



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 May 15, 2012 – 7:30 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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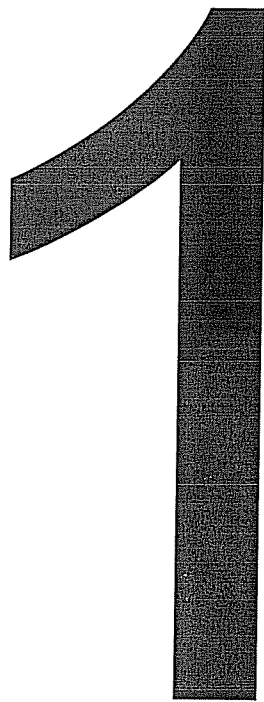
Est. Time	Item	Subject
7:30 p.m.	CALL TO ORDER	
	1. APPROVE MINUTES FROM REGULAR MEETING , May 1, 2012	
	2. GENERAL MANAGER'S REPORT	
	3. OPEN TIME: (Please observe a three-minute time limit)	
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4. STAFF/DIRECTORS REPORTS	
	5. MONTHLY PROGRESS REPORT	
		CONSENT CALENDAR
		The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
	6. Consent – Approve Notice of Completion for Recycled Water Expansion North Service Area Plum Street Tank Rehabilitation Project (Blastco)	
	7. Consent - Approve Annexation No. 11 to Paradise Ranch Estates (PRE-1) Improvement District, 12719 Sir Francis Drake Blvd., Inverness	
		ACTION CALENDAR
	8. Approve: Rate Increase Letter to West Marin Water Customers	
8:00 p.m.	INFORMATION ITEMS	
	9. Second Review – FY 2012/13 Proposed Novato Water Capital Equipment Budget	
	10. Second Review – Proposed FY 13 & FY 14 Novato Capital Improvement Projects Budget	
	11. Second Review – FY 2012/13 Proposed Novato Operations Budget	
	12. Second Review – FY 2012/13 Proposed Novato Recycled Water Operations Budget	
	13. Governor's Pension Reform Plan	

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.	NBWA Meeting - May 4, 2012
	15.	WAC/TAC Meeting - May 7, 2012
	16.	MISCELLANEOUS Disbursements AWWA Regulatory Advisory Russian River Coho Salmon Captive Broodstock Program Building Ribbon-Cutting Program Thank you letter from Marilan Amaroli Potter Valley Project Tour Eel River Tour VOMWD's 50 th Anniversary Invitation MMWD Bond Issue Notice <u>News Articles:</u> Sausalito man appointed to State Water Board Bubbly water for North Marin PD Editorial: Mark Bramfitt best fit in 1 st North Bay Water Reuse Program Awarded \$3.8 M in federal funding Novato man says he'll fight water district over bill
	17.	CLOSED SESSION: Conference with Real Property Negotiator (Chris DeGabriele) regarding North Marin Water District Lagunitas Creek Water Right (Government Code §54956.8)
9:00 p.m.	18.	ADJOURNMENT



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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 1, 2012

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Rick Fraithe, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Renee Roberts and Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Novato resident Ed Grundstrom, District employees Robert Clark (Operations/Maintenance Superintendent), and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

MINUTES

On motion of Director Baker, seconded by Director Schoonover and unanimously carried the Board approved the minutes from the previous meeting as presented.

GENERAL MANAGER'S REPORT

Coho Salmon Broodstock Program Building Ribbon-Cutting

Chris DeGabriele advised that he will attend the Coho Salmon Broodstock Program Building ribbon-cutting tomorrow at Lake Sonoma. He said that this is a combined project of the Corps of Engineers, Department of Fish & Game and the Sonoma County Water Agency. He described the purpose of the broodstock program as preventing coho salmon from disappearing from the Russian River watershed by growing population of native coho salmon and later planting them into the Russian River system.

Tour of Novato

Mr. DeGabriele stated that on Saturday, May 5, the District will have a display table at School Fuel's fundraiser, Tour of Novato, and will be staffed by the District's Water Conservation Department.

Mountain Bike Race at Stafford Lake Park

Mr. DeGabriele informed the Board that on Sunday, May 6, there will be a high school mountain bike race at Stafford Lake Park. He said that the County Parks Department personnel

1 coordinated with the District on sanitation facilities requirements and stated that the Stafford
2 Treatment Plant is not operating at this time.

3 ACWA Spring Conference

4 The General Manager stated that next Tuesday and Wednesday, May 8 and 9, he will be
5 attending the ACWA Spring Conference in Monterey and that Drew McIntyre will be Acting General
6 Manager.

7 Water Supply Update

8 Mr. DeGabriele provided an update on the water supply situation and stated that 16.3 inches
9 of rainfall were collected at Stafford Lake since October. He stated that Stafford Lake is at the low
10 end of the historical average - 2900 acre feet or 68% full. He reported that on the Russian River
11 both Lake Mendocino and Lake Sonoma are full and in good shape going into the summer.

12 **OPEN TIME**

13 President Petterle asked if anyone in the audience wished to bring up an item not on the
14 agenda and there was no response.

15 **STAFF / DIRECTORS' REPORTS**

16 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
17 and the following items were discussed:

18 California Coastal Commission Permit Status

19 Drew McIntyre informed the Board that the Senior Planner of the California Coastal
20 Commission (CCC) advised that CCC staff will be recommending a de minimis waiver for the Point
21 Reyes Well #3 Project Coastal Permit Application. He said that the CCC's expressed concern on
22 the project's wetlands impact, but the District has provided three follow-up reports on additional
23 investigations to answer the CCC's questions. He stated that he expects the project will be on the
24 CCC's June 13 agenda as a consent item; no discussion is expected. Mr. McIntyre advised that the
25 project is now out for bid; and by bid opening time, the Coastal Development Permit should be
26 issued.

27 North Bay Water Reuse Authority Workshop

28 Mr. McIntyre stated that he and Director Schoonover attended the North Bay Water Reuse
29 Authority workshop in Napa County wherein a two-hour presentation on the path forward for Phase
30 2 was given. He further stated that the workshop was structured around new members of the
31 NBWRA - City of Petaluma, American Canyon and Marin Municipal Water District. He advised that

1 although the District is not participating in Phase 2, it is still important to attend the meetings and
2 keep abreast of the project.

3 Director Schoonover added that the workshop provided information on the progress of
4 NBWRA's projects, future planning and funding.

5 Point Reyes Well #2

6 Robert Clark advised that during the last seven to ten days, air entrapment was noticed in
7 Point Reyes Well #2. He stated that the volume of micro-bubbles makes the water look milky;
8 however, there is no health issue, and the public will be notified. He said a full report will be
9 presented at the next meeting.

10 Meeting with Supervisor Arnold

11 Director Baker reported that he and other NBWRA participants on the trip to Washington,
12 DC will meet with Marin Supervisor Judy Arnold to report on the group's meeting with federal elected
13 officials and bureaucrats to advocate for continued funding of the NBWRA program.

14 **CONSENT CALENDAR**

15 On the motion of Director Fraites, seconded by Director Schoonover and unanimously
16 carried, the following items were approved on the consent calendar:

17 **TEXT FOR WATER LINE, VOLUME 13, ISSUE 27**

18 The Board authorized the General Manager to approve final text and design of the Spring
19 2012 Novato *Water Line*, Volume 13, Issue 27.

20 **TEXT FOR WEST MARIN'S WATER LINE, VOLUME 10**

21 The Board authorized the General Manager to approve text and design of the *Water Line*,
22 Volume 10 for West Marin.

23 **ACTION CALENDAR**

24 **APPROVE: 2011 CONSUMER CONFIDENCE REPORT - NOVATO**

25 Mr. DeGabriele advised that the Consumer Confidence Report for Novato had not been
26 returned from the printer in time to be included in the agenda packet and has now been made
27 available to the Directors. He said that the report states that water provided to Novato customers
28 met or surpassed all state and federal requirements. He requested that the Board direct their
29 comments or questions to him by Monday, May 7; the report will be mailed with the *WaterLine* to
30 save on postage.

1 On motion of Director Rodoni, seconded by Director Baker and unanimously carried, the
2 Board authorized the General Manager to approve final text and design for the 2011 Consumer
3 Confidence Report for Novato subject to comments received from the Board of Directors.

4 **APPROVE: 2011 CONSUMER CONFIDENCE REPORT - POINT REYES**

5 Mr. DeGabriele stated that the Point Reyes Consumer Confidence Report was not available
6 until this evening and requested Directors' comments be submitted to him no later than Monday,
7 May 7, 2012 and that the report will be mailed with the West Marin *WaterLine* to save on postage.

8 On motion of Director Fraites, seconded by Director Baker and unanimously carried, the
9 Board authorized the General Manager to approve final text and design for the 2011 Consumer
10 Confidence Report for Point Reyes water subject to comments received from the Board of Directors.

11 **APPROVE: SELECTION OF CPA FIRM TO PERFORM ANNUAL FINANCIAL AUDIT**

12 David Bentley reported that there were six responses to the District's request for proposals
13 sent to twenty CPA firms. He advised that Charles Z. Fedak & Company came in at the lowest rate.
14 He said that this company has been performing the District's audit for the past four years and that
15 their proposed cost of \$85,000 is reduced from their previous four-year contract of \$118,000. He
16 said that the reason for the reduction is that this firm will also be performing audits for Novato
17 Sanitary District and the Inverness Public Utilities District, therefore, lowering their travel expenses.
18 Mr. Bentley stated that traditionally, the District has always changed auditors every four years, and it
19 is the Board's prerogative to do so; however, Paul Kaymark of Charles Z. Fedak has done a good
20 job for the District, and the Accounting staff have a good working relationship with him. He further
21 stated that the Board will have an opportunity to review the firm's performance annually.

22 On motion of Director Schoonover and seconded by Director Fraites, the Board authorized
23 the Auditor-Controller to enter into an agreement with Charles Z. Fedak & Company to perform the
24 annual financial audit of the District for a four-year period subject to annual review for a fee not-to-
25 exceed \$20,600 for 2012, \$21,050 for 2013, \$21,500 for 2014 and \$21,950 for 2015.

26 **APPROVE: RECYCLED WATER NORTH SERVICE AREA - ON-SITE RETROFIT**
27 **CONSTRUCTION PROJECT (GROUP 1) - APPROVE BID ADVERTISEMENT**

28 Drew McIntyre stated that the on-site retrofit construction project is related to the Recycled
29 Water Expansion Project for the North Service Area. He said that seven customers will have their
30 current potable water for irrigation converted to recycled water with on-site retrofits designed by
31 Hydrosience Engineers per state regulations and NMWD standards. He advised that the cost is
32 approximately \$200,000 and is included in the proposed Recycled Water budget for FY 12-13. Mr.
33 McIntyre reviewed the tentative schedule including the bid advertisement which, if approved by the

1 Board, will be May 11, 2012 and shows construction completion in September 2012 which is aligned
2 with American Recovery and Reinvestment Act (ARRA) requirements. Group 1 includes Valley
3 Memorial Park Cemetery, Green Point Nursery, Tranquility Home Owner Association, Novato
4 Unified School District on Olive Avenue, Redwood Crossroads Offices, Wood Hollow Office Building
5 and Fireman's Fund.

6 On motion of Director Fraites and seconded by Director Schoonover and unanimously
7 carried, the Board authorized the bid advertisement of the Recycled Water North Service Area On-
8 Site Retrofit Construction Project (Group 1).

9 **APPROVE: LEVERONI CREEK BANK REPAIR PROJECT - APPROVE BID ADVERTISEMENT**

10 Mr. McIntyre stated that this project was presented to the Board last spring with plans to
11 perform the work during summer months when the Leveroni Creek bed was dry. He further stated
12 that the wet conditions in spring 2011 prevented construction last summer. He said that staff feels
13 confident that the current dry weather pattern will allow the project to move forward and it is
14 appropriate to advertise the job now. Mr. McIntyre stated that the permits are in place and allows for
15 a construction period between July 1 and October 15 when the creek bed is dry. He said it is
16 important to bid the project now to lock in with contractors who will most likely be bidding other work
17 during this time.

