnipeds. This year, the Water Agency, Stewards of the Coast and Redwoods and volunteers will focus monitoring at the Jenner overlook, and not monitor other haul-out locations when the estuary is closed. Prior-year monitoring found that very few pinnipeds use the other haul-out locations.
- Baseline monitoring of harbor seals and other pinnipeds is conducted regularly and prior, during and after every artificial breaching or lagoon channel maintenance activity. The Annual Pinniped Monitoring Volunteer Training was held on April 5 and 6.

- During the past two years, studies were conducted to determine if and how the historic Goat Rock State Park jetty impacts the formation of the barrier beach and lagoon water surface elevation. A draft report of the results and jetty alternatives is currently being reviewed by the relevant resource agencies. A final report is expected to be released in May.

Fish Flow Project

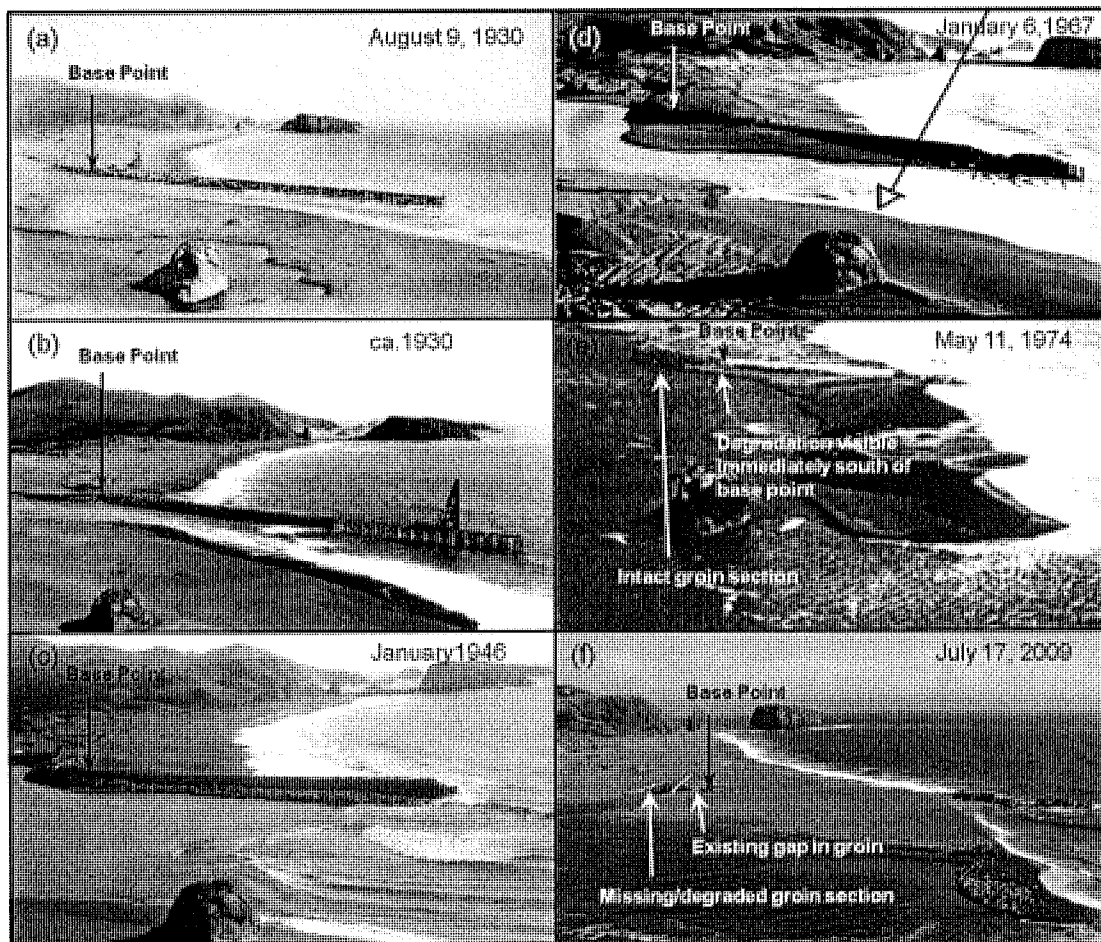
Work is occurring internally on the preparation of the draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR is anticipated to be released in Summer 2016.

Interim Flow Changes

The Water Agency has filed Temporary Urgency Change Petition (TUCP) with the State Water Board in order to comply with the Biological Opinion flow requirements. The State Water Board is expected to release a TUC order in May.

Public Outreach, Reporting & Legislation

- The annual Public Policy Facilitating committee meeting was held on March 3. A total of about 80 people attended either the PPFC meeting or the Safe Harbor Agreement signing ceremony.
- The annual Estuary Community Meeting was held on April 20, at the Monte Rio Community Center. About 30 members of the public attended.



Historic jetty at Goat Rock State Park Beach.

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**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, 2016 -Time: 9:30 a.m. – 11:30 a.m.

Location: Marin Community Foundation
5 Hamilton Landing, Novato CA 94949

AGENDA Item and Recommendation

1. Call to Order (Jack Gibson, Chair) 9:30 a.m.
2. Public Comment
3. Approval of the Agenda (1 min.) *Approve*
4. Approval of Minutes (5 min) *Approve*
5. Treasurer's Report *handout* (1 min.) *Accept*

6. *Living Shoreline Project* 9:40 a.m.

Progress and status of innovative projects working to bringing back key habitats and species in the region. *Information* Marilyn Latta, California Coastal Conservancy

7. *Resilient Landscape Vision Project for Lower Novato Creek* 10:15 a.m.

The vision project highlights opportunities for restoring and sustaining vital tidal wetland habitats around lower Novato Creek while supporting a high level of flood protection under rising San Francisco Bay water levels. Scott Dusterhoff, San Francisco Estuary Institute SFEI

8. *Review of NBWA 2016 Conference.* *Review/Board comment* 11:00 a.m.

Judy Kelly, NBWA Executive Director

9. Items of Interest 11:20 a.m.

10. Items for next agenda 11:25 a.m.

Next Meeting Information:

June 3, 2016

Novato Sanitary District

500 Davidson Street, Novato Ca. 94945

NORTH BAY WATERSHED ASSOCIATION

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

Date: March 4, 2016

Time: 9:30 a.m.

Location: Novato Sanitary District 500 Davidson Street, Novato, CA 94945

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Jack Baker	North Marin Water District	Damon Connolly	County of Marin
Keith Caldwell	Napa Sanitation District	Chris Pegg	City of Sonoma
Judy Schriebman	Las Gallinas Valley Sanitary District	Paul Jensen	City of San Rafael
Brad Sherwood	Sonoma County Water Agency	Pam Drew	City of Novato
Jack Gibson	Marin Municipal Water District	Pam Meigs	Ross Valley Sanitary District
Adrian Cormier	Bel Marin Keys CSD	Brant Miller	Novato Sanitary District
Kathy Hartzell	Central Marin Sanitation Agency	Juliana Inman	Napa County FC&WCD

Directors present represented 14 out of the 18 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:35 a.m.
2. **Public Comment.** None.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held January 16, 2016.** (See Handout) The Minutes of the Board Meeting held on January 16, 2016 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Judy Kelly.
6. **Surviving The Storm Presentation.** Adrian Covert, Policy Director with the Bay Area Council (BAC) presented a Power Point depicting what the economic and environmental impacts of a 150 year storm would have on the Bay Area. Adrian described the types of storms called "atmospheric rivers" that carry the most moisture and impacts to California historically. The BAC study found that in a storm like the one modeled, damages to the region could cause over \$10 billion in damages or approximately the same amount as the Loma Prieta earthquake. Rivers and creeks would overflow, and air and road traffic would be impacted as major roadways were blocked or damaged. The model assumed the event would coincide with a high tide causing the overtopping of local levees and widespread flooding. While not modeled, a levee break in the Delta and future sea level rise would make conditions even worse. The report calls for various approaches to contend with this possible event, including building new horizontal levees along the shore, improving our surrounding wetland areas for shoreline protection and habitat benefits, and creating new sea walls and levees where needed. Adrian noted that the regional ballot measure AA, to be voted on in June, would provide funding to move ahead on this important flood planning and infrastructure work. NBWA Board members remarked that there is an important distinction between sewer systems and drainage systems and Adrian noted SFPUC is unique in that their system handles both sewer and drainage together. It was noted the map that was sent to Bay Area residents showed the headlands/Sausalito area as a flood zone, which is inaccurate. A question was raised concerning Measure AA, asking why businesses (such as Google) would be paying the same \$12 per parcel as residential, considering their capability to pay much more. Adrian replied that several polling efforts showed that a flat rate has the strongest overall support. The report and more information is available on the Bay Area Council website <http://www.bayareacouncil.org/issues-initiatives/storm-flood-protection/>
7. **Proposed Stormwater/trash Project.** Judy Kelly, NBWA Executive Director presented a Power Point with information regarding the state's newly adopted stormwater and trash reduction regulations and outlined a proposed project for NBWA funding that would support North Bay agencies working with the Bay Area Stormwater Management Agencies Association (BASMAA) to plan for upcoming permit amendments to North Bay water discharge permit holders. The NBWA funding would be to support two tasks in a larger BASMAA effort to get the North Bay [or Phase II permit

holders] ready for the new requirements. Deliverables for the NBWA money would be several technical memos with guidance to the Phase II permit holders on how best to address the state and regional water board requirements that are expected to be required starting in 2017 and beyond. One major issue is how the Water Board will calculate trash reduction for compliance and will require each jurisdiction to have an approved trash generation map that identifies "hot spots" for trash. The BASMAA project work will include a focus on helping North Bay permittees create the appropriate baseline maps. The Joint Technical Committee reviewed and discussed the proposed project several times during 2015 and after suggesting several changes to the original proposal, recommended approval for funding at their meeting on February 24th. Terri Flashing then answered a series of technical questions and responded to comments including a statement that the Trash Amendments creates an unrealistic expectation as there is not adequate human resources to maintain trash catchment systems and especially during a storm. Terri responded that the mandate from the state has been made, and counties do not have the ability to decide whether they will implement. Terri was asked about the project implementation timeline. She replied that August is the goal to complete all the contracted work, but it may be pushed back. A suggestion was made to get CalTrans on board with litter abatement efforts. Terri stated CalTrans is subject to the same requirements under the Trash Amendments. A question was posed as to where the 5mm standard devices and actions must capture trash down to the 5mm size] came from? (To keep cigarettes out of the waterways, as well as very small pieces of plastic) . A comment was given that working to clean up homeless encampments would have a large positive impact on trash abatement. The Board moved to fund this project at 10:45am and voted [with one no vote] to approve a \$30,293 funding request.