18 On motion of Director Fraites and seconded by Director Schoonover, the Board authorized
19 bid advertisement of the Leveroni Creek Bank Repair Project by the following vote:

20 AYES: Directors Fraites, Petterle, Rodoni, Schoonover

21 NOES: None

22 ABSENT: None

23 ABSTAIN: Director Baker

24 **INFORMATION ITEMS**

25 **INITIAL REVIEW – NOVATO WATER OPERATIONS BUDGET**

26 Mr. Bentley reviewed the highlights of the FY 12/13 Novato Water Operations Budget and
27 advised that this is the first of three reviews. He said that the budget projects a surplus for FY 12/13
28 of \$185,000 compared to the FY 11/12 budgeted deficit of \$583,000, and that the 11% water rate
29 increase effective June 1 will add \$1.5M in revenue. He reported that 2.7BG in water sales are
30 budgeted, slightly below 2.8BG anticipated for this fiscal year; and connection fees are budgeted at
31 30 EDUs in concert with the District's five-year financial plan. Mr. Bentley informed the Board that
32 the wheeling charge rate to Marin Municipal Water District is budgeted to quadruple; and, although

1 negotiations have not yet commenced, \$40 per acre foot has been incorporated into MMWD's FY 13
2 budget.

3 Mr. Bentley stated that a \$1.5M loan will be repaid to Novato Water from the Recycled
4 Water operation as grant and loan money come in.

5 Mr. Bentley stated that expenditures are budgeted to increase 2% over the current year's
6 budget most having to do with additional purchased water from Sonoma County Water Agency. He
7 said that the amount of projected water produced at Stafford Treatment Plant has been reduced to
8 750MG for next year and will increase the amount of purchased water from SCWA; SCWA rates will
9 increase 4%. He advised that staffing for FY 12/13 has been budgeted for 50.5 FTE versus the
10 current 51.5 FTE due to two employees' planned retirement half way through the Fiscal Year 12/13.

11 Mr. Bentley said that the Board will have an opportunity to review this proposed budget on
12 May 15.

13 **INITIAL REVIEW – RECYCLED WATER SYSTEM BUDGET**

14 Mr. Bentley said that Recycled Water System Budget for FY 12/13 is for \$7.8M the majority
15 of which is for the continuing Recycled Water Expansion Project. He said the budget projects 62
16 MG of recycled water to be sold compared to 50 MG budgeted this year; fourteen new accounts are
17 projected to come on-line by the end of FY 12/13 with seven sites coming on-line by September 28.
18 He said that operating expenses are budgeted to increase 60% due to start-up costs and
19 purchasing water from Novato Sanitary District and Las Gallinas Valley Sanitary District. Mr. Bentley
20 stated that the Deer Island recycled water plant will be operated until late summer and then
21 transition to purchased water in September; and although the prices have not yet been settled,
22 \$1,500 per million gallons is being budgeted. He stressed how important it is to tie down the rates
23 for the financial viability of the recycled water operation. He said that the major part of the budget is
24 paying back \$5.7M for expansion of the north and south service areas and paying back \$1.5M to
25 Novato for this year's expansion.

26 Director Baker commented that all the new recycled water customers are currently domestic
27 water customers and that once they are connected to recycled water there will be less domestic
28 revenue.

29 Mr. Bentley agreed and said that only approximately 12MG of potable water will be offset by
30 recycled water which is not a significant percentage of water sales and that it will free up potable
31 water use and increase supply.

32 Director Rodoni asked for confirmation that the recycled water commodity rate increase of
33 7% matches up with the potable water commodity rate increases; and also inquired if there was a

1 fixed cost increase. Mr. Bentley confirmed the increase in both the commodity rate and fixed cost
2 and added that for large users of water, the fixed cost is a relatively minor part of the water bill -
3 most will see an increase in the fixed cost of approximately 7%.

4 Director Rodoni stated that he is concerned that all customers will receive an equal
5 increase. Mr. Bentley said that potable water customers would see the same increase and the
6 percentage increase depends on the volume of water each customer uses.

7 Mr. DeGabriele said that there has to be some incentive to take recycled water and that
8 incentive is that it costs no more than potable water and avoids the seasonal rate.

9 **PRE TANK 2 RETAINING WALL REPLACEMENT**

10 Doug Moore presented "before" and "after" photos and information on the PRE Tank 2
11 retaining wall replacement project.

12 **QUARTERLY PROGRESS REPORT – OPERATIONS/MAINTENANCE**

13 Robert Clark provided a third quarter progress report for the Operations/Maintenance
14 Department and said that staff focused mostly on the maintenance of the Stafford Treatment Plant
15 and distribution system including rebuilding the Centrysis unit. He said that staff also concentrated
16 on the Cross Connection Control Program. He said that Eric Kurfirst, Cross Connection Control
17 Technician, has done a good job in recognizing changes in the industry and bringing District
18 regulations up to speed. He said that Regulation 6, Cross Connection and Backflow Protection for
19 Potable Water Service, will be revised and will be brought to the Board in a month or two for
20 approval. Mr. Clark said that in West Marin, SCADA upgrades were finished and that this winter
21 storm season there were no power outages in the West Marin area. He said that the annual
22 infiltration and intrusion inspection for the Oceana Marin Sewer System was performed and
23 concluded I&I of the entire system. He said that two large intrusions were found and their repair will
24 be budgeted for next year. Mr. Clark reported that freeboard levels in the storage and treatment
25 ponds are in good shape.

26 Director Rodoni asked if there are any issues with Phillips and Associates performance in
27 Oceana Marin.

28 Mr. Clark responded that there are minor issues primarily with clean-up after their
29 maintenance tasks. He said that he had contacted Phillips and Associates management to set up a
30 meeting to talk about District expectations for system maintenance and clean up.

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1 **QUARTERLY PROGRESS REPORT - ENGINEERING**

2 Drew McIntyre provided the third quarter highlights for the Engineering Department. He said
3 that expenditures in the Novato Water System are below budget because actual expenses for the
4 Aqueduct Energy Efficiency Project (AEEP) were not as expected - \$2M will not be spent this year.
5 He said the Cal Trans B1 project is being advertised this spring so more expenses on the AEEP are
6 expected next year.

7 Mr. McIntyre said that the Recycled Water System expenses are higher than budgeted
8 primarily because more work was completed this quarter than expected. He pointed out that the
9 total project cost has not changed.

10 Mr. McIntyre said West Marin budget expenditures will not be met due to slowing down on
11 the Point Reyes Solids Handling project and not moving forward with the Oceana Marin Sewer Line
12 Rehab project.

13 The Chief Engineer said that there are three projects that will exceed budget and there are
14 four new projects that have been added since the mid-year report: two PB replacements predicated
15 by City of Novato paving projects, the Stafford Treatment Plant Solar Energy Project, and small
16 expenditures for yard/office furniture improvements. He said that labor expenditures have been on
17 track for District work and developer work is approximately 20% of budget.

18 **QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

19 Mr. McIntyre stated that the total numbers are still lower than seen historically in all Water
20 Conservation Program elements reflecting the slowdown in new development and the economy. He
21 said that there will be Prop 84 grant funds that will allow a future increase in the rebate amounts. He
22 advised that there will be more public outreach beginning this spring including the Tour of Novato,
23 Bay Friendly Garden Tour and a drip irrigation seminar and workshop in partnership with Urban
24 Farmer.

25 **NORTH BAY WATERSHED ASSOCIATION - MAY 4, 2012**

26 Mr. DeGabriele announced that the North Bay Watershed Association meeting is scheduled
27 for Friday, May 4th.

28 **MISCELLANEOUS**

29 The Board received the following miscellaneous information: Disbursements and Program
30 from MMWD 100 year Anniversary Celebration.

31 President Petterle adjourned the meeting at 8:28 p.m.

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Submitted by

Renee Roberts
District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR April 2012
 May 15, 2012

1.

Month	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	12 vs 11 %
July	371	379	360	419	417	-2%
August	373	368	367	417	416	1%
September	347	358	335	393	374	-3%
October	249	278	233	313	268	-10%
November	183	164	176	173	208	12%
December	156	141	149	143	164	11%
January	178	146	140	107*	156	22%
February	147	134	124	136	142	10%
March	156	151	152	150	206	4%
April	168	194	164	227	309	-13%
FYTD Total	2,329	2,313	2,200	2,479	2,659	1%

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

Month	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	12 vs 11 %
July	9.2	9.9	10.0	11.8	11.5	-7%
August	9.4	9.9	10.6	11.9	11.5	-5%
September	8.7	9.2	9.6	10.2	9.8	-5%
October	6.5	7.8	6.9	9.8	7.4	-16%
November	5.1	4.9	5.6	7.2	6.9	4%
December	4.9	4.8	4.5	6.9	5.8	3%
January	4.8	4.3	4.2	6.4	7.1	10%
February	4.5	3.9	3.9	5.5	4.6	14%
March	4.4	5.6	5.7	5.6	6.1	-21%
April	5.4	4.9	4.3	6.4	7.9	11%
FYTD Total	63.0	65.3	65.1	81.7	78.5	-3%

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

Month	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	12 vs 11 %
July	115	109	152	131	131	6%
August	126	108	150	128	121	17%
September	77	112	155	117	106	-32%
October	113	111	80	81	75	2%
November	106	95	0	0	30	11%
December	49	0	0	0	11	-
January	0	0	0	0	0	-
February	0	0	0	0	0	-
March	0	52	32	0	0	-
April	0	98	36	0	64	-
FYTD Total	586	686	604	458	537	-15%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	12 vs 11 %
July	11.0	11.9	12.0	13.6	13.4	-8%
August	12.2	11.2	12.9	13.6	12.7	9%
September	9.6	9.5	10.2	10.9	9.4	1%
October	0.0	2.6	2.6	6.4	2.7	-
November	0.0	0.0	0.0	0.0	0.0	-
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	0.0	-
March	0.0	0.0	0.0	0.0	0.1	-
April	2.5	0.0	0.0	8.8	2.1	-
FYTD Total	35.3	35.2	37.7	53.3	40.5	0%

2. Stafford Lake Data

	April Normal	April 2011	April 2012
Rainfall this month	1.7 Inches	0.35 Inches	1.23 Inches
Rainfall this FY to date	27.8 Inches	29.4 Inches	17.14 Inches
Lake elevation*	196 Feet	195.4 Feet	189.4 Feet
Lake storage**	1,395 MG	1,349 MG	947 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
April 2011	40	85	56
April 2012 (STP)	39	95	59
April 2012 (Novato)	35	95	63

3. Number of Services

April 30	Novato Water			Recycled Water			West Marin Wtr			Oceana Marin Swr		
	FY12	FY11	Incr %	FY12	FY11	Incr %	FY12	FY11	Incr %	FY12	FY11	Incr %
Total meters installed	20,746	20,737	0.0%	2	3	-33%	820	816	0.5%	-	-	-
Total meters active	20,481	20,464	0.1%	2	3	-33%	776	770	0.8%	-	-	-
Active dwelling units	23,929	23,858	0.3%	0	0	-	806	803	0.4%	227	227	0.0%

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4. Oceana Marin Monthly Status Report (April)

Description	FY 10-11	FY 11-12
Effluent Flow Volume (MG)	554,622	620,010
Irrigation Field Discharge (MG)	841,650	0
Treatment Pond Freeboard (ft)	3.2	3.0
Storage Pond Freeboard (ft)	3.0	2.9

5. Developer Projects Status Report (April)

Job No.	Project	% Complete	% This month
2743	Warner Creek Senior Housing	99	4

District Projects Status Report - Const Dept (April)

Job No.	Project	% Complete	% This month
8716.08	City Paving Coordination	82	8
7123.06	PB Replacements - Cavalla Cay	100	10
8677.18	Flushing Taps at Zone Valves	75	25

Employee Hours to Date, FY 11/12

As of Pay Period Ending April 30, 2012

Percent of Fiscal Year Passed = 82%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,453	1,800	81	Construction	3,285	4,944	63
Engineering	820	1,393	59	Engineering	4,421	5,564	79

6. Safety/Liability

	Industrial Injury with Lost Time			Liability Claims Paid		
	Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
FY through April 12	17	7,208	1	1	2	2,994
FY through April 11	8	3,024	2	2	5	15,245

Days without a lost time accident through April 30, 2012 = 108 days

7. Energy Cost

FYE		March			Fiscal Year-to-Date thru March		
		Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2012	Stafford TP	26,125	14.0¢	\$62	621,338	15.4¢	\$317
	Pumping	53,409	16.3¢	\$299	1,064,021	14.7¢	\$565
	Other*	32,212	17.2¢	\$185	343,991	19.0¢	\$229
		111,746	16.0¢	\$526	2,029,350	15.7¢	\$1,099
2011	Stafford TP	50,434	14.5¢	\$252	627,479	15.8¢	\$362
	Pumping	83,457	15.3¢	\$411	1,060,880	14.6¢	\$534
	Other*	35,043	17.8¢	\$208	354,332	19.1¢	\$247
		168,934	15.6¢	\$973	2,042,691	15.7¢	\$1,144
2010	Stafford TP	10	-	-	567,971	15.8¢	\$324
	Pumping	62,531	15.2¢	\$329	960,818	15.0¢	\$515
	Other*	34,940	16.9¢	\$197	357,054	18.4¢	\$242
		97,481	15.9¢	\$618	1,885,843	15.9¢	\$1,066

*Other includes West Marin Facilities

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8. Water Conservation Update (April)

	Month of April 2012	FY to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$150 each)	27	207	2393
Retrofit Certificates Filed	21	111	4394
Cash for Grass Rebates Paid Out	2	35	484
Washing Machine Rebates	14	259	5846
Water Smart Home Survey	11	222	1189

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2012

Prepared: 05/08/12

<u>Type</u>	<u>Apr-12</u>	<u>Apr-11</u>	<u>Action Taken April 2012</u>
<u>Consumers' System Problems</u>			
Consumer Service Line Leaks	18	17	Notified Customer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	8	9	Turned Back On
Nothing Found	9	5	Notified Customer
Low Pressure	0	1	~
High Pressure	3	0	Pressure at 108 PSI. PRV needs to be replaced. Pressure is good @ 60 PSI. Pressure is good @ 50 PSI.
Water Waster Complaints	0	0	~
Total	38	32	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	0	3	~
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	3	2	Replaced
Water Off/On Due To Repairs	4	3	Notified Customer
Misc. Field Investigation	2	0	Notified Customer
Total	9	8	
<u>Leak Complaints</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	17	11	Repaired
Services-Nothing Found	3	4	Notified Customer
Service-Damaged	0	0	~
Fire Hydrant-Leak	3	2	Repaired
Fire Hydrants-Nothing Found	0	1	~
Fire Hydrants-Damaged	0	1	~
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	12	11	Replaced
Total	35	30	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2012

Prepared: 05/08/12

Type	Apr-12	Apr-11	Action Taken April 2012
<u>High Bill Complaints</u>			
Consumer Leaks	5	5	Notified Customer
Meter Testing	0	0	~
Meter Misread	0	1	~
Nothing Found	6	8	Notified Customer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	11	14	
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	1	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	1	
<u>Water Quality Complaints</u>			
Taste and Odor	1	3	Customer reported bad odor in the water. (3rd St) No odor detected in the water at the time of sampling. All results normal. Customer was notified of results.
Color	0	0	~
Turbidity	0	2	~
Suspended Solids	0	1	~
Other	1	2	Customer requested chlorine levels in water. (Pelican Ln) Chlorine level normal for Novato. Customer was notified of results.
Total	2	8	
	95	93	2%
<u>Fiscal YTD Summary</u>			
Consumer's System Problems	339	280	21% Increase In Consumer Line Leaks
Service Repair Report	88	140	-37% Decrease In Replaced Box & Lid
Leak Complaints	252	241	5% Increase In Service Leaks
High Bill Complaints	327	435	-25% Decrease In Nothing Found
Low Bills	8	8	0% ~
Water Quality Complaints	43	55	-22% Decrease In Color
Total	1,057	1,159	-9%

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2012

Prepared: 05/08/12

<u>Type</u>	<u>Apr-12</u>	<u>Apr-11</u>	<u>Action Taken April 2012</u>
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	207	238	
<u>Change Meter:</u> leaks, hard to read	19	12	
<u>Possible Stuck Meter</u>	5	9	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	13	39	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	92	114	
<u>Dig Outs</u>	173	166	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc.	0	0	
<u>Misc:</u> locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0	
	509	578	

Bill Adjustments Under Board Policy:

April 12 vs. April 11

Apr-12	17	\$3,237
Apr-11	11	\$880

Fiscal Year to Date vs. Prior FYTD

11/12 FYTD	269	\$60,292
10/11 FYTD	256	\$69,270

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MEMORANDUM

To: Board of Directors

May 11, 2012

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for April 2012

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$12,422,452 (which includes an \$8 million loan from Bank of Marin acquired in October to pay for the Aqueduct Energy Efficiency Project) and a market value of \$12,441,255. During April the cash balance increased by \$120,482, due to receipt of \$179,000 in SRF Loan monies and \$327,444 in ARRA Grant proceeds received toward expansion of the District's Recycled Water System. For the fiscal year, the cash balance increased \$8,048,481. The market value of securities held decreased by \$188 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$7,119,371 unexpended balance of the Bank of Marin loan, stood at 44%, up 1% from the prior month. This compares to the District's target ratio of 90%, or \$11 million.

At April 30, 2012, 87% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), and 8% in a Time Certificate of Deposit placed in a Novato bank. The weighted average maturity for the portfolio was 33 days, compared to 36 days at the end of last month. The LAIF interest rate for the month was 0.37%, compared to 0.38% the previous month. The weighted average Portfolio rate was 0.41%, compared to 0.44% in the previous month. The District earned \$13,186 in interest revenue during April with 60% earned by Novato Water and the balance distributed to the other improvement districts.

State Controller John Chiang's April report on California's financial position stated:

"The task of crafting a credibly-balanced budget has been made more difficult by a nine-month revenue shortfall of \$3.5 billion. Without a timely, financeable budget plan, the State will be unable to access the working capital needed to pay its bills later this year.

The State ended last fiscal year with a deficit of \$8.2 billion. The combined current-year cash deficit stands at \$19.2 billion. Those deficits are being covered with \$12.8 billion of internal borrowing (temporary loans from special funds) and \$6.4 billion of external borrowing."

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
April 30, 2012**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	4/30/2012 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$10,830,028	\$10,847,919	0.37% ³	87%
Time Certificate of Deposit								
TCD	Bank of Marin	n/a	6/3/11	6/3/13	\$1,000,000	\$1,000,000	1.00%	8%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$282,555	\$282,555	0.45%	2%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	11,213	12,126	5.00%	0%
Other	Various	n/a	Various	Open	298,656	298,656	0.00%	2%
TOTAL IN PORTFOLIO					\$12,422,452	\$12,441,255	0.41%	100%

Weighted Avg. Maturity = **33 Days**

LAIF: State of California Local Agency Investment Fund.

Agency: West Marin General Obligation Bond Fund tax receipts & STP State Revolving Fund Loan Reserve.

Bond: Annual \$4,113 payment is paid by tax levy on Olema residents.

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending April 30, 2012.

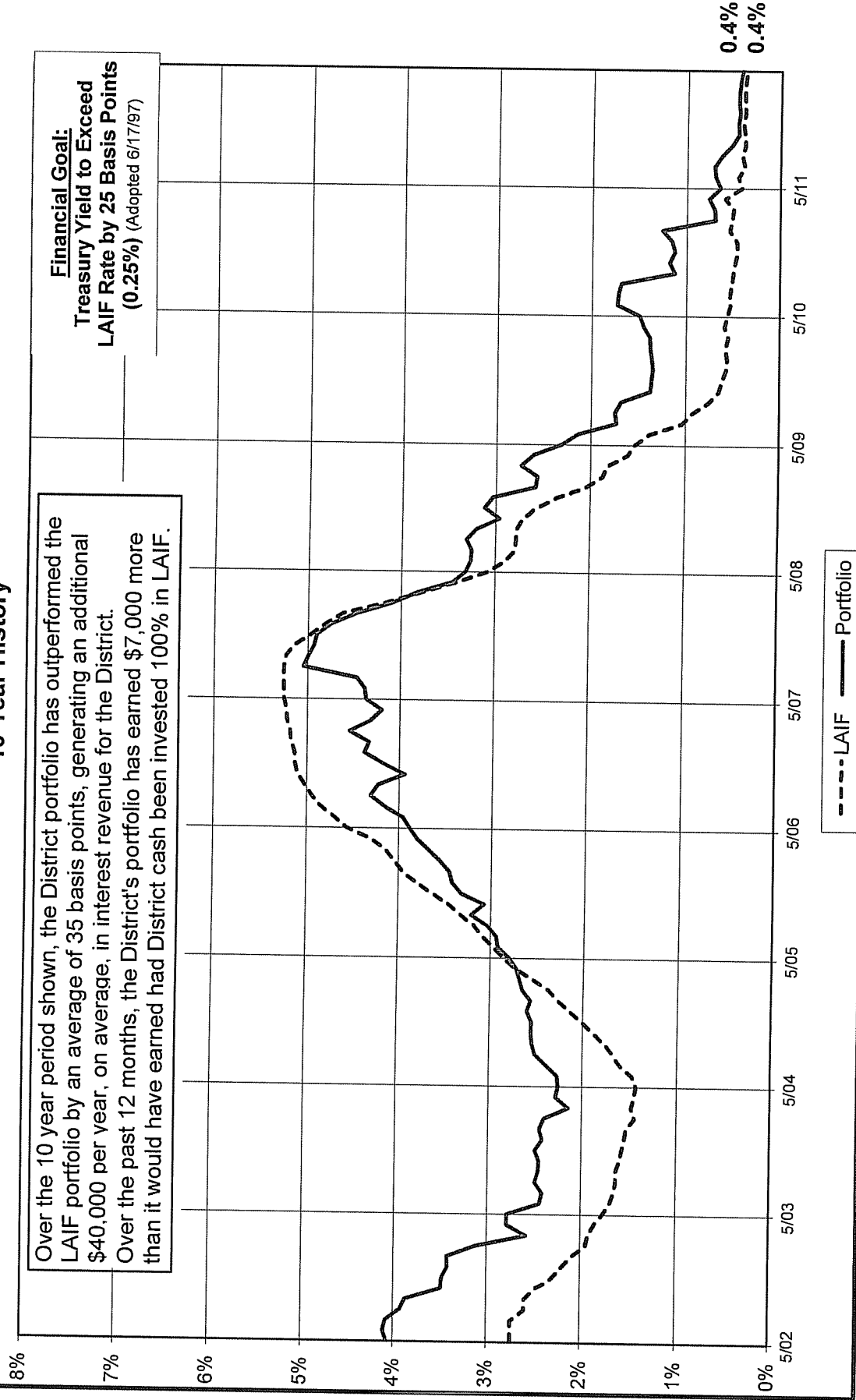
Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Black Point Partners-BPGL	6/30/06	2/28/24	\$3,612,640	\$2,557,378	2.40%
Employee Housing Loans (8)	Various	Various	1,441,785	1,441,785	Contingent
Employee Computer Loans (8)	Various	Various	13,300	7,169	1.22% (avg)
TOTAL INTEREST BEARING LOANS			\$5,067,725	\$4,006,332	

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

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

Over the 10 year period shown, the District portfolio has outperformed the LAIF portfolio by an average of 35 basis points, generating an additional \$40,000 per year, on average, in interest revenue for the District.
Over the past 12 months, the District's portfolio has earned \$7,000 more than it would have earned had District cash been invested 100% in LAIF.

Financial Goal:
Treasury Yield to Exceed
LAIF Rate by 25 Basis Points
(0.25%) (Adopted 6/17/97)



--- LAIF — Portfolio

6

MEMORANDUM

To: Board of Directors May 11, 2012
From: Drew McIntyre, Chief Engineer
Carmela Chandrasekera, Associate Engineer *McIntyre*
Subject: Notice of Completion for Recycled Water Expansion North Service Area
Plum Street Tank Rehabilitation Project (Blastco Inc.)
R:\Folders by Job No\6000 jobs\6055\BOD memos\6055.14 Plum Tank Notice of Completion BOD memo.doc

RECOMMENDED ACTION: Authorize the General Manager to execute and file a Notice of Completion for the Recycled Water Expansion North Service Area Plum Street Tank Rehabilitation project.