8. **Proposed NBWA 2016-17 Budget.** Judy Kelly, NBWA Executive Director presented power point that summarized the proposed 2016-2017 NBWA Budget that will be approved in June. She reviewed the mission, goals and recent history of NBWA project funding. She also provided details on the recently completed set of projects funded by \$1.5 million in US EPA funding that was made available through the San Francisco Estuary Partnership and NBWA for work on sediment and pathogen reduction in several North Bay watersheds. She concluded with the Draft Budget stating that there were two minor changes, Novato is now a full dues paying member and NBWA will pay a small amount for administrative support now that the previous administrative support person has retired from MMWD and the portion of that position which historically was tasked to support the NBWA Executive Director is no longer available to NBWA. The Board asked if NBWA needs to put out a bid for a contractor position. Jack Gibson looked into that, and found the answer is no. The 2016-17 budget will be approved during the June 2016 NBWA meeting.

9. **Items of Interest.** There were no items of interest discussed.

10. **Items for Next Agenda.**

- *MMWD Staff Presentation – Water Reliability Report
- *Jeremy Low – Novato Visioning Process

Jack Gibson, Chair, adjourned the meeting at 11:15 a.m.

SUBJECT TO BOARD APPROVAL
Submitted By: Judy Kelly,
Executive Director

NEXT MEETING INFORMATION:

May 6 – Marin Community Foundation
5 Hamilton Landing, Suite 200
Novato, CA 94949

19

DISBURSEMENTS - DATED APRIL 28, 2016**ITEM #19**

Date Prepared 4/26/16

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 4/15/16	\$125,237.86
EFT*	US Bank	Federal & FICA Taxes PPE 4/15/16	56,624.73
EFT*	State of California	State Taxes & SDI PPE 4/15/16	10,031.81
EFT*	CalPERS	Pension Contribution PPE 4/15/16	33,105.90
1	Alliquip Universal	Sight Glass & Gaskets (Vac Trailer)	40.72
2	All Star Rents	Tamper Plate Rental (4 hrs)	87.26
3	Athens Administrators	May Workers' Comp Admin Fee	1,000.00
4	AT&T	Leased Lines (2)	66.58
5	Automation Direct	PLC Analog Input Cards (2)	166.00
6	Bastogne	Refund Overpayment on Closed Account	197.44
7	Calloway, Sukhmeet	Novato "Washer" Rebate	50.00
8	Caltest Analytical Laboratory	Lab Testing	35.00
9	Campways	Rolling Bed Cover ('16 Nissan Frontier)	1,533.39
10	Core Utilities	Consulting Services: March IT Support (\$5,000), Program Indian Hills (\$1,200) & Woodland Hgts P/S (\$1,800) PLCs, SCADA Maintenance (\$475), Install Allen Bradley PanelView (\$1,100), Annual Water Cost Calculator (\$1,375), Website Maintenance (\$250) & AMI Project (\$500)	11,700.00
11	Dougherty, Leonard	Novato "Toilet" Rebate	300.00
12	Dowling, Kevin	Novato "Toilet" Rebate	100.00
13	Environ Lab Accreditation Prog	Annual Lab Accreditation Fee	4,917.00


Seq	Payable To	For	Amount
14	Environmental Express	Freight and Restocking Fee on Returned Alconox Powdered Cleaner (4 lbs)	20.66
15	Evoqua Water Technologies	Service on Deionization System (Lab)	300.82
16	Farwest Corrosion Control	Corrosion Protection Mix for Steel Pipe	164.22
17	Fisher Scientific	Buffer (Lab) & Autoclave Deoderant Beads (100) (\$87.04)	111.07
18	Fitzgerald, Robert	Novato "Washer" Rebate	50.00
19	Gentile, Lisa	Novato "Washer" Rebate	50.00
20	Golden Gate Petroleum	Gasoline (\$2.55/gal)	1,252.26
21	Grainger	Copper Tubing (12), Ear Muffs (2) & Wire Nuts (500)	179.94
22	Home Depot	Rapid Set Concrete (50 bags)	561.15
23	Hopkins Technical Products	Rebuild Parts for STP Chemical Pumps	436.14
24	InfoSend	March Processing Fee for Water Bills (\$1,472) & Postage (\$4,270)	5,741.71
25	Intellaprint Systems	Bond Paper (2-36" x 300') & Annual Maintenance on Engineering Wide-Format Copier (\$417)	482.29
26	Larsengines	Chain Saw Chains (4)	90.30
27	Maltby Electric	Conduit Clamps (36)	63.61
28	Marin County	Permit to Install 2 Electrical Circuits (25 Giacomini Rd)	130.38
29	Miller Pacific Engineering	Prog Pymt #1: Norman Tank Anchoring & Geotechnical Services (Balance Remaining on Contract \$51,180)	8,820.00
30	MRC Global	Freight on Valve Parts for STP	75.81
31	Mutual of Omaha	May Group Life Insurance Premium	849.10
32	Neopost USA	April Postage Meter Rental	85.73
33	New Pig	Absorbent Wipes (1,108), Hazardous Spill Absorbant Pads (100) & Absorbant Granules	409.12

Seq	Payable To	For	Amount
34	Novato Disposal	Disposal of Excess Tree & Shrub Waste from Rear District Yard	545.67
35	Pace Supply	PVC Pipe (220 ft) (\$1,787), Tracer Wire (500 ft), Bolt Down Box (2), Traffic Lid Water Bolt (2) & 2" Check Valve	2,114.88
36	Pape Machinery	Hydraulic Oil (\$81) (5 gal) & Hose Assembly	177.69
37	Parkinson Accounting Systems	Payroll Software Changes to Overhead & Burden Calculation	195.00
38	NMWD Petty Cash	Petty Cash Reimbursement: Parking, Coffee & Safety Snack (\$40)	84.74
39	Point Reyes Light	Display Ad: Public Hearing Notice for Reg 15 & 17 & Display Ad: Salinity Intrusion into Pt. Reyes Well Supply	234.30
40	Point Reyes Prop Mgmt	April HOA Dues (25 Giacomini Rd)	75.05
41	Pollard Water	Hex Coupling (STP)	171.36
42		Cafeteria Plan: Childcare Reimbursement	1,666.64
43	RGM and Associates	Prog Pymt#2: Provide Prevailing Wage Support for DIR Regulations (Balance Remaining on Contract \$395)	4,068.00
44	Shell	Tool Fuel (5 gal)	17.50
45	Sierra Chemical	Chlorine (2,000 tons)	1,013.33
46	SMART Real Estate	General Easement Access at Golden Gate Transit Crossing (4/1/16-3/31/17)	732.41
47	Southwest Valve	Check Valve (6) for Sunset Tank Chlorine Mixing System	8,152.22
48	SPG Solar Facility XII	March Energy Delivered Under Solar Service Agreement	8,550.89
49	Splenda, Trigg	Novato "Washer" Rebate	50.00
50	Staples Business Advantage	Copy Paper - Letter size (60 reams) (\$222) & 11" x 17" (5 reams)	263.67

Seq	Payable To	For	Amount
51	SWRCB Accounting Office	FY16 Large Water System Fees (7/1/15 - 12/31/15)	6,363.27
52	Syar Industries	Asphalt (7 tons)	875.35
53	Thomas Scientific	Tergajet Cleaner (Lab)	51.14
54	Township Building Services	March Janitorial Services	1,822.84
55	Trignani, Gary	Novato "Pool Cover" Rebate & Cover Novato "Cash for Grass" Rebate	439.31
56	Ung, Muki Lok	Refund Overpayment on Closed Account	37.34
57	Utiliworks Consulting	Prog Pymt#1: AMI Consulting (3/1-3/31/16) (Bal Rem on Contract \$201,262)	17,438.24
58	Valkovics, Marika	Novato "Toilet" Rebate	100.00
59	Watersavers Irrigation	Recycled Water Quick Coupler Key for Testing Irrigation Systems	17.23
60	White & Prescott	Prog Pymt #5: Sutter Hospital Water Line Easement (Balance Remaining on Contract \$10,810)	180.00
61	Witter, Leigh Ann	Novato "Toilet" Rebate	100.00
62	Wright, James D	Refund of Deposit/ New Development/ WC Restriction- Novato	1,000.00
TOTAL DISBURSEMENTS			<u>\$321,606.07</u>

The foregoing payroll and accounts payable vouchers totaling \$321,606.07 are hereby approved and authorized for payment.

 4/26/16
 Auditor-Controller Date

 4/26/2016
 General Manager Date

DISBURSEMENTS - DATED APRIL 21, 2016

Date Prepared 4/19/16

The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:

Seq	Payable To	For	Amount
1	Alpha Analytical Labs	Lab Testing	\$48.00
2	Argonaut Constructors	Refund Retention for RW Expansion-S. Svc Area (\$12,500), Less Reimbursement for NMWD Work on Svc Laterals During Argonaut's Installation of 30" Force Main for NSD (\$5,057)	7,443.27
3	AWWA CA-NV SEC	Lab Analyst Grade 3 Renewal (Reischmann) (Budget \$0) (9/16-10/18)	55.00
4	Badger Meter	Cellular Monthly Meter Charge (19)	16.72
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 54 of 240)	46,066.67
6	Barton, Chris	Refund Overpayment on Closed Account	52.66
7	Bennett Trenchless Engineers	Progress Pymt#2: Norman Tank Pipeline Design (Balance Remaining on Contract \$27,869)	1,860.30
8	Cagwin & Dorward	Repair Median on San Marin Drive Fronting the High School (12" Water Main Repair)	5,260.00
9	California State Disbursement	Wage Assignment Order	811.50
10	Clipper Direct	Commuter Benefit Program (1)	173.00
11	Comcast	April Office Internet Connection	151.16
12	Corkrey, Ronnie	Novato "Rainwater Harvesting" Rebate	150.00
13	CSW/Stuber-Stroeh Engineering	Progress Pymt #5: RW Central Service Area Hwy 101 Crossing (Bal Remaining on Contract \$23,350)	3,900.00
14	Dalmon Property Mgt	Refund Overpayment on Closed Account	38.34
15	Diggs, James	Retiree Exp Reimb (Monthly Health Ins)	306.09
16	Fisher Scientific	Nitrite (120 ml) (Lab), Chlorine Standard	38.59
17	Golden Gate Petroleum	Gasoline (\$2.55/gal) & Diesel (\$2.12/gal)	1,847.84