FINANCIAL IMPACT: None

Pursuant to and in conformance with contract requirements for the Recycled Water Expansion North Service Area Plum Street Tank Rehabilitation project (Plum Tank), the contractor (Blastco, Inc.) has fulfilled their obligations under the contract. Corrections of all work deficiencies and punch list items have been completed. All work performed by Blastco, Inc. (Blastco) has been inspected by District staff and the construction manager (The Covello Group). The developer of the Rudnick Estates project has confirmed that they do not have any issues that will hold Blastco responsible in using the access road through their development. Blastco's work was completed on March 27, 2012.

Per the Contract Documents, Blastco has furnished written notice that the work is complete and that all subcontractors and equipment suppliers have been paid (**see Attachment A**). Blastco has released the District of all claims. A Notice of Completion is provided as **Attachment B** which, if approved, will be filed with Marin County on May 16, 2012. Final payment (for monies held in retention) in the amount of \$56,274 will be processed for release, on June 20, 2012 subject to absence of any claims filed during the 30-day notice period.

Project Cost Summary

The Board approved the award of the contract with Blastco for \$380,380 for rehabilitation of the Plum Tank Project with a contingency of \$20,000 (5% of contract value). The net change orders amounted to \$18,771 (4.9% of the contract amount) with additive change orders for \$21,411 and a deductive change order for \$2,640. Total payment to Blastco will be \$562,740 (includes Crest No. 1 Interior Re-Coat cost of \$163,589 approved by the Board on October 4, 2011). The final project cost summary as of April 10, 2012 was provided at the board meeting on April 17, 2012 when the board approved the last additive change order.

RECOMMENDATION

Authorize the General Manager to execute and file a Notice of Completion for the Recycled Water Expansion North Service Area - Plum Street Tank Rehabilitation project.

Approved by GM *CD*

CONDITIONAL WAIVER
RELEASE AND CERTIFICATE OF FINAL PAYMENT

TO: North Marin Water District (District)

JOB: 5 6055.14

CONTRACT DATED: Aug 25, 2011

CONTRACTOR:

Blastco, Inc.
11905 Regent View Ave.
Downey, CA 90241

DESCRIPTION OF PROJECT: Surface preparation and complete recoating of interior and exterior surfaces and associated rehabilitation work on the District's 60' diameter, 25' tall, 500,000 gallon capacity welded steel finished water storage tank in Novato, CA. Associated rehabilitation work includes but is not limited to installation of a spiral stairway security enclosure, inside ladder and platform, shell manway, roof hatch, sample tap, inlet/outlet pipe modifications, screen replacement, cathodic protection system and other project components and appurtenances.

DESCRIPTION OF SITE (LOCATION): Tank located at the Northern end of Zandra Place (cross-street is Plum St), Novato, CA.

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

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

In consideration of the sum of \$56,274.05, as final payment under the contract to be received hereafter within a reasonable time, the undersigned, upon receipt of such final payment, waives and releases and forever discharges the District and the site and property from all claims, stop notices and obligations of every nature arising out of or in connection with the performance of said contract by the undersigned and all amendments thereto except as set forth below.

1. NONE

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

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

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

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

(Note: At the time of the 1st year anniversary inspection in accordance with Section 8.10 of NMWD Specification T-4, Contractor shall also perform the testing, adjusting, placing in service, and training of the Cathodic Protection system per Specification Section 13700-3.05 & 3.06. This agreement has been made between the District and the Contractor at the recommendation of the Cathodic Protection System Manufacturer/Installer.)

Executed this _____ day of _____ 20 _____

Please attach appropriate
notarial certificate

Blastco, Inc.

(Name of Contractor)
Sergio
By: _____
A Flores
Title: _____

Digitally signed by Sergio A Flores
DN: cn=Sergio A Flores,
o=Blastco, Inc., ou,
email=Sergio.Flores@fwar
net.com, c=US
Date: 2012.05.09 20:15:53
-0700'

Distribution:
Original Contractor
Copy Job File
Z:\Folders by Job No\16000\jobs\6055\Segment 4\CONSTRUCTION\Plum SI CONDITIONAL WAIVER CERT_FINAL PAYMENT.doc

Recording requested by:

NORTH MARIN WATER DISTRICT

When Recorded Mail To:

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

NORTH MARIN WATER DISTRICT
NOVATO, CALIFORNIA

NOTICE OF COMPLETION

To: Marin County Recorder
4186 Civic Center
San Rafael, CA 94913

Date: May 16, 2012

File No. 5 6055.14

Date of Completion: March 22, 2012

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

OWNER'S ESTATE OR INTEREST:

Easement _____ Fee Title X Encroachment Permit _____
Other (describe) _____

CONTRACTOR:

Blastco, Inc.
11905 Regent View Ave.
Downey CA, 90241

TITLE OF PROJECT: Recycled Water North Expansion North Service Area Plum Street Tank

DESCRIPTION OF PROJECT: The work of this Project includes surface preparation and complete recoating of interior and exterior surfaces and associated rehabilitation work on the District's 60' diameter, 25' tall, 500,000 gallon capacity welded steel finished water storage tank in Novato, California. Associated rehabilitation work includes but is not limited to installation of a spiral stair and stairway security enclosure, inside ladder and platform, shell manway, roof hatch, sample tap, inlet/outlet pipe modifications, screen replacement, cathodic protection system and other project components and appurtenances.

DESCRIPTION OF SITE (LOCATION): The project location is on northern end of Zandra Place (cross-street Plum Street) in Novato, CA.

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

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

Chris DeGabriele, General Manager

SIGNATURE MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

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

7

MEMORANDUM

May 11, 2012

To: Board of Directors

From: Drew McIntyre, Chief Engineer 

Subject: Annexation No. 11 to Paradise Ranch Estates (PRE-1) Improvement District,
APN 114-071-01, 12719 Sir Francis Drake Blvd. Inverness, CA

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RECOMMENDED ACTION: The Board approve the annexation

FINANCIAL IMPACT: None

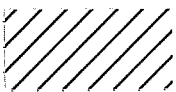
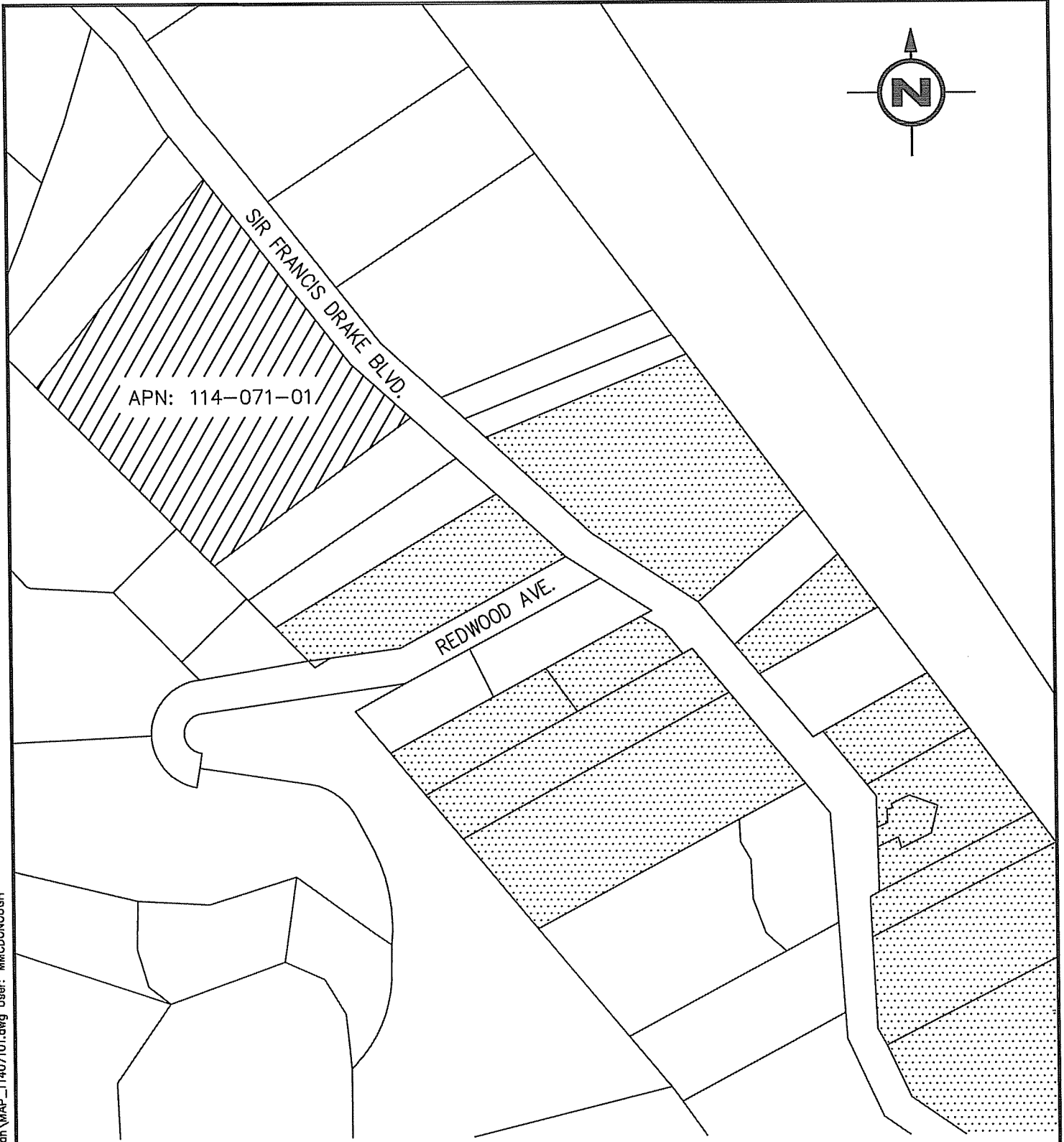
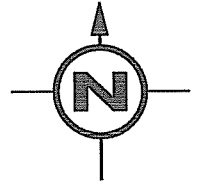
On April 17, 2012, the District's Board of Directors declared intent to proceed with the above annexation and provide service to the above parcels subject to Marin County permit approval and compliance with District's regulations including receipt of an application and payment of all charges for annexation and service. The subject parcel fronts Sir Francis Drake Blvd. in Inverness Park (see attached map).

Staff has notified Inverness Public Utility District (IPUD) of the District's proposed annexation of this property into the North Marin Water District PRE-1 Improvement District. The owners have signed the Annexation Application and Consent (Attachment 1), and paid all required fees for annexation (\$722.59 annexation fee plus \$5,000 advance) into the Improvement District. Adoption of the attached resolution (Attachment 2) will finalize the Improvement District annexation.

RECOMMENDATION

That the Board approve annexation.

Approved by GM CD
Date 5/11/2012



PROPOSED ANNEXATION



PREVIOUSLY ANNEXED
NEARBY PARCELS

SIR FRANCIS DRAKE BLVD.
ANNEXATION NO. 10
APN: 114-071-10

DATE	SCALE	JOB.NO.	DWG.NO.
4/20/12	NTS	2.2767	MAP

NORTH MARIN WATER DISTRICT
999 RUSH CREEK PLACE P. O. BOX 146
NOVATO, CALIFORNIA 94948-0146
TELEPHONE: (415) 897-4133

ANNEXATION APPLICATION AND CONSENT

1. The undersigned hereby makes application for annexation of the following described property situated in the County of Marin, State of California, to Improvement District No. PRE-1 of North Marin Water District.

PARCEL NO.	PROPERTY OWNER	ADDRESS
114-071-01	Peter and Marijke Donat	12719 Sir Francis Drake Blvd. Inverness, CA 94937

The total area to be annexed, hereinafter referred to as the "territory" is further described by the boundary description of said annexation attached hereto and marked Exhibit "A".

2. In accordance with District rules and regulations, property owners have submitted an annexation fee in the amount of \$722.59 to cover the District's estimated cost of processing said annexation.

3. The undersigned understands that the purpose of this application is to consent to said annexation of the above described property into said improvement district and that the District may combine this property with other properties to be annexed.

4. The undersigned being all of the owners of all the lands described above proposed to be annexed, hereby gives, his, her, its or their written consent to the annexation of said land to Improvement District No. PRE-1 of North Marin Water District, Marin County, California, on the following terms and conditions:

Upon and after the effective date of said annexation, the territory, all inhabitants within such territory, and all persons entitled to vote by reason of residing or owning land within the territory shall be subject to the jurisdictions of Improvement District No. PRE-1 shall have the same rights and duties as if the territory had been a part of Improvement District No. PRE-1 upon their original formations; shall be subject to the levying or fixing the collection of any and all taxes, assessments, service charges, connection charges, or rates as may be necessary to provide for water service and/or availability of water service; and shall be subject to all of the rates, rules, regulations and ordinances of Improvement District No. PRE-1, as now or hereinafter amended.

5. The undersigned hereby consents to the approval of such annexation without notice or hearing by the Board of Directors of North Marin

Water District of Marin County, California and without an election, all in accordance with Section 32522 of the Water Code of the State of California.

DATE OF SIGNING

PROPERTY OWNER'S SIGNATURES

April 30, 2012

Peter Donat
Peter Donat

April 30, 2012

Marijke Donat a.k.a. Marijke Ds.
Marijke Donat

RECEIVED
MAY 01 2012
North Marin Water District

NORTH MARIN WATER DISTRICT
ANNEXATION NO. 11
TO
IMPROVEMENT DISTRICT NO. PRE-1

THAT CERTAIN real property situated in the County of Marin, State of California, designated as Marin County Assessor's Parcel Number 114-071-01 further described as follows:

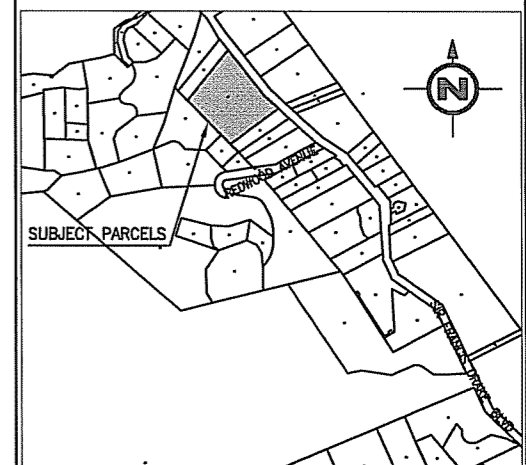
Beginning at the northerly corner of that certain parcel of land conveyed to Peter Donat and Maria C. Donat, Trustees of the Donat 2003 Trust by Individual Grant Deed Trust Transfer recorded June 5, 2003 as Recorder's Document No. 2003-0066476, Marin County Records;

Thence along the boundary of said parcel as shown on that certain Record of Survey filed in Book 2011 of Maps at page 114, Marin County Records the following courses and distances:



1. South 38° 53' 46" East 422.64 feet;
2. South 48° 17' 12" East 140.06 feet;
3. South 53° 38' 47" West 447.57 feet;
4. North 44° 35' 05" West 444.35 feet;
5. North 39° 11' 27" East 478.63 feet to the point of beginning.

Containing approximately 5.17 acres.

This parcel lies within the Rancho Punta De Los Reyes.



VICINITY MAP
NOT TO SCALE

- LEGEND**
-  SUBJECT ANNEXATION 11
5.17 ACRES MORE OR LESS.
 -  PARCELS PREVIOUSLY ANNEXED
TO NMWD PRE-1.

NOTE:
1. AREA LIES WITHIN RANCHO PUNTA DE LOS REYES.

NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
ANNEXATION No. 11 TO IMPROVEMENT DISTRICT PRE-1 OF NORTH MARIN WATER DISTRICT				
DES	DR	CH	SCALE	: 1"=60'-0"
CC	AC	DM	DATE	: 5/2/12
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1 OF 1 SHEETS
R.E. C40936			SERVICE AREA	2
			JOB NO.	2767
				NO.001

May 11, 2012 - 1:15pm R:\Magon\2767 Annexation 11.dwg User: MMCDONOUGH

RESOLUTION NO. 12-
RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER
DISTRICT ORDERING THE ANNEXATION NO. 11 OF TERRITORY WITHIN SAID
DISTRICT TO IMPROVEMENT DISTRICT NO. PRE-1 OF SAID DISTRICT

BE IT RESOLVED by the Board of Directors of North Marin Water District as follows:

Section 1. This Board of Directors hereby finds, determines and declares as follows:

a. Improvement District No. PRE-1 of North Marin Water District was formed and established by Resolution No. 79-66 of this Board of Directors duly passed and adopted on August 21, 1979.

b. The owners of the land comprising the territory hereinafter described, which territory is within North Marin Water District, have given their written consent to the annexation of said territory to Improvement District No. PRE-1 of North Marin Water District.

c. The proposed annexation of the territory hereinafter described will be for the interest of the landowners and present and future inhabitants within Improvement District Nos. PRE-1 and within the territory proposed to be annexed to Improvement District No. PRE-1.

Section 2. It is hereby ordered that the territory within North Marin Water District as described in Exhibit A, attached hereto, incorporated herein and made a part hereof, be and the same hereby is annexed to Improvement District No. PRE-1 of North Marin Water District without notice or hearing by this Board and without an election.

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 15th day of May 2012 by the following vote:

AYES:

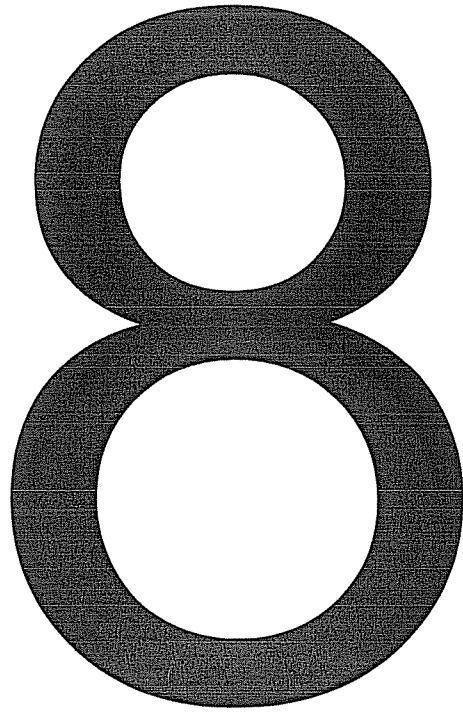
NOES:

ABSENT:

ABSTAINED:

Renee Roberts, Secretary
North Marin Water District

(SEAL)



MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Rate Increase Letter to West Marin Water Customers
t:\acl\word\budget\wm\13\2012 prop 218 ltr cover memo.docx

May 11, 2012

RECOMMENDED ACTION: Approve Letter to Customers

FINANCIAL IMPACT: \$800

California law requires that customers be notified of a water 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, July 3, 2012 at 7:30 PM at the Dance Palace in Point Reyes Station. The July 3 date requires that the letter be mailed by May 19, 2012. The letter will be printed in-house and postage, stationary and copying cost for the 776 active customers will be approximately \$800.

The rate increase proposed for West Marin Water customers will generate 9% in additional revenue. Consistent with the structure of the increase proposed for Novato customers, the fixed bimonthly service charge component of the water bill for a 5/8" meter, which comprises 77% of the installed meters, is proposed to increase \$5 (to \$25) effective August 1, 2012. The charge for other meter sizes is proposed to increase proportionally. The commodity rate is proposed to increase 6% for residential accounts, and 7% for non-residential accounts, which, when factoring in the bimonthly service charge, will result in a 9% increase for the median account in both classifications.

The percentage increase for each customer will vary based upon their individual water use. The Rate-Increase Model on the District's website will allow 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 proposed letter is attached for Board review and comment. Legal counsel is reviewing the letter to assure compliance with Prop 218. Staff will have their comments at the meeting.

RECOMMENDATION:

Approve mailing the rate increase letter to customers.

May 18, 2012

Account Name
NMWD Account #
Mailing Address
Mailing Address

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 and charges** that would take effect on August 1, 2012. It also provides information about a **Public Hearing on July 3, 2012**, 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 are the proposed rate increases?

An increase in rates and charges averaging 9% is recommended.

The increase for non-residential customers (commercial, institutional and irrigation accounts) will vary based on water use. The median non-residential account would also see a 9% increase commencing August 1, 2012.

See Attachment A for details of proposed rate increase.

How will the proposed increase affect my water bill?

The proposed increase in the commodity rate and service charge would add \$4.50 per month (\$54 annually) to the cost of water for the typical (median) single-family residential customer who consumes 60,000 gallons of water annually. Those using less than the median will see an increase less than \$54 annually, and those using more would pay more.

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 (shown above) into the Rate-Increase Model on NMWD's website at <http://www.nmwd.com/accountbalance.php>.

Why are rates being increased?

The West Marin Water System exhausted its cash reserves in May 2005 to pay for the Long Range Improvement Project Plan which was developed with community support in 2001. Money has been borrowed from the Novato Water

System to continue work on the Improvement Projects and bridge the funding shortfall. The loan from Novato stood at \$222,000 at April 30, 2012. Long Range Improvement Projects completed to date are shown on Attachment A.

In addition, water treatment plant improvements and the need to refurbish one of the two wells that serve the West Marin community will require expenditure of \$800,000 over the next two fiscal years. Funding for these two projects will require financing from an outside source that will be repaid over time.

Additional Information

Attachment A also provides detail of the various rates and customer categories. We realize that no one likes to see rates increase. However, we need to be able to adequately finance West Marin operations in order to continue to provide a clean and reliable water supply. We appreciate the opportunity to serve you.

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:30 pm, Tuesday, July 3, 2012, 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 July 3, 2012 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 visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,

Chris DeGabriele
General Manager

West Marin Long Range Improvement Project Plan – Status Report

<u>Project</u>	<u>4/30/12</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 Tank Seismic Upgrades.....	86,319	In Progress
11 Replace PRE Tank #4A - 82,000 gallon.....	<u>22,328</u>	In Progress
	<u>\$1,925,173</u>	

PROPOSED

West Marin Water System Rate Changes

EFFECTIVE AUGUST 1, 2012

	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
BIMONTHLY MINIMUM SERVICE CHARGE			
For 5/8 x 3/4-inch meter.....	\$20.00	\$25.00	25%
For 1-inch residential meter for fire service.....	\$22.00	\$28.00	27%
For 1-inch meter.....	\$40.00	\$50.00	25%
For all meters in Paradise Ranch Estates.....	\$37.00	\$41.00	11%
QUANTITY CHARGE			
<u>Residential Rate Per Dwelling Unit</u>			
First 400 gallons per day.....	\$6.00	\$6.36	6%
From 401 to 900 gallons per day.....	\$8.31	\$8.81	6%
From 901+ gallons per day.....	\$13.33	\$14.13	6%
<u>Commercial, Institutional & Irrigation Rate</u>			
November 1 through May 31.....	\$6.00	\$6.42	7%
June 1 through October 31.....	\$8.31	\$8.89	7%
PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL			
<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').....	\$0.16	\$0.17	6%
3 Olema.....	\$0.59	\$0.63	6%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$4.01	\$4.25	6%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$2.40	\$2.54	6%

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MEMORANDUM

To: Board of Directors

May 11, 2011

From: David L. Bentley, Auditor-Controller

Subj: Second Review –FY 2012/13 Proposed Novato Water Capital Equipment Budget
t:\aclword\budget\12\equip budget review 2.doc

RECOMMENDED ACTION: Provide Direction to Staff

FINANCIAL IMPACT: None at this time. \$188,000 proposed for June 21 Public Hearing

Since the April 19 review, the proposed purchase of one 5-yard dump truck has been removed from the budget and purchase of a ¾-ton pickup inserted in its place. This change reduces the proposed Equipment Budget to \$188,000, the same as the current fiscal year adopted budget. Staff will rent a truck next fiscal year on those occasions when a 4th dump truck is required. The proposed Equipment Budget now totals \$188,000, unchanged from FY11 adopted budget.

Following is a chart showing ten years of equipment purchases history (A). Also attached is a plan for purchase and distribution of new computers (B), and a five-year vehicle and equipment replacement plan (C).