Seq	Payable To	For	Amount
18	Grainger	Signs "Clean up After Your Pet" (2) (\$106), PLC Signal Wire (\$353), Light Bulbs (16), Multi-Meter Case & Magnet Holder (\$102), Smoke Alarms (2) (Apartment), LED Floodlights (7) (\$377), Batteries (AAA,AA, 9V, Alkaline C & D) (288) (\$137), Lag Bolts, Conduits Straps (100) (\$31), & Storage Bins (50)	990.74
19	Groeniger	10" Couplings (2) (STP)	1,362.50
20	Hach	Reagent (Lab)	167.26
21	Henry Pratt	Electric Motor Actuator for 20" Butterfly Valve (Sunset Tank Mixing System)	6,534.00
22	Intellaprint Systems	Ink Cartridges - Color (3) (\$229) & Black (2) (\$214)	443.64
23		Cafeteria Plan: Uninsured Medical Reimbursement	45.00
24	Kessler, Sue	Retiree Exp Reimb (April Health Ins)	315.28
25	Lincoln Life	Deferred Compensation PPE 4/15/16	14,864.26
26	Magnetrol International	Repair Kits for Level Control Units, Filters & GAC Beds (4) (STP)	567.38
27	Maltby Electric	Electrical Supplies	484.44
28	Manitsas, Celia	Refund Overpayment on Open Account	7,580.80
29	Marin County Ford	Oil (23 Qts) (\$103), Air Filters (3), Oil Filters (3), & Steering Wheel ('10 Ford F150 4x4) (\$386)	558.11
30	Mello, John	Retiree Exp Reimb (April Health Ins)	949.78
31	Mooney, Margaret	Refund Overpayment on Closed Account	142.60
32	Moore, Doug	Retiree Exp Reimb (April Health Ins)	949.78
33	MRC Global	Replacement Gear Box (San Marin Dr & San Carlos Way 24" Valve)	3,140.99
34	Nationwide Retirement Solutions	Deferred Compensation PPE 4/15/16	1,400.00

Seq	Payable To	For	Amount
35	North Marin Auto Parts	Primer (2-12oz), Red Marker Lights (8), Mounting Grommets, Wiper Blades (2) ('03 Dodge Dakota), Spray Paint, Copper, Gasket, Heater Hoses (4), Fuel Lines (3), WD40, Oil Filter, Batteries (4) (\$576), Heater Hoses (4), Hydraulic Oil, Ignition Control Module (\$102) ('89 Kalmar Forklift), Distributor Cap, Rotor, Wire Loom (22'), Spark Plug Wire Set, Spark Plugs (4), Alternator ('08 F250) (\$370), Battery Terminal Protectant, Fuse Holder, Electrical Wire Loom & Toggle Switch, Trailer Light Plug & Receptacle, & Shop Rags (60 lbs) (\$124)	1,190.76
36	NMWD Employee Association	Dues (2/15-3/31/16)	950.00
37	Novato Sanitary District	NSD's 50% Share of Argonaut Construction Payment for NMWD Work Relating to NSD's Railroad Ave Force Main Project	2,528.36
38	NTU Technologies	Polymer Emulsion (9,200 lbs)	13,340.00
39	Pace Supply	Silicone Lubricant (3-5 oz tubes)	63.94
40	PG&E	Power: Bldg/Yard (\$3,160), Treatment (\$177), Rectifier/Controls (\$517), Pumping (\$14,959), & Other (\$108)	18,922.38
41	Pini Hardware	Spray Paint (3-12 oz cans), Hardware, Concrete Drill Bits (2), Silicone Sealant (5-10.5 oz tubes), Bolts, Cleaning Supplies (25 Giacomini Rd), Hood Fan Filter (25 Giacomini Rd), Cabinet Door Hinge, Paint Cleaner, Washers, Fluorescent Bulbs (2), Pipe Nipple (2), Elbow, Cap, Watertight Conduit Fittings (3), Wire Rope Clips (8), Cables (40), Padlock, Sponge, Wrench, Master Lock (4), Round Stock, Wire Clamps (4), Electrical Boxes (6) (STP), Rivets, & Screws	458.14
42	POA of Novato Heights	Annual Dues (DeGabriele) (Budget \$150) (1/16-12/16)	150.00
43	Ramudo, Pablo	Exp Reimb: Mileage (\$202), Toll (\$10), Tour (\$45), Membership (\$20) (Bay Area Water Works Association), & Vision Reimbursement (\$79)	355.96

Seq	Payable To	For	Amount
44	Sequoia Safety Supply	Antibiotic Ointment (72 packets), Ibuprofen (300), Lens Wipes (400) (\$30) & Safety Gloves (400) (\$79)	148.75
45	Society For Human Resource Management	Essentials of HR Management Self Study Course (Landeros)	381.50
46	Sjoblom, Jeff	Exp Reimb: D1-Drinking Water Operator Certificate Program	70.00
47	Stafford, Vernon	Retiree Exp Reimb (April Health Ins)	315.28
48		Cafeteria Plan: Uninsured Medical Reimbursement	500.19
49	Strahm Communications	Novato Water Rate Increase Letter Print & Mail (18,700)	12,995.38
50	Streakwave Wireless	SCADA Radio Transmitters (2)	144.03
51	Teeters & Schact	Replacement Windshield ('09 Toyota Prius)	397.86
52	Townsend, Kevin	Refund Overpayment on Closed Account	87.29
53	U.S. Bank	March Safekeeping Fee - Treasury Securities	169.75
54	U.S. Bank Card	Portable SD Card Reader (\$15) (Arendell), Phone Cases (\$197) (Corda & C. Kehoe), Hard Drive (\$104) (Engineering), Laptop Hard Drive (\$65) (Engineering), Facebook Water Conservation Ads (\$30), Red Mechanical Pencil Lead & Mechanical Pencils(\$15), Samsung Tablet (\$404) (Clark), Business Lunch (DeGabriele) (\$53), & Ad for Novato Water Rate Hearing (\$203)	1,186.54
55	Vali Cooper & Associates	Progress Pymt#22: Construction Management Services for AEEP Reaches A-D MSN B3 Project (Balance Remaining on Contract \$14,889)	59,943.06
56	VWR International	Probe	265.11
57	Waste Management	Dump Fee-Misc Debris	116.68
58	Winzer	Metal Storage Bins (2) ('08 F350)	79.60
59	Zenith Instant Printing	Billing Letterhead (7,500)	745.56

Seq	Payable To	For	Amount
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TOTAL DISBURSEMENTS

\$224,221.82

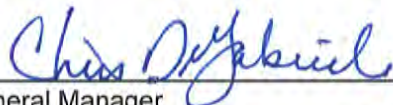
The foregoing payroll and accounts payable vouchers totaling \$224,221.82 are hereby approved and authorized for payment.



Auditor-Controller

Date

4/19/16



General Manager

Date

4/19/2016

MEMORANDUM

To: Board of Directors
From: Nancy Williamson, Senior Accountant
Subj: Information – FY16 3rd Quarter Labor Cost Report
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April 29, 2016

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Total labor cost increased \$203,948 (3.9%) from the prior year, same period. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during the first 9 months of each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor cost came in 8.2% under budget for the fiscal year-to-date, due primarily to the decision to leave the Chief Engineer position vacant through the fiscal year, and have those duties performed by the newly created Assistant GM/Chief Engineer Position.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	\$195,182	15.1%
Engineering	(\$85,302)	(8.5%)
Operations/Maint	\$24,237	1.3%
Construction/Maint	\$69,831	6.9%
Net Increase/(Decrease)	\$203,948	3.9%

Comment on Change from Prior Year

Administration: Labor Cost increased \$195,182, or 15.1%. The increase is primarily due to the addition of Shawn Kane to the Storekeeper position as of April 1, 2015, replacing an Engineering Department employee who had been performing those duties, and Chris Frazer to the Field Service Representative position at May 18, 2015, replacing a FSR who was out on disability during the prior year period, 8 step/spot adjustment increases and the 2.16% labor cost increase effective October 1 of 2015.

Engineering: Labor Cost decreased \$85,302, or 8.5%. The decrease is primarily due to the retirement of John Mello at June 30, 2015 and that position remaining vacant. The decrease is offset by the aforesaid 2.16% labor cost increase and the salary increase and promotion of Drew McIntyre to the newly created Assistant General Manager/Chief Engineer position.

Operations/Maintenance: Labor Cost increased \$24,237, or 1.3%. The increase was primarily due to