A public hearing and approval of the Equipment Budget is scheduled for June 21, 2011.

**Proposed
Equipment Expenditures
Fiscal Year 2012/2013 Budget**

	Proposed	Notes	Description
1 INFORMATION SYSTEMS			
Administration			
12101.01.00	\$8,900	1	Upgrade Servers from 2003 to 2008 software. Software already purchased, cost is IT install time.
	<u><u>\$8,900</u></u>		
2 ADMINISTRATION			
12101.01.00	\$25,000	1	Existing 7-year old copier has over 2M copies & is experiencing increasing maintenance problems.
12101.01.00	20,000	1	Manufacturer ceased carrying replacement parts for these 7 year old devices
	<u><u>\$45,000</u></u>		
3 ENGINEERING			
12102.01.00	\$9,000	1	Parts no longer available for existing obsolete copier
	<u><u>\$9,000</u></u>		
4 CONSTRUCTION			
12104.01.00	\$8,600		Additional hose & fittings for trailer-mounted emergency portable pipeline system
	<u><u>\$8,600</u></u>		
5 OPERATIONS			
12108.01.00	6,500	1	Existing STP unit no longer provides consistent and reliable test data.
	<u><u>\$6,500</u></u>		

**Proposed
Equipment Expenditures
Fiscal Year 2012/2013 Budget**

	Proposed	Notes	Description
6 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	\$20,000	1	To replace '09 compressor that had an air-end bearing failure (\$6,500 to repair & may not operate correctly)
12104.01.00	65,000	1	To replace '03 Vacuum excavator that is non-compliant w/CARB rules.
12104.01.00	35,000	1	To replace '02 1-ton valve crew truck w/108,000 miles. Engine showing signs of wear, and cab-over design creates back-strain on driver.
12104.01.00	35,000	1	To replace '99 3/4-ton water service response truck w/177,000 miles. Transmission & rear-end worn out.
	\$155,000		

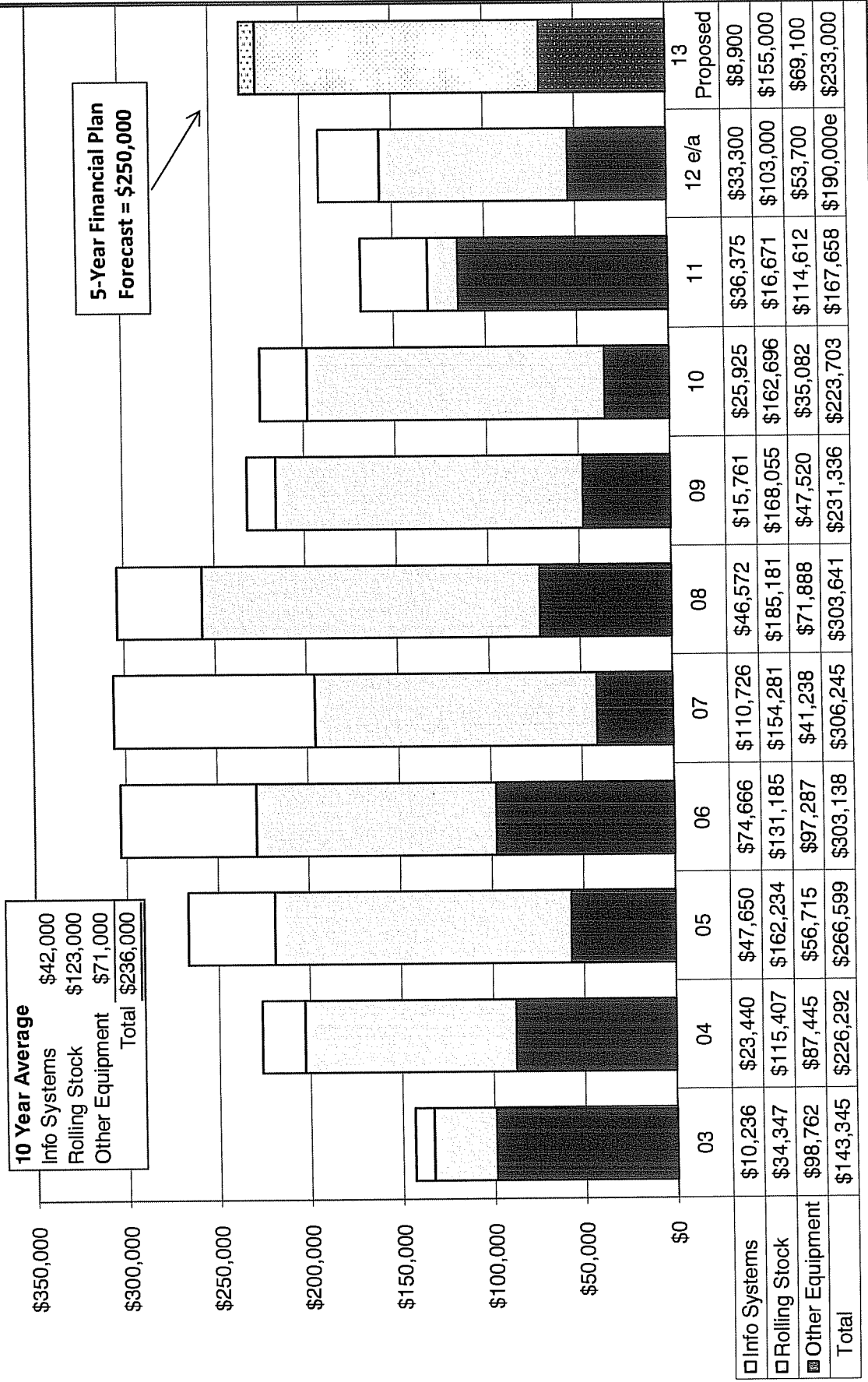
Total \$233,000

Notes: 1 Replacement item.

	RECAP	Adopted	Estimated	Proposed
	Budget	Actual	2011/12	Budget
	2011/12	2011/12	2012/13	2012/13
Equipment	\$85,000	\$87,000	\$78,000	\$78,000
Rolling Stock	103,000	103,000	155,000	155,000
	\$188,000	\$190,000	\$233,000	\$233,000

History of Equipment Purchases

4/20/12



10 Year Average
 Info Systems \$42,000
 Rolling Stock \$123,000
 Other Equipment \$71,000
 Total \$236,000

5-Year Financial Plan Forecast = \$250,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/9/2012

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FY12/13 New Item Description		Replacement Item Description	Cost
1	180 CFM Portable Air Compressor	#85 2009 Airman that had a failure on the air pump end and was \$6,500 to repair	\$20,000
2	800 Gallon Portable Vac Trailer	#76 Vac Tec Vacuum excavator is non-compliant w/CARB	\$65,000
3	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar	#46 2002 Chevy 4500, 107K mi	\$35,000
4	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar	#36 1999 Ford F250, 177K mi	\$35,000
		Total	\$155,000
Note: 85, 36, 46 and 76 will go to auction. A Diesel Particulate Filter will be added to 52 to meet CARB regulations by 12/31/12			
FY13/14 New Item Description		Replacement Item Description	Cost
1	HD 3/4 Ton 2wd pickup, Alt fuel, tool box,	#505 Ford F250 4x4	\$30,000
2	Forklift	#902C 1997 Hyster, Needs more lift capacity (STP)	\$30,000
3	Hybrid Pickup 2WD	#58 into pool and #40 2000 Dodge Dakota to auction	\$40,000
4	Hybrid Pickup 2WD	#59 into pool, #45 into pool and #30 to auction	\$40,000
5	3/4 Ton 4X4 Pickup, Alt fuel, w/Tool Box,	#29 1993 Ford F250 4X4	\$30,000
		Total	\$170,000
Note: The 2 hybrids will replace 58, 59 and 45 will be replace 30. #30 & 40 be auctioned.			
FY14/15 New Item Description		Replacement Item Description	Cost
1	Forklift	#902B 1989 Kalmar	\$30,000
2	1/2 Ton Pickup, Tool Box, Radio & Light Bar	#54 2004 Chevy Pick Up	\$25,000
3	4X4 Loader	#62 1993 Case 4X4 Loader	\$65,000
4	1/2 Ton Pickup w/Tool Box and Radio	#42 2001 Dodge Dakota pick-Up	\$25,000
5	HD 3/4 Ton 4x4 pickup, Alt fuel, radio, LED	#506 Ford F250 4x4, bad	\$30,000
		Total	\$175,000
Note: 902B, 54, 42 and 62 will be auctioned.			
FY15/16 New Item Description		Replacement Item Description	Cost
1	Backhoe 4X4 Diesel	#77 2004 John Deere 310 SG	\$115,000
2	1/2 Ton 4X4, alt fuel w/Tool Box & Radio	#501 2006 Chevy Colorado 4X4	\$25,000
3	Hybrid Car	#56 2005 Honda Civic	\$25,000
		Total	\$165,000
05 Honda replacement due to the expected high cost of battery & electronic control repairs.			
FY16/17 New Item Description		Replacement Item Description	Cost
1	Hybrid 4X4 SUV	#57 2005 Honda Civic	\$30,000
2	5 Yard Diesel Dump truck	#55 1999 International Dump	\$120,000
3	1/2 Ton Pickup, alt fuel, radio, tool Box &	#53 2004 Chevy Pick Up	\$25,000
		Total	\$175,000
05 Honda replacement due to the expected high cost of battery & electronic control repairs.			
FY17/18 New Item Description		Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1996 Ford Super Duty	\$125,000
2	1 Ton Flat Bed, Radio and Emergency Light	#19 1999 Ford F350	\$30,000
3	3/4 Ton 4X4 Pickup with Radio & Emergency	#502 2002 Chevy 2500 4X4	\$30,000
		Total	\$185,000
Note: Truck 19 & 52 be auctioned. A diesel particulate filter will be added to the '06 International Crew Truck in FY18 to meet CARB regulations - will be budgeted as a repair expense			

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MEMORANDUM

To: Board of Directors

May 11, 2012

From: David L. Bentley, Auditor-Controller 

Subj: Second Review - Proposed FY13 & FY14 Novato Capital Improvement Projects Budget
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RECOMMENDED ACTION: Review and Provide Direction to Staff

FINANCIAL IMPACT: None at this time - \$3.1M FY13 & \$4.5M FY14 Gross Expenditure Budget Proposed for Consideration at June 19 Public Hearing

Presented for your second review is the proposed Capital Improvement Projects Budget for the Novato service area for both FY 2012/13 (FY13) and FY 2013/14 (FY14). Since the Board's last review, the proposed FY13 budget decreased \$30,000, and the proposed FY14 budget decreased \$20,000. The City Paving Coordination work performed in conjunction with Novato's Measure B funding, budgeted at \$20,000 each year, has been moved into the operating budget. The FY13 Lynwood P.S. Motor Control Center project has been reduced by \$10,000 as the Maintenance Department will spend \$10,000 during the closing months of this fiscal year to start the project, which allows for an offsetting \$10,000 reduction in FY13.

The only significant project (\$500,000 or more) planned over the next two fiscal years is continued work on the Aqueduct Energy Efficiency Project (AEEP), budgeted at \$3.9 million over the next two years, and which is financed with a with a 20-year loan.

A description of each FY13 project is incorporated into the detailed listing attached. The net District outlay for FY13, after deducting \$1.3 million in loan funding for the AEEP Project, stands at \$1.8 million, compared to \$1.6 million approved in FY12.

<u>Project</u>	FY13	FY14
Aqueduct Energy Efficiency Project - Hwy 101 Widening ¹	\$1,300,000	\$2,600,000
Other Projects	<u>\$1,807,000</u>	<u>\$1,880,000</u>
Gross Project Outlay	\$3,107,000	\$4,480,000
Less Loan & Grant Funding ^{1,2}	<u>(\$1,300,000)</u>	<u>(\$2,600,000)</u>
Net Project Outlay (internally funded)	<u>\$1,807,000</u>	<u>\$1,880,000</u>

Both the \$1.8 million and \$1.9 million proposed budgets are less than the \$2 million per year incorporated into the District's 5-Year Financial Plan.

A public hearing to consider approval of the 2-Year Capital Improvement Projects Budget is scheduled for June 19, 2012.

¹ The Aqueduct Energy Efficiency Project is funded with a 3.5% \$8M 20-year Bank of Marin loan.

Proposed Capital Improvement Projects

5/3/12

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FY13 Budget FY14 Budget FY13 Project Description

1. PIPELINE REPLACEMENTS/ADDITIONS			
a. Main/Pipeline Replacements			
1	STP Trans Line Repair (13,200')	\$160,000	Assess condition & spot repair 18" concrete pipe
2	So Novato Blvd - Rowland to Sunset (12" CI @ 1,500')	\$200,000	
3	Other Pipeline Replacements (60+ years old)	\$175,000	
		\$160,000	\$375,000
b. Main/Pipeline Additions			
1	Digital to Leveroni Looping (12" @ 600')	\$130,000	Enhance fire flow and provide additional reliability
2	Delong to Cain Looping (8" @ 400')	\$100,000	Enhance fire flow and provide additional reliability
3	Other Main/Pipeline Additions	\$200,000	
		\$230,000	\$200,000
c. Polybutylene Service Line Replacements			
1	Pacheco Valle (42 Services)	\$84,000	Ongoing Polybutylene service line replacement program
2	Replace PB in Sync w/City Paving (45 Svcs)	\$90,000	PB service replacement coordinated with City Overlay Program
3	Other PB Replacements	\$174,000	\$85,000
			\$175,000
d. Relocations to Sync w/City & County CIP			
1	Other Relocations	\$80,000	Relocate facilities for as yet unidentified City/County Projects
		\$80,000	\$80,000
e. Aqueduct Replacements/Enhancements			
1	Energy Efficiency Proj - Hwy 101 Widening	\$1,300,000	North Marin Aqueduct upsizing/relocation
		\$2,600,000	\$2,600,000
		<u>\$1,944,000</u>	<u>\$3,430,000</u>

Proposed Capital Improvement Projects

5/3/12

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FY13 Budget FY14 Budget FY13 Project Description

2. SYSTEM IMPROVEMENTS				
a.	RTU Upgrades	\$10,000	\$10,000	Replace aging and unreliable RTUs at Nunes and Half Moon
b.	DCV & Zone Valve Flushing Taps (12 biennially)	\$50,000		
c.	DCA Repair/Replace (~14/yr)	\$150,000	\$150,000	Detector Check Assembly replacements
d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper service laterals for corrosion protection
e.	Radio Telemetry	\$15,000	\$15,000	Install radio transmitters to replace leased lines at Bahia, Nunes, & Half Moon
f.	Sampling Stations (6 biennially)	\$24,000		Install 6 water quality sample stations. There are 58 permanent sampling stations in the system, and 12 more locations that need a permanent station installed.
g.	Inaccurate Meter Replacement	\$16,000		Replacement of inaccurate meters based on recommendations in the meter testing study done in FY06.
h.	Facilities Security Enhancements	\$25,000		Security camera monitoring system in the yard to help identify potential intruders for investigation assistance.
i.	Backflow Device Upgrade - BMK (14 srvc)	\$30,000	\$30,000	Replace DCVs with above grade RPP devices
j.	Crest Pressure Zone Emergency Pump Bypass		\$70,000	
k.	Other System Improvements		\$30,000	
		<u>\$300,000</u>	<u>\$355,000</u>	

Proposed Capital Improvement Projects

5/3/12

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FY13 Budget FY14 Budget FY13 Project Description

3. BUILDING, YARD, STP, IMPROVEMENTS			
a.	Administration Building		
1	Electronic Document Management System	\$50,000	Manage creation, storage, retrieval and expiry of digital documents
2	Other Admin Building Improvements	\$25,000	Repairs/enhancements identified during the year
		\$75,000	
b.	Corp. Yard/Warehouse/Construction Office		
1	SMART Crossing Upgrade (@ Golden Gate Pl)	\$58,000	Shared Cost with Golden Gate Transit
2	Other Yard Improvements	\$15,000	Repairs/enhancements identified during the year
		\$73,000	
c.	Stafford Treatment Plant		
1	Watershed Erosion Control	\$25,000	STRAW Project (\$9K) & Dairy Nutrient Control
2	Leveroni Creek Bank Repair	\$145,000	Creek bank erosion control/restoration
3	Dam Concrete Apron Repair	\$50,000	2nd phase of concrete patch repairs to west face of the dam
4	Start-up Flushing Connection	\$200,000	To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water.
5	STP Discharge/Treatment	\$30,000	
6	Coat Concrete Clearwells (Both Units)	\$450,000	
7	Other Treatment Plant Improvements	\$50,000	
		\$420,000	
		\$568,000	
4. STORAGE TANKS/PUMP STATIONS			
a.	Lynwood P.S. Motor Control Center	\$265,000	Move motor controls above-ground.
b.	Pacheco Tank C12 Mixing System	\$30,000	Balance of work to install pump mixing and chlorine injection system
c.	Relocate School Road/Crest P.S. (Design/Construct)	\$100,000	
		\$295,000	
GROSS PROJECT OUTLAY		\$3,107,000	\$4,480,000

Proposed Capital Improvement Projects

5/3/12

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FY13 Budget FY14 Budget FY13 Project Description

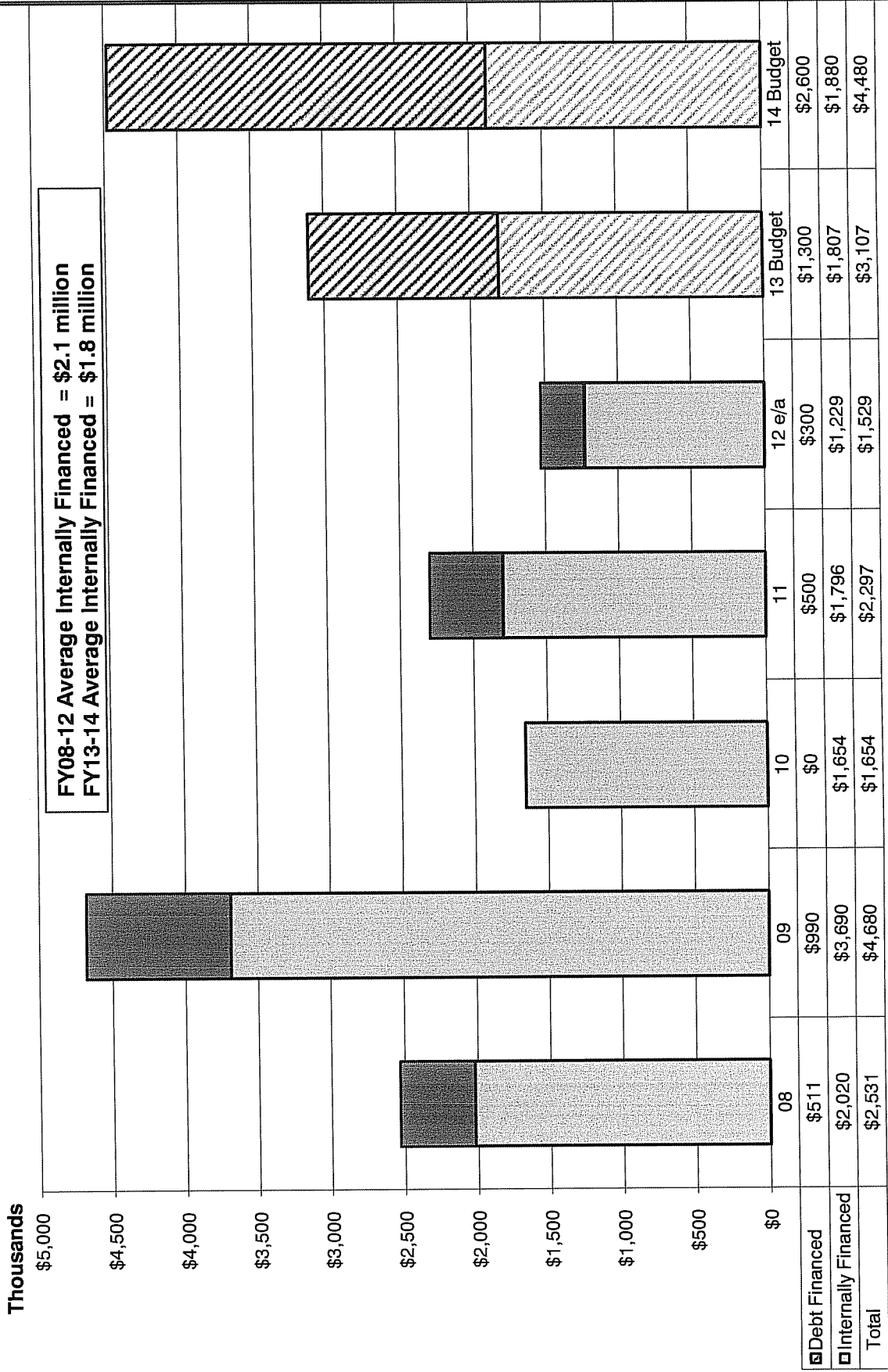
5	LESS FUNDED BY LOANS/GRANTS				
	a.	Aq Energy Efficiency Proj - Hwy 101 Widening	(\$1,300,000)	(\$2,600,000)	Funded by \$8M Bank of Marin loan

INTERNALLY FUNDED PROJECT OUTLAY	<u>\$1,807,000</u>	<u>\$1,880,000</u>
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Total Number of Projects	25	21
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Novato Water Capital Improvement Project Expenditures

5/3/12



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MEMORANDUM

To: Board of Directors

May 11, 2012

From: David L. Bentley, Auditor-Controller

Subj: Second Review - FY 2012/13 Proposed Novato Operations Budget

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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$17.5 million Spending Plan Proposed for June 19 Public Hearing

Changes Since the Last Review

Proposed Novato Operating Budget expenditures decreased by \$2,000 since the Board's review at the last meeting. A \$30,000 capital expenditure reduction was discussed in the Capital Improvement Projects Budget review. Finally, the Recycled Water System is now projected to repay Novato Water an additional \$200,000 next fiscal year (\$1.7 total FY13 repayment). Accordingly, the net surplus (cash increase) now budgeted for next fiscal year has increased by \$232,000, to \$1,117,000.

Budget Summary

A rate increase of 11% is factored into the budget effective June 1, 2012. The 11% increase adds \$1.5 million to budgeted revenue.

The \$1,017,000 budgeted surplus compares to a FY 2011/12 (FY12) budgeted deficit of \$583,000 and projected FY12 actual surplus of \$5 million. The \$5.6 million difference between the FY12 budgeted deficit and FY12 projected actual surplus is attributable primarily to the Aqueduct Energy Efficiency Project, for which \$8 million was borrowed during FY12, and only \$300,000 of the anticipated FY12 \$2.7 million expenditure plan was realized.

Looking simply at operating revenue (water sales) less operating expenses, the budget projects an operating net income of \$3.9 million (before \$2.4 million in depreciation expense). Total budgeted outlay, at \$17.5 million, is down 2% from the FY12 \$17.8 million budget.

Water Sales

Water sales volume is again conservatively budgeted at 2.7 billion gallons, which is 3.5% below the current fiscal year estimated 2.8BG actual, but 16% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

The 11% rate increase is structured as a 25% increase in the fixed service charge and a 7% increase in the commodity rate. For customers with a 5/8" meter, which is 70% of the customer base, the service charge will increase from \$20 bimonthly to \$25 bimonthly (\$2.50 per month). The rate increase will generate \$1.5 million in additional revenue next fiscal year.

Water Supply

Sonoma County Water Agency wholesale water rate will increase 4% to \$2,203 per MG. Volume purchased from SCWA is forecast to increase by 4% to offset a projected decrease in Stafford Lake production. The rate increase and additional purchase will add \$310,000 to the District's cost of purchased water. Stafford production, budgeted at 750 MG (2,300 acre-feet), will make up the balance of demand, resulting in a total budgeted potable production of 2.7 BG.

Water Conservation expense is budgeted to remain flat at \$400,000 in accordance with the 5-Year Financial Plan. The District will be eligible for State grant funding (Proposition 84) to increase water conservation rebate amounts in FY13, which will not impact the financial plan. The Board will be asked to consider the rebate changes in June.