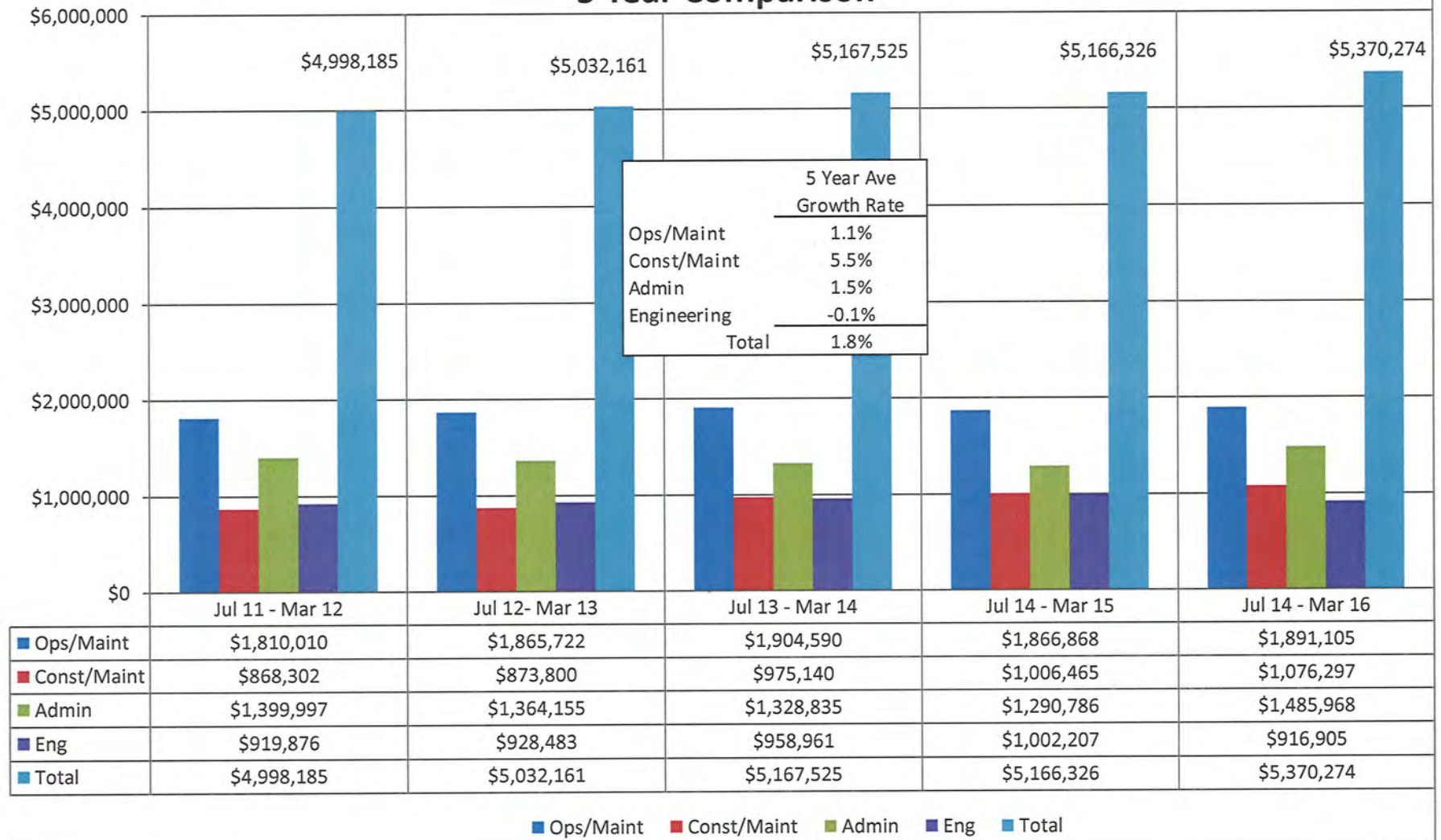
the addition of David Ladd to the Operations/Maintenance Program Assistant I position on October 19, 2015, Roy Foster and Benjamin Steele to the Assistant Distribution/TP Operator positions on February 16, 2016, 6 step increases, and the 2.16% labor cost increase. The increase was offset by the retirement of Vernon Stafford, Senior TP Operator on December 31, 2015.

Construction/Maintenance: Labor Cost increased \$69,831, or 6.9%. The increase was due to the addition of laborers Nicholas Barrilleaux on September 1, 2015 and Kyle Bergstrom on January 11, 2016 to the crew, 10 step-increases and the 2.16% labor cost increase.

4/29/16

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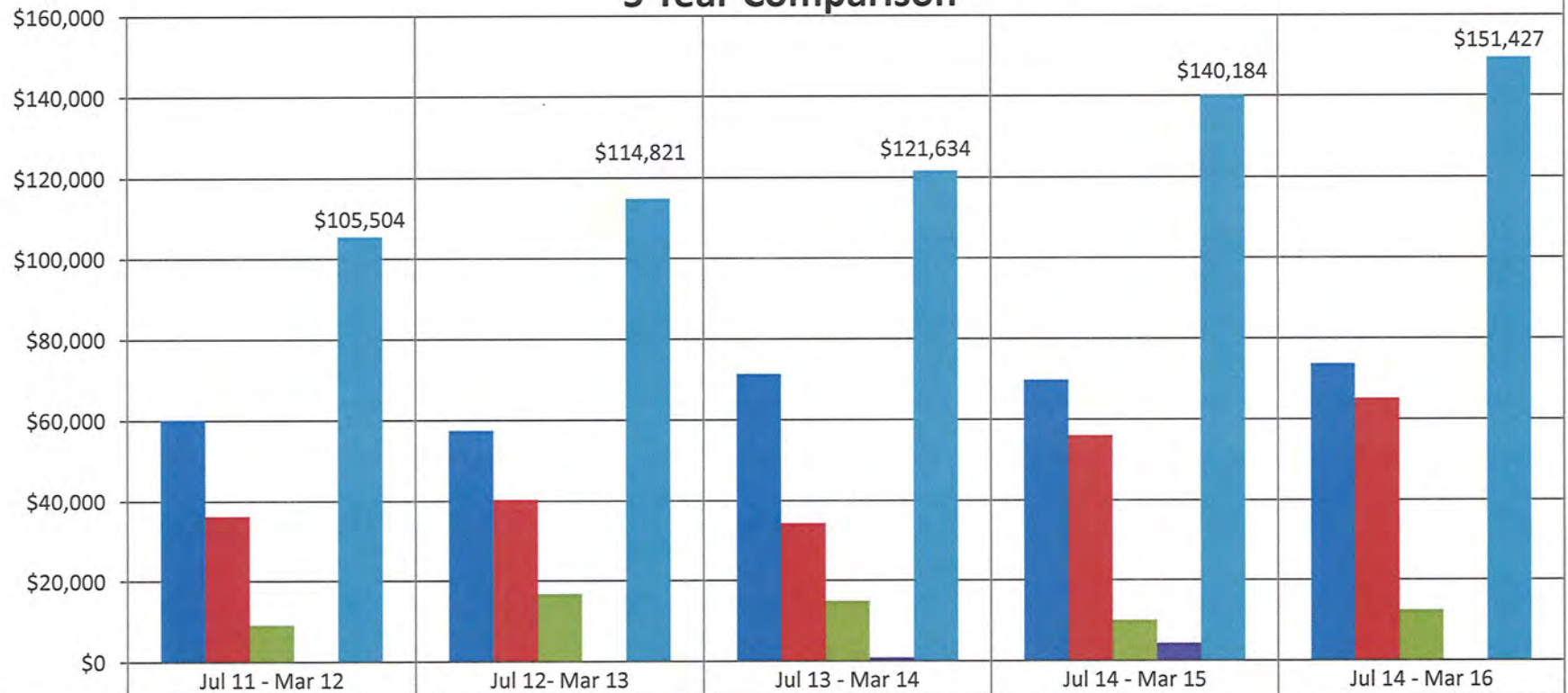
Total Labor Cost NMWD Fiscal Year through March 5 Year Comparison



4/29/16

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Overtime Cost NMWD Fiscal Year through March 5 Year Comparison



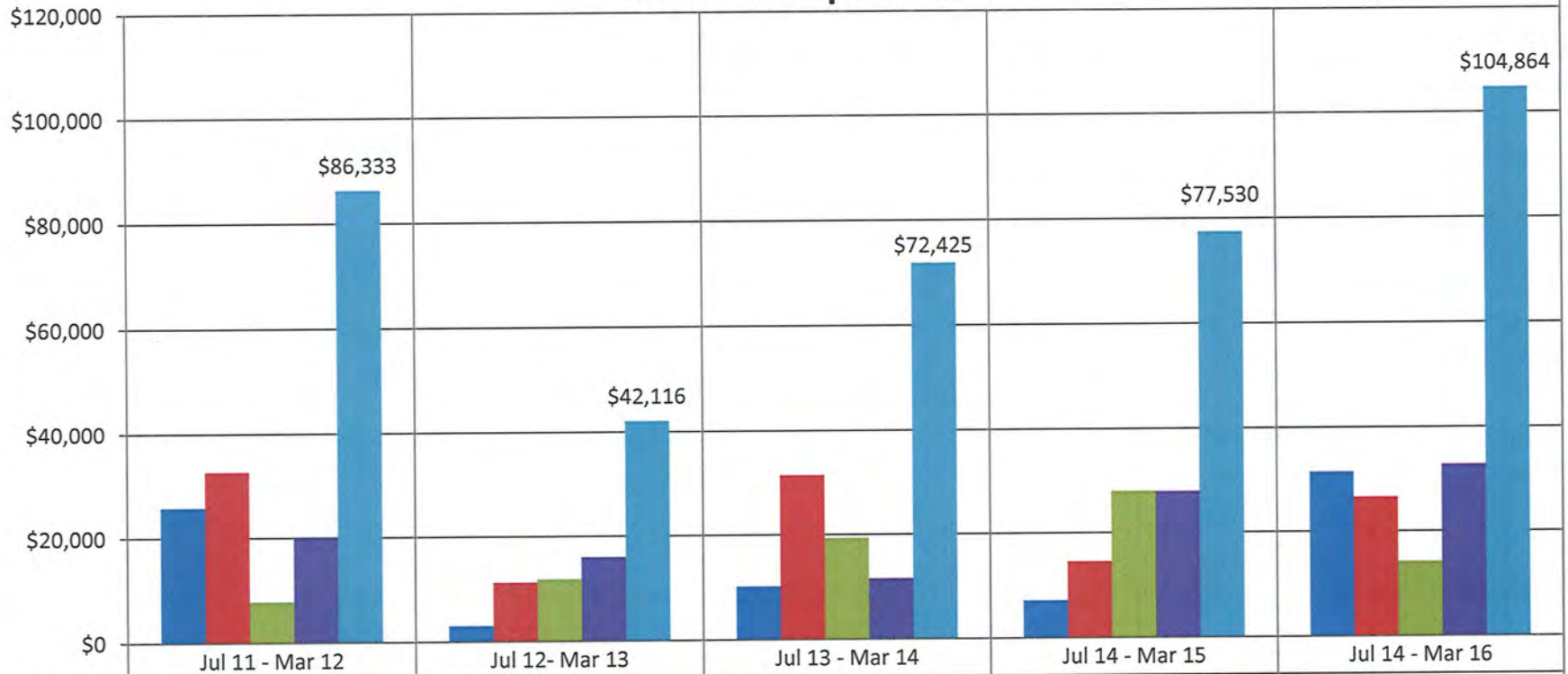
Ops/Maint	\$60,172	\$57,447	\$71,370	\$69,744	\$73,759
Const/Maint	\$36,204	\$40,334	\$34,350	\$56,025	\$65,168
Admin	\$9,129	\$16,822	\$15,005	\$10,062	\$12,501
Eng	\$0	\$219	\$910	\$4,353	\$0
Total	\$105,504	\$114,821	\$121,634	\$140,184	\$151,427

■ Ops/Maint
 ■ Const/Maint
 ■ Admin
 ■ Eng
 ■ Total

4/29/16

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Temporary Employee Cost NMWD Fiscal Year through March 5 Year Comparison



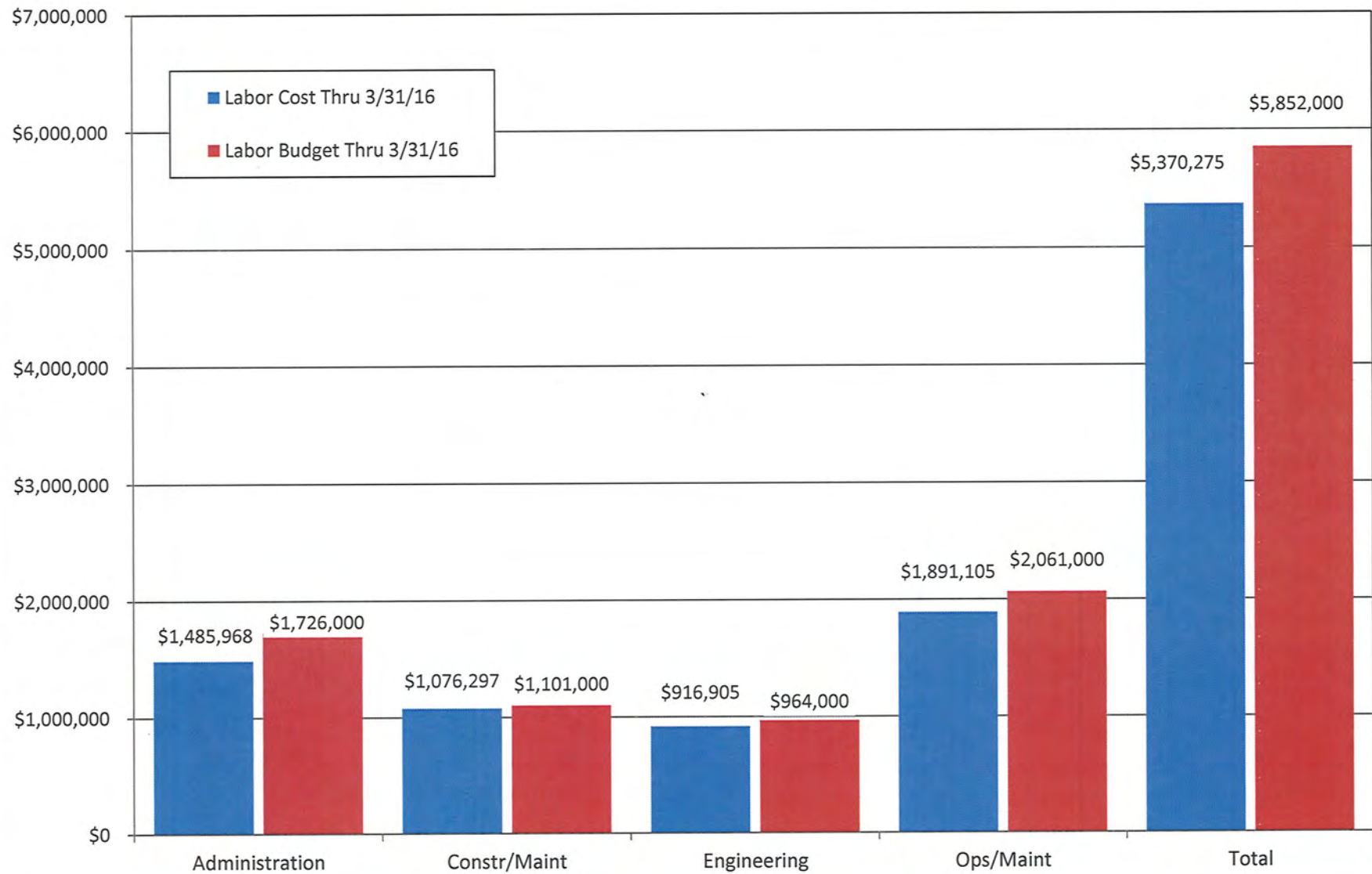
■ Ops/Maint	\$25,766	\$3,042	\$10,155	\$7,136	\$31,416
■ Const/Maint	\$32,619	\$11,236	\$31,381	\$14,471	\$26,510
■ Admin	\$7,805	\$11,860	\$19,326	\$28,021	\$14,196
■ Eng	\$20,143	\$15,978	\$11,564	\$27,902	\$32,743
■ Total	\$86,333	\$42,116	\$72,425	\$77,530	\$104,864

■ Ops/Maint
 ■ Const/Maint
 ■ Admin
 ■ Eng
 ■ Total

4/29/16

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Total Labor Cost vs. Budget NMWD Fiscal Year through March



MEMORANDUM

To: Board of Directors

April 29, 2016

From: Chris DeGabriele, General Manager



Subj: ACWA Clair Hill Water Agency Award for Excellence

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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

In the General Manager's report to the Board at the March 15th meeting, I advised that ACWA staff had suggested we enter our AEEP project for the subject award. I learned from ACWA staff this past week, that North Marin AEEP project has not been selected as an award finalist.

Chris DeGabriele

From: Robert Clark
Sent: Friday, April 22, 2016 11:03 AM
To: Alicia Manzoni; Rosalia Solar; Jennifer Pecunia; Cathy Atkinson; Terrie Kehoe; Eileen Mulliner; Ryan Grisso; Elena Freeman
Cc: Drew McIntyre; Chris DeGabriele; Katie Young; David Bentley; Tony Arendell; Brad Stompe; Pablo Ramudo; Kerry Lemos; David Ladd
Subject: Residential Recycled Water Plan for 2016

All,

We have received calls from the customers that participated in our residential recycled water program last year and need able to give a consistent answer to their questions. Use the below statements to provide answers to these customers and as always try to satisfy the customer questions and if they need additional responses give them to myself or Ryan to follow up with.

- Because of the wet year and continued spring rain we are not planning to start the program at this time.
- No water loads will be permitted for residential use, no hydrant use permits for residential pick up and no yard pick up at this time.
- We will watch what the State Water Resources Control Board (SWRCB) does about the Emergency Urban Water Conservation Regulations in early May (potential continued drought condition).
- Cost control is important to the District as well as water conservation, we will evaluate the program and make a decision after the SWRCB report.

Please let me know if customers have additional questions.

Robert Clark

Operations / Maintenance Superintendent
North Marin Water District
rclark@nmwd.com
(415) 761-8931



BOD MISC

NEWS RELEASE

www.marincounty.org/news

Contact:
Matthew Hymel
COUNTY ADMINISTRATOR

For Immediate Release

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County Appoints Acting Parks Director

Max Korten previously served as superintendent and acting assistant director

San Rafael, CA – Max Korten, who has been serving as Marin County Parks' Acting Assistant Director, has accepted the job of Acting Parks Director for the next six months.

Korten, a County employee since 2014, starts May 9 in his new role as Acting Director. The Board of Supervisors will reevaluate the permanent appointment in November.

"We've been impressed by Max in his previous roles and we're looking forwarding to him leading the department to accomplish many important projects," County Administrator Matthew Hymel said. "We are fortunate to have someone with his skills and abilities to step in and lead the department."

Korten will be charged with the completion of Parks' Vegetation and Biodiversity Management Plan, implementation of road and trail projects, development and implementation of park infrastructure improvements, adaptation to a new financial software system, and rolling out new signage projects and website improvements.

"We have an outstanding team at Marin County Parks and an exciting program of work including improving our road and trail system, updating facilities at our parks, restoring the unique ecosystems in our preserves and providing park programming to our communities," Korten said. "I am grateful for this opportunity and look forward to engaging with County staff, community groups and our partner agencies in the stewardship of these special places and in continuing to improve access to healthy outdoor recreation opportunities."

Korten joined the County as a Parks and Open Space Superintendent, overseeing the operations and management of selected preserves, landscape sites, community service areas, park units, volunteer program and the vehicle fleet. Prior to his work at the County, Korten was the Director of the Natural Resources Program and Contracting at Conservation Corps North Bay and worked for both the U.S. Forest

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Service and U.S. Bureau of Land Management.

Korten earned an environmental studies degree from UC Santa Cruz and a master's in natural resource science from Humboldt State University.

Pat O'Brien steps down as the Acting Director on May 9. O'Brien, a 24-year Marin resident, has led the department since October 2015. An award-winning and nationally respected parks and recreation leader, he led the East Bay Regional Park District for 22 years before retiring in 2010 having expanded the district to become the largest regional park system in the country.

"It has been both an honor and privilege to serve as the Interim Director over these past months," O'Brien said. "The quality and commitment of the professional staff is outstanding. I'm most pleased about the selection of Max Korten because he brings a wealth of experience and commitment to the mission of our parks and open space system. I look forward to continuing to support him and the staff as I return to my role as commissioner."

Marin County Parks is comprised of 34 open space preserves, four regional parks and more than 30 other parks facilities. The County has acquired hundreds of undeveloped parcels from willing sellers in recent years as Parks has grown to more than 20,000 acres. Parks has 76 full-time employees plus as many as 46 seasonal and extra-hire workers each year.

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Novato Woman Gives Back Through 'A Taste of Sri Lanka' Fundraiser

For the third time, Carmela Chandrasekera is sharing her favorite dishes for A Taste of Sri Lanka, a special buffet fundraiser event.

Novato, CA

Like Share 4

By RENEE SCHIAVONE (Patch Staff) - April 26, 2016 1:40 pm ET

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*By Brent
Ainsworth:*



When a benefit event featuring Sri Lankan cuisine takes place May 12 in Novato, 10 kids on the other side of the world will be cheering on the organizer and her supporters.

For the third time, Carmela Chandrasekera of Novato is sharing her favorite dishes for A Taste of Sri Lanka, a special buffet event featuring foods from her home

country. The event will take place from 6-8:30 p.m. May 12 at the Key Room at Homeward Bound of Marin in the Hamilton neighborhood of Novato.

Chandrasekera, an engineer for the North Marin Water District, not only has supported Novato causes in the past but worldwide as well. Since August 2015, she has provided monthly scholarships to 10 tenth-graders in her hometown of Avissawella using the proceeds of the special cultural feast.

More from Across Patch

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“It brings me great joy to improve conditions for underserved people in Marin County and in the place where I grew up,” she said.

In 2013 and 2015, Chandrasekera used event proceeds to support the international Water for People organization and Homeward Bound's Oma Village housing project, which is taking shape on Nave Drive in Novato. She supports those again in addition to her new philanthropic effort, Sisu Sahanasevana, which means “refuge” and helps the teens in Sri Lanka.

Living part of her life without running water is a vivid memory for Chandrasekera. She persevered and eventually earned a Ph.D. in ocean engineering. When she visited Sri Lanka in December 2015, she met the young students she's now supporting, forming a lasting bond.

"I have committed to providing scholarships to them until their graduation from high school," she said. "I provided a catered lunch to the students and their parents. It was a very rewarding experience."

Chandrasekera emigrated to the United States and moved to Marin in 2000 with her husband Hetti, son Kenny and daughter Thilini. Despite that she and her husband are both educated, it took a while to get financially settled. "I remember the stress we experienced as a family when we were on the verge of being homeless," she said. "Now that I'm able, I want to give back."

After Carmela landed an associate engineer position with the North Marin Water District in 2004, the Chandrasekeras qualified for affordable housing in Hamilton the following year. Following their starts in Novato public schools, Kenny is now a graduate of Yale University and a software engineer; Thilini is a graduate of Duke University and a paralegal at a law office.

At her day job, Carmela designs and manages projects such as the construction of water tanks, and water and recycled water distribution pipelines. The Water for People organization supports development of sustainable healthy water supplies in nine developing countries and

believes access to safe drinking water and effective sanitation are basic human rights accorded by the dignity of all people.

Oma Village, a 14-unit housing complex, is now under construction at 5394 Nave Drive in Novato, about a mile from Homeward Bound's headquarters and very close to the Chandrasekera's home. Oma Village will be open later in 2016 to families in transition and working toward economic sustainability. Homeward Bound is the county's largest provider of shelter and services, working toward the goal of ending homelessness with training, housing and hope.

Chandrasekera said her event will be a chance to enjoy the spices of Sri Lankan cuisine and learn about the benefit organizations offering hope to families. She's handling the cooking along with staff from Homeward Bound's Fresh Starts Culinary Academy.

The menu includes:

- Kaha Bath - lightly spiced aromatic long-grained Basmati rice
- Kukul Mas Curry – chicken cooked with spices, Sri Lankan herbs and coconut milk
- Parippu Hodi – mild red lentil curry tempered with shallots, garlic and mustard seeds
- Curd Sambol – thinly sliced cucumber with refreshing yogurt
- Bonchi – green bean curry
- Watalappam – coconut custard pudding
- Vanilla ice cream topped with roasted cashews and palm treacle

- Complimentary Sri Lankan tea, Taylor Maid Farms coffee, water and lemonade. Wine available for purchase.

Tickets are \$50 and available on tasteofsrilanka.org. Checks payable to Sisu Sahanasevana may be mailed to: A Taste of Sri Lanka, 113 Kelly Drive, Novato, CA 94949. All proceeds benefit the nonprofits mentioned. Questions? Email carmelan@comcast.net.

SFGATE <http://www.sfgate.com/bayarea/article/East-Bay-water-district-will-stop-fining-water-7377393.php>

East Bay water district will stop fining water guzzlers

By Kurtis Alexander Updated 7:26 am, Wednesday, April 27, 2016



IMAGE 1 OF 24

Back in October 2015, Adonal Foyle discussed the steps he has taken to conserve water at his Orinda, Calif. home, after showing up on a list of water wasters from the East Bay Municipal Utility District.

The hefty drought fines that l
celebrities as water hogs, are



The Bay Area water agency that bl
penalties for those who exceed the district's conservation quotas are no longer necessary. Supply shortages in the East Bay Municipal Utility District, as in much of the state, have eased with the wet winter and stepped-up conservation efforts.

The agency is asking residential customers to continue abiding by last year's 20 percent cutback, acknowledging that the state's historic drought is not over. But by a unanimous vote of the agency's board, the district will do away with its monetary hammer, and fines upward of \$1,000, starting Tuesday.

"Why would we continue penalizing customers when we have enough water?" said Sherri Hong, district manager of customer and community services. "We feel that conservation is going to continue regardless. We think that our customers have acquired great habits."

RELATED STORIES

California barely misses 25%
water-savings drought goal

The agency's punitive water policy is among the first and the most progressive of its kind to emerge during California's current dry spell, which is pushing into a fifth year.

The East Bay Municipal Water District, which continues to charge residents a drought surcharge to make up for revenue lost to conservation, plans to revisit its higher rates after the state water board updates its policy.

The district's water supplies, generated mainly from runoff from the Mokelumne River watershed in the Sierra Nevada and piped into the region, are currently at 72 percent of capacity. That's about 88 percent of where they normally stand this time of year.

District operations and maintenance manager Eileen White said the supply is plenty to get the region through the coming year, regardless of weather, and beyond.

"For East Bay MUD, it's been a great year," she said. "Our customers continue to do an exceptional job cutting back on their water use."

Kurtis Alexander is a San Francisco Chronicle staff writer. Email: kalexander@sfgate.com Twitter: [@kurtisalexander](https://twitter.com/kurtisalexander)

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Schools buying water filters even though fountains are fine

By Jill Tucker April 16, 2016 Updated: April 16, 2016 8:44pm

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Photo: Michael Macor, The Chronicle

IMAGE 1 OF 3

Senior Mina Tobias refills her bottle at the FloWater station during lunch break at San Mateo High School in San Mateo. For many students, the dispensers are easier to use than fountains.

A growing distaste and distrust of tap water has prompted many school districts to spend thousands of taxpayer dollars on heavily marketed filters — some of which use a process that discards some water as waste — even though the schools say there's nothing wrong with what's currently flowing from their pipes.

School officials and filter company representatives want to

make water hip at a time of alarm over the health effects of soda and sports drinks, with one company comparing its machines to a Tesla — and an old-fashioned water fountain to a Motorola flip phone.

But critics see a trend largely driven by fear and scripted by commercial interests, the same combination fueling a flourishing demand for bottled water despite the environmental impact and hit to the consumer wallet. Many schools, they say, are teaching children that tap water is inferior, even when it's not.

High school district officials in San Mateo spent \$28,000 last summer installing eight high-tech water dispensers created by Bay Area startup FloWater. The filtered water offers students a trendy alternative to plain fountain water, and the hope is that students might choose the fancy stuff over sugary drinks.

Tap water fine

The tap water at their schools is safe, district officials said. But the dispensers use seven filters — which cost about \$200 per dispenser to replace every year — to treat the

water. One of those filters uses reverse osmosis, a process that wastes 2 gallons of water for every 3 filtered, to remove heavy metals like lead, which the district says isn't in the tap water in the first place.

That kind of thinking — that tap water, even when it's safe, needs to be filtered — has become more prevalent after the water crisis in Flint, Mich., which resulted in high lead levels in thousands of children, said Peter Gleick, president of the Pacific Institute, an Oakland global water think tank. The country is becoming increasingly wary of what is typically high-quality tap water, he said.

“I find the trend of replacing tap water in schools with expensive bottled water or fancy water-processing machines to be a step in the wrong direction,” Gleick said. “It's a serious mistake in a lot of ways ... a failure to ensure that every school in the country or the world has high quality, low-cost tap water.”

Instead of testing water quality at every school — which is not required in California and many other states — too many districts are opting for expensive bottled or filtered alternatives that may not be necessary, he said.

“Where it's safe, we need to show students and parents that it's safe,” he said. “And where it's not safe, we need to spend the money to make it safe.”

The San Mateo Union High School District didn't choose to use FloWater because of concerns about the water quality in the area, said district spokeswoman Sheri Costa-Batis, who added she was unaware that so much water was wasted in the filtering process.

It was more about making sure all students — regardless of income — have access at school not only to tap water but filtered or bottled water. Providing the option resolves an “equity issue,” she said.



Photo: Michael Macor, The Chronicle

Mina Tobias, a San Mateo high school senior, holds a water bottle she refilled at a purified water station during lunch break. San Mateo school officials spent \$28,000 last summer installing eight high-tech water dispensers in the hope that students might choose fancy water over sugary drinks.

Bottled water costs

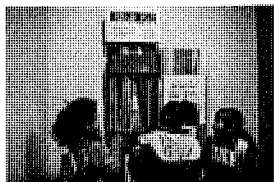
“Not every family can purchase bottled water,” she said. “If you evaluate the cost of bottled water and you look at a family living below the poverty line, the cost of bottled water really adds up.”

So far, FloWater, based in Burlingame, has machines in 30 schools, including in San Mateo and Dublin, officials said. But there are many other companies marketing to schools, including Brita, which boasts on its website that its filtered

hydration stations are “quickly becoming a mainstay in both secondary and higher education schools.”

Last month, Brita staged an assembly for students at a West Oakland school featuring Warriors star Stephen Curry, who recently signed a three-year endorsement deal with the company. Brita also donated refill machines and classroom pitchers to filter the school’s tap water, which district officials say is safe.

THIRST FOR KNOWLEDGE



Refill stations make water the drink of choice in S.F.



Stephen Curry’s product pitch in Oakland schools criticized

Healdsburg school’s water was tainted by lead, town learns

Make water ‘epic’

FloWater’s chief executive, Rich Razgaitis, said he wants to address demands for safe water, yet eliminate the desire for water in plastic bottles. When he started his company a few years ago, he wanted to make the act of drinking water something “epic.”

“Our vision is to be the Nespresso, the Tesla, the iPhone of water,” he said. “Our solution is take tap water, and create this epic experience that’s fun and cool and it tastes great.”

At San Mateo High School, as the lunch break wrapped up

one recent afternoon, a few students bent over a stainless steel water fountain to take gulps of tap water before heading back to class.

But far more stopped at the big, blue FloWater box, one of three at the school, and pushed a computerized key pad to set a stream of “7x purified & chilled” water flowing into the bottles they had set on a shiny recessed grate.

It seemed like the pretty clear choice. Water out of a blue box — sent through seven filters, including one made of coconut hulls, and cold enough to make your bottle sweat — easily trumped the cool, but not cold, tap water.

Several students said they couldn’t taste a difference between the two. They liked the water cold, though, and it was easier to fill a bottle under the stream rather than at a tilt under the water fountain. Others said they never use the water fountain.

Health experts fretting over a childhood obesity epidemic fueled in part by soda and sports drinks said they’re looking for ways to get kids to drink more water.



Photo: Michael Macor, The Chronicle

The FloWater dispensers use seven filters that cost \$200 to replace every year.

Get kids to drink up

“I do think there is something to how do we get kids excited about water,” said Dr. Anisha Patel, a UCSF assistant professor of pediatrics who focuses on water consumption in schools. “I feel like we do want kids to drink water, and we’re trying to figure out what’s the way to drink water as opposed to sugary drinks.”

But she’s concerned about high-tech water stations or a reliance on bottled water or filters, which could be teaching children that tap water is not safe or hip enough to drink. And such devices require ongoing cost and maintenance, which might be lost in bureaucratic or budget shuffles.

Plus, unchanged, dirty filters actually increase risk of exposure to contaminants.

“We’re actually encouraging kids to drink tap water,” Patel said.

In San Francisco, district officials have eschewed filters and, for the most part, bottled water. The city’s public utility is sponsoring water-bottle refilling stations in all school cafeterias or eating areas that dispense unfiltered tap water.

“In San Francisco, I know our water is great,” said Nik Kaestner, district director of sustainability. “It’s coming from the mountains. It would be crazy to over-filter it and teach kids that was necessary.”

Kaestner acknowledged that the concern over lead contamination across the country isn't about the municipal water, but the quality of water after traveling through old pipes to the spigot. This has been an issue in aging schools on the East Coast, where levels of lead have exceeded standards in various states.

San Francisco district officials said they test the water periodically at school sites. The district has purchased bottled water in the past for a handful of schools where there were issues of quality, including lead in the water, related to old infrastructure that was still awaiting upgrades. But there are no plans to install filters or rely on bottled water district-wide, despite the increasing call for such products across the country.

"People are definitely nervous," Kaestner said. "They know the water is great, but what about the pipes in the building?"

Testing tap water

That's where testing comes in, Gleick said. And if testing shows that the tap water is safe, people should drink it.

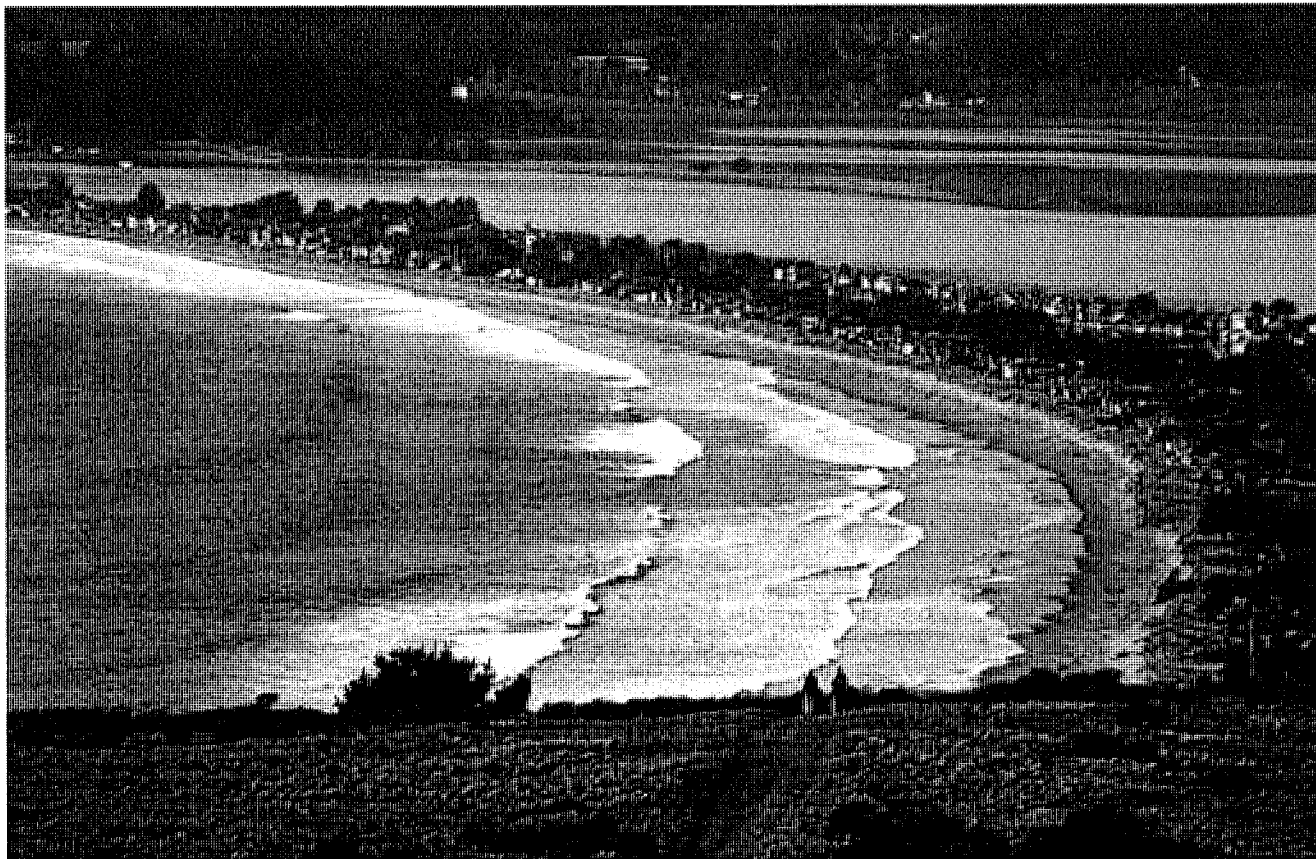
"We cannot assume the tap water is unsafe," Gleick said, "but we need a test to prove it is safe."

In the meantime, parents worry. Compounding their concern is that information about water safety can be scarce. When one San Francisco mom was researching preschools, she found all kinds of material about teachers and curriculum, but almost nothing about infrastructure, including water quality.

Water companies seem to be banking on that fear. At San Mateo High School, senior Marjorie Miranda, 18, wrinkled her nose and declared she wouldn't go near the water fountain.

"I don't ever (drink) tap water," she said. "It's not healthy. It tastes dirty."

Marin OKs coastal program amid disagreement with state staff



Hikers walk along the Dipsea Trail on the ridge above Stinson Beach. The county approved coastal development policies and sent them to the Coastal Commission. Jeff Vendsel — Marin Independent Journal

By Nels Johnson, Marin Independent Journal

POSTED: 04/20/16, 6:42 PM PDT | UPDATED: 7 HRS AGO 0 COMMENTS

Coastal development policies giving Marin property owners flexibility when building or remodeling in most areas were approved this week and sent to the Coastal Commission, where state planners are pitching tougher restrictions.

The county Board of Supervisors acted unanimously after turning aside calls for more review even though both Coastal Commission staff and environmentalists seeking tighter regulations sought a delay.

Officials assured residents of Tomales and other coastal communities that the county envisions a continued mix of housing and commercial uses in downtown areas even though the state is boosting visitor-serving businesses as a priority in downtown areas.

“If you’ve got a home, you can keep a home,” said Jack Liebster, the planning manager who headed county staff work on coastal policies. “If you’ve got a store, you can keep a store.”

Supervisor Steve Kinsey, president of the county board as well as the Coastal Commission, called the county

plan a reasonable reflection of the “many ways we are working to take care of our residential communities and the character of our villages.”

The board approved most staff work as proposed, but at urging of Supervisor Kate Sears agreed that regulations should be based on a 50-year horizon with the expectation of sea level rise eventually reaching up to 3 feet. State planners want regulations based on a 100-year “hazard analysis timeframe” and rising seas of as much as 6 feet. At Kinsey’s suggestion, the county plan calls for review of sea level rise expectations in 10 years.

In any event, “innovative designs” will be the ticket for projects near the shoreline, such as “amphibious architecture” or homes built on floats that allow structures to rise with the water. Seawalls or other shoreline “armor” repelling the ocean waters were all but ruled out for new development.

The county program junks a state stipulation tightening regulation of remodeling projects that alter 50 percent or more of any single structural component such as foundation, roof or walls, increase floor area 50 percent, or cost more than half of a structure’s market value. Instead, the county plan embraces regulations already outlined in the Coastal Act while imposing restrictions in flood zone areas that require owners to raise their homes as a condition of remodeling permits. Liebster said the rule affects about 100 homes at Stinson Beach.

Supervisor Katie Rice noted policies will now go “back and forth” for continuing negotiation between state and county staffers before the state commission weighs in next August. The county board will review whatever policies the state approves. “It’s a hard process but we’ll come out OK in the end,” Rice told the crowd.

The plan seeks to enhance “the safety of residents in potentially hazardous areas, while allowing carefully sited, designed and adapted development that would not exacerbate hazards.”

Nancy Cave, a Coastal Commission district manager, urged more review in a letter to the board, noting state and county staffs remain at odds on a number of issues. “We would prefer to spend more time working with you, your staff and the interested public,” she reported. The county program is the result of several years of work involving issues delayed for further review two years ago when the county submitted other coastal policies to the state.

About two dozen people among a crowd of 80 rose to speak, some residents expressing worry about their ability to continue living near the coast, while

Advertisement

environmentalists called for more review and tougher restrictions. Some said the Coastal Act, while focusing on protection of the coast, imperiled neighborhood communities in light of its emphasis on providing visitor access.

“Let the public have a discussion about the details of land use policies,” said Amy Trainer of the California

West Marin community celebrates new wastewater system in Marshall



Courtesy County of Marin New septic tanks are placed in Marshall as part of an improved wastewater system project.

By **Adrian Rodriguez**, *Marin Independent Journal*

POSTED: 04/15/16, 5:16 PM PDT | UPDATED: 3 DAYS AGO 0 COMMENTS

A new wastewater system serving Marshall in West Marin has been completed after years of planning.

The \$3.2 million project required study, repair and replacement of septic systems on about 85 properties on the east shore of Tomales Bay. Each septic tank has been connected to a community filtration system and drain field. The project is aimed at directing waste away from the bay to improve the environmental health of the shoreline, officials said.

“A lot of these properties are right on the bay with no area to drain to,” said Lorene Jackson, project manager of the county’s Environmental Health Services Division. In the years leading up to this project, “many of the septic tanks dispersed to a (drain) field right on their own property.”

It was a longtime problem first identified in 1974 when it was discovered that shellfish in the area contained higher than normal levels of bacteria. The contamination was linked to human fecal matter from the failing septic tanks and nearby dairy farms.

The spotlight was on the Marshall properties when, in 1998, 171 people became ill after eating oysters grown

in the bay. Health officials traced the Norwalk virus outbreak to the septic systems — and the oyster farms were closed for three months.

Jackson said a study of the individual septic tanks began in 2002. In 2007, local property owners voted to form an assessment district to help pay for the first phase of the wastewater system, first serving about 35 properties. The remaining 50 property owners joined in 2011, which initiated the second phase of the project.

Property owners kicked in to pay for work and maintenance on their individual systems.

Wastewater collected from the septic tanks is now sent through a pressurized pipeline leading to a treatment system before it's discharged to a community drain field on a six-acre parcel. The land was donated by Corey Goodman and Marcia Barinaga. The county paid \$32,874; other funding for the project came from grants.

Property owner George Clyde said it's a great victory for the community.

Not only did this project increase the property value on these homes, but "It gave us some peace of mind," he said, "knowing that the bay is clean and we were able to help stop polluting it."

Clyde, who has owned his Marshall property since the late 1990s, said "people in West Marin really enjoy their privacy," but this project, "it really brought the community together," he said.

The community will celebrate the project, which was completed in February, at a gathering at 3 p.m. April 20 at Tony's Seafood, 18663 Shoreline Highway in Marshall.

Marshall celebrates community septic system



David Briggs

SEPTIC: Marshall residents celebrated the completion of the town's collective wastewater system, a project begun in 2007, on Wednesday at Tony's Restaurant. "The benefits are obvious now, but were cloudy and contentious back in the day," said Lori Kyle, who is pictured at left and is the president of the East Shore Planning Group. "It takes a village to make such a process—and it takes a county." Above, Liza Crosse, aide to Supervisor Steve Kinsey and the "queen" of the project, receives a plaque.

By Beau Evans
04/21/2016

Marshall residents on Wednesday celebrated the completion of the town's community wastewater system, a \$3.21 million project begun in the early 2000s that now serves around 50 properties along the east shore of Tomales Bay. The community system replaces individual septic systems, many of which were long ago deemed sources of pollution in the bay. "That's 15,000 gallons not being discharged into the bay," said Lorene Jackson, the project's manager for the Marin County Community Development Agency, referring to the system's total daily capacity. "It's pretty darn exciting." The final few of 17 properties—including Tony's Seafood Restaurant, where a celebration was held Wednesday afternoon—comprising the project's phase two were hooked into the existing communal system in February, after most other properties came online last fall. Phase one, which included 35 residences and businesses, was completed in 2008. Property owners agreed to pay around \$20,000 each in annual installments to repay state loans over a 20-year period, with around \$1,000 in extra annual fees for operation and maintenance costs. Homes in the system now send waste from their septic tanks through a force main to storage tanks and a leach field on the Barinaga-Goodman Ranch, located upland of the post office. All onsite residential septic tanks were upgraded and fitted with effluent pumps, and phase two added a communal secondary-treatment unit that increased the leach field's capacity by 25 percent. A 2001 survey showed 40 percent of the town's onsite systems were failing or performing poorly. That survey followed a 1998 viral outbreak that sickened 171 people who ate local shellfish, though many

residents contended that no scientific studies were done to show the shellfish were contaminated by leaky septic systems from Marshall homes. "There was no evidence," said Paul Elmore, the former president of the East Shore Planning Group. "But that doesn't make any difference." At the time, county officials said septic systems would not have met state septic standards that established certain setbacks from waterways for leach fields. Gathering waste into a communal system both complied with regulations and saved residents money, since they no longer needed to secure individual permits to fix their own systems. "The project took on the job of individuals getting permits," said Liza Crosse, an aide to Supervisor Steve Kinsey who played a leading role in securing state and county funds for the project. "And everyone is very happy to have sewage up and out of the bay."

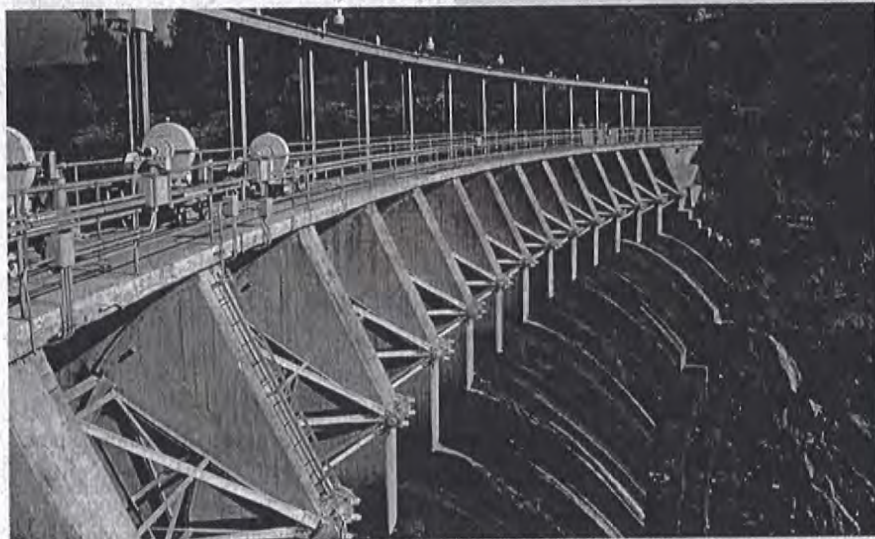
Mosquito agreement coming soon

By Beau Evans
04/21/2016

The Marin/Sonoma Mosquito and Vector Control District and the West Marin Mosquito Council are poised to produce a draft legal agreement that would determine what pesticides the district could use in West Marin to prevent outbreaks. The current agreement—which was signed in 2005 and extended multiple times—expires at the end of June. “Hopefully we’ll be able to reach an agreement,” said Phil Smith, the district’s manager. “Nothing is firm yet or set in stone, but the talks have been positive.” Since January, Supervisor Steve Kinsey has facilitated meetings between the district and the council, and both sides have roundly praised his involvement. But sources privy to the talks said the district’s insistence on using small amounts of an insecticide known as methoprene has remained a divisive point. Methoprene, which some studies have shown to be toxic to fish and which members of the mosquito council adamantly oppose, has been kept out of West Marin for a decade under the agreement. Yet the district has called for small applications in West Marin, calling it the most effective means of combating adult mosquito populations. Citing a University of California, Davis, report that the use of methoprene in septic tanks “will not cause any significant adverse environmental effects,” a district subcommittee in November presented a resolution that would have permitted its use in West Marin septic systems starting this year. District trustees shot down that resolution by a 6-12 vote, in large part due to efforts by West Marin’s representative on the board, Fred Smith, to buy time for a new agreement. (Mr. Smith stepped down from the board at the beginning of this year, when he moved out of West Marin, and on Tuesday, county supervisors appointed Point Reyes Station resident Terry Pebbles to fill the at-large seat he vacated.) Bolinas resident Grace Godino, who heads the council, echoed Phil Smith’s hopes for a speedy accord. “The goal is to come up with a document that could be turned into some sort of legal agreement,” she said. “I’m not quite sure how that would work, but we’d like to get it done by May.” This week, the district announced that its technicians have been responding to a record number of service calls—up 46 percent from this time last year. Staff have observed substantial populations of salt marsh and flood water mosquito species spawning quicker than usual in places like Tomales Bay and Bolinas Lagoon.

WATER AND POWER

Klamath Basin Agreement Opens Way To Restore River



ON BORROWED TIME Commissioned in 1918, the 20-MW Copco 1 Dam is the oldest of four Klamath River dams to be removed. The quartet produces about 1.5% of PacificCorp's power-generation capacity.

Removal of four dams on the Klamath River in California by 2020 will close the book on one of the most intractable issues in Western environmental management. On April 6, at the mouth of the river in Klamath, Calif., representatives of federal, state, agricultural and commercial stakeholders signed an agreement that resolves long-running disputes over water rights, clearing the way for one of the largest river-restoration efforts in the United States.

The dams—J.C. Boyle in Oregon and Copco I, Copco II and Iron Gate in California—were built between 1918 and 1962 and have an aggregate hydroelectric capacity of 168 MW, about 1.5% of the power-generation capacity of PacificCorp, the owner and operator of the plants, says spokesman Bob Gravely. “The power will be replaced with generation from the company’s other power plants or wholesale-market purchases,” he adds.

Two multiparty agreements in early 2010—the Klamath Basin Restoration Agreement (KBRA) and the Klamath Hydroelectric Settlement Agreement

(KHSA)—set the stage for this month’s agreement (ENR 3/1/10 p. 14). Members of the California and Oregon delegations introduced legislation in the past two Congresses to advance the KHSA and two related Klamath agreements, but Congress adjourned last year without authorizing them. The expiration of the KBRA last December caused uncertainty in moving forward with the KHSA and the Upper Klamath Basin Comprehensive Agreement, signed in 2014, forcing the stakeholders to find an alternative path to the goal.

In February, the states of Oregon and California, PacificCorp and the federal government agreed to amend the KHSA. “The amendments primarily shift the process for facilities removal from the responsibility of the Interior Dept. to the process administered by the Federal Energy Regulatory Commission (FERC)—the process that usually would govern decommissioning federally licensed dams,” says Gravely. The amended agreement, which was signed on April 6, focuses primarily on the dam-removal portion of the broader pact. The FERC process will use existing fund-

ing and will be on the same timeline.

“The Bureau of Reclamation has developed a cost estimate that shows the most likely cost being approximately \$292 million,” says an Interior Dept. spokeswoman. “This estimate was subjected to a rigorous analytical process and an independent peer-review process.” This estimate is “significantly under the combined \$450 million available for removal,” she adds. The public utility commissions in Oregon and California have approved customer surcharges to collect \$200 million for dam removal from PacificCorp, and \$250 million more is identified in a bond passed by California voters in 2014, Gravely explains. PacificCorp’s funds will be used before tapping California’s. Thus, if the Bureau of Reclamation estimate is correct, California will provide \$92 million of the total.

“The final decision on whether to remove dams will be with FERC,” says Nancy Vogel, spokeswoman for the California Natural Resources Agency. “The parties intend to file the settlement with FERC by July 1, 2016. The parties are asking FERC to approve this legal settlement, which includes the transfer of title from PacificCorp to a dam-removal entity known as the Klamath River Renewal Corp. FERC will undertake its normal process for evaluating dam removal.”

The dams “block steelhead and chinook salmon from reaching the southern Oregon Klamath Tribes that have depended upon the fish for thousands of years,” Vogel says. “By reopening 300 miles of spawning grounds, dam removal would help revitalize a salmon run crucial to tribes in California and the fishing industry along the entire West Coast.” The tribes hold water rights under treaties with the U.S. government. Ranchers and farmers also have legal rights to Klamath River water for irrigation. The tangle of claims became a major obstacle in 2002, when PacificCorp applied to renew the licenses for its four dams on the river, setting off the disputes that this month’s agreement aims to settle. ■

By Thomas F. Armistead