Staffing - The proposed budget includes a staffing level of 51.5 full-time equivalent (FTE) employees, down 1.0 FTE (2%) from the current year budget. Two Administration Department employees are anticipated to retire mid-way through the fiscal year. By fiscal year end total staffing will be 50.5 FTE, which is down 8.6 FTE (15%) from the adopted FY08 budget.

<u>FTE Staffing</u>	<u>FY13</u>	<u>FY12</u>	<u>Position Impacted</u>
Administration	7.6	7.6	
Customer Accounting	6.2	7.2	Account Credit Clerk
Construction/Maintenance	10.0	10.0	
Engineering	8.7	8.7	
Maintenance	8.0	8.0	
Operations	6.0	6.0	
Water Quality	<u>5.0</u>	<u>5.0</u>	
	<u>51.5</u>	<u>52.5</u>	

Temporary staffing has been reduced by 43%, to 5,260 hours, budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY13</u>	<u>FY12</u>	<u>Reason for Change</u>
Administration	0	0	
Customer Accounting	1,750	1,000	Lunch/vacation phone coverage
Construction/Maintenance	750	3,000	Assistance from Ops Department
Engineering	2,500	2,500	
Maintenance	260	1,190	Assistance from Ops Department
Operations	0	1,500	
Water Quality	<u>0</u>	<u>0</u>	
	<u>5,260</u>	<u>9,190</u>	

For budgeting purposes, a 3% cost-of-living salary increase has been factored into the budget effective October 1, 2012. A 3% adjustment would increase total salaries by \$88,000, pushing up the total overheaded cost of payroll by \$121,000 (1.9%).

Total budgeted operating expenditures are up \$215,000 compared to the adopted FY12 budget. An analysis of the significant differences between the FY12 budget and the proposed FY13 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY12 Budget	FY13 % Change
Purchased Water Cost	\$310,000	8%
Materials, Services & Supplies	(23,000)	-1%
Vehicle Expense	(33,000)	-14%
Labor	(39,000)	-1%
Net Decrease	<u>\$215,000</u>	<u>2%</u>

This budget draft will continue to be fine-tuned in conjunction with preparation of the West Marin Budgets, and with updated information regarding the medical and insurance costs as they become available, for the scheduled public hearing and approval at the June 19 meeting.

Proposed
BUDGET

Additional Review

Novato
Operating Budget
FISCAL YEAR
2012-13

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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NORTH MARIN WATER DISTRICT
PROPOSED 2012/13 OPERATING BUDGET

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NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2012/13

	Proposed Budget 2012/13	Estimated Actual 2011/12	Adopted Budget 2011/12
OPERATING INCOME			
1	\$15,230,000	\$14,220,000	\$13,660,000
2	443,000	233,000	238,000
3	\$15,673,000	\$14,453,000	\$13,898,000
OPERATING EXPENDITURES			
4	\$4,236,000	\$4,615,000	\$3,912,000
5	337,000	291,000	335,000
6	521,000	628,000	506,000
7	1,730,000	1,722,000	1,905,000
8	2,535,000	2,269,000	2,282,000
9	542,000	550,000	556,000
10	400,000	262,000	400,000
11	1,978,000	1,852,000	2,127,000
12	(531,000)	(550,000)	(490,000)
13	\$11,748,000	\$11,639,000	\$11,533,000
14	\$3,925,000	\$2,814,000	\$2,365,000
OTHER SOURCES OF FUNDS			
15	\$60,000	\$68,000	\$48,000
16	860,000	912,000	570,000
17	0	8,000,000	2,700,000
18	1,711,000	(2,434,000)	0
19	200,000	170,000	(125,000)
20	133,000	150,000	143,000
21	\$2,964,000	\$6,866,000	\$3,336,000
OTHER USES OF FUNDS			
22	\$233,000	\$190,000	\$182,000
23	3,107,000	1,529,000	4,286,000
24	1,945,000	1,761,000	1,671,000
25	467,000	1,168,000	125,000
26	20,000	4,000	20,000
27	\$5,772,000	\$4,652,000	\$6,284,000
28	\$1,117,000	\$5,028,000	(\$583,000)
29	\$2,360,000	\$2,330,000	\$2,300,000

* Line 14+21-27

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2012/13

	Proposed Budget 12/13	Estimated Actual 11/12	Adopted Budget 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07
STATISTICS								
1 Total Meters	20,820	20,770	20,790	20,737	20,709	20,693	20,638	20,571
2 Active Meters	20,550	20,500	20,520	20,464	20,438	20,416	20,366	20,325
3 Active Dwelling Units	23,950	23,900	23,920	23,858	23,871	23,848	23,702	23,698
OPERATING INCOME								
4 Water Sales	\$15,230,000	\$14,220,000	\$13,660,000	\$12,661,401	\$11,251,832	\$11,067,484	\$10,384,740	\$10,601,455
5 Sales to MMWD	0	0	0	0	0	351,154	0	0
6 Wheeling Charges-MMWD	252,000	65,000	70,000	53,662	67,180	75,090	76,588	74,962
7 SCWA Water Conservation Reimb	0	0	0	0	21,450	0	359,748	283,242
8 Miscellaneous Service Revenue	191,000	168,000	168,000	145,787	140,796	145,663	161,238	234,539
TOTAL OPERATING INCOME	\$15,673,000	\$14,453,000	\$13,898,000	\$12,860,850	\$11,481,258	\$11,639,391	\$10,982,314	\$11,194,198
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$15,000	\$9,000	\$6,000	\$8,965	\$2,007	\$2,120	\$2,391	\$15,420
11 Operating Expense - Source	11,000	8,000	6,000	5,927	5,745	4,702	3,109	6,709
12 Maintenance/Monitoring of Dam	28,000	25,000	28,000	8,290	8,741	7,583	6,078	5,768
13 Maintenance of Lake & Intakes	16,000	11,000	16,000	8,619	8,072	7,990	3,063	28
14 Maintenance of Watershed	39,000	0	38,000	2,152	7,352	28,126	9,177	12,506
15 Water Purchased for Resale to MMWD	0	0	0	0	0	171,447	0	0
16 Water Quality Surveillance	12,000	17,000	13,000	12,377	13,138	8,448	9,272	9,659
17 Contract Water - SCWA	4,340,000	4,770,000	4,030,000	4,015,679	3,630,416	3,898,298	3,852,900	4,453,758
18 Reserve Fund Contribution	(225,000)	(225,000)	(225,000)	(224,890)	(189,269)	(110,246)	(114,682)	(1,567)
TOTAL SOURCE OF SUPPLY	\$4,236,000	\$4,615,000	\$3,912,000	\$3,837,119	\$3,486,202	\$3,958,468	\$3,771,308	\$4,502,281
PUMPING								
20 Operating Expense	\$7,000	\$0	\$7,000	\$641	\$8,367	\$8,567	\$13,333	\$27,117
21 Maintenance of Structures/Grounds	37,000	30,000	38,000	17,153	18,600	23,080	15,909	17,736
22 Maintenance of Pumping Equipment	62,000	36,000	59,000	17,354	10,751	8,807	61,907	16,966
23 Electric Power - Pumping	231,000	225,000	231,000	233,222	200,318	249,190	227,916	245,797
TOTAL PUMPING	\$337,000	\$291,000	\$335,000	\$268,370	\$238,036	\$289,644	\$319,065	\$307,616
OPERATIONS								
25 Supervision & Engineering	\$142,000	\$183,000	\$149,000	\$185,361	\$176,082	\$168,202	\$188,926	\$155,660
26 Operating Expense	199,000	247,000	187,000	191,713	212,126	235,230	127,350	172,985
27 Maintenance Expense	91,000	108,000	87,000	94,633	84,121	89,775	112,461	108,197
28 Telemetry Equipment/Controls Maint	68,000	71,000	62,000	83,047	67,051	39,201	37,610	19,979
29 Leased Line Expense	21,000	19,000	21,000	20,841	20,547	20,342	19,601	41,809
TOTAL OPERATIONS	\$521,000	\$628,000	\$506,000	\$575,595	\$559,927	\$552,750	\$485,948	\$498,630

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2012/13

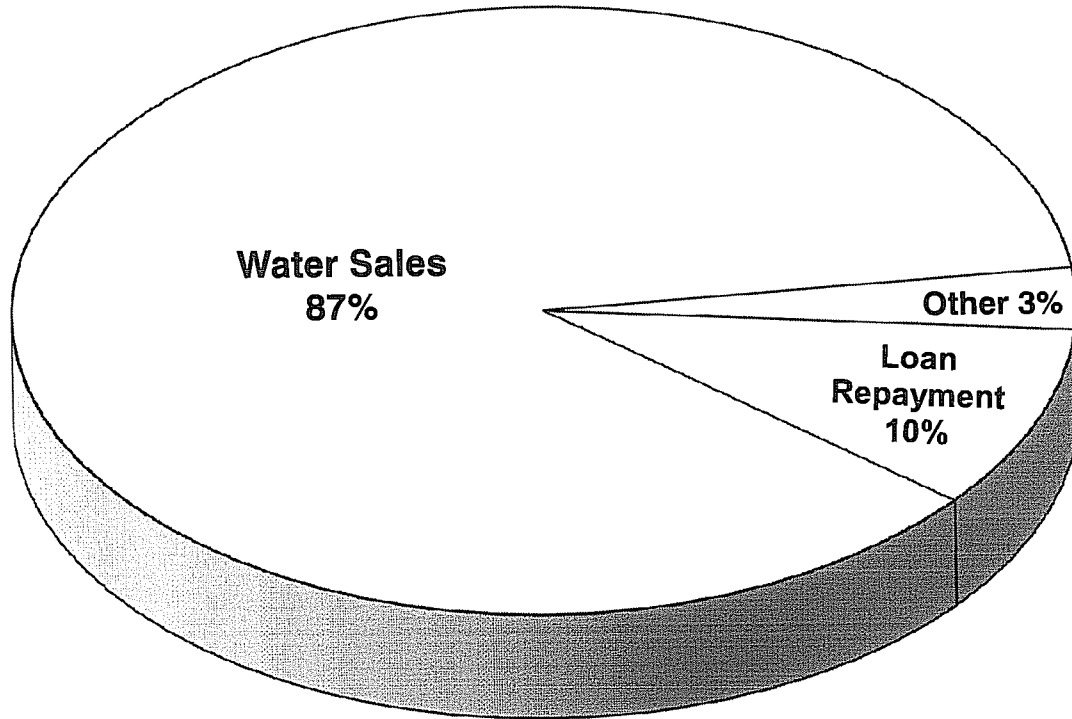
	Proposed Budget 12/13	Estimated Actual 11/12	Adopted Budget 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07
WATER TREATMENT								
31	\$69,000	\$114,000	\$105,000	\$121,459	\$122,312	\$113,175	\$99,218	\$101,646
32	272,000	267,000	351,000	320,882	365,305	247,309	357,877	363,204
33	425,000	323,000	425,000	464,140	415,486	293,888	221,597	63,179
34	83,000	128,000	74,000	84,618	69,209	40,163	49,299	34,844
35	81,000	86,000	108,000	71,772	83,411	115,686	91,550	79,359
36	132,000	128,000	172,000	105,217	157,642	204,217	203,622	90,608
37	108,000	104,000	108,000	128,913	129,930	99,184	113,732	88,596
38	560,000	572,000	562,000	517,044	495,239	479,970	398,173	401,520
39	\$1,730,000	\$1,722,000	\$1,905,000	\$1,814,045	\$1,838,534	\$1,593,592	\$1,535,068	\$1,222,956
TRANSMISSION & DISTRIBUTION								
40	\$490,000	\$427,000	\$355,000	\$466,110	\$528,659	\$560,968	\$524,345	\$522,663
41	131,000	98,000	99,000	74,154	98,187	74,786	105,509	48,957
42	411,000	488,000	450,000	422,375	448,650	420,639	439,348	395,866
43	155,000	150,000	181,000	158,247	164,316	149,759	129,944	115,457
44	256,000	102,000	180,000	190,866	190,255	131,094	107,354	165,842
45	154,000	50,000	120,000	146,814	102,633	108,752	143,525	119,713
46	88,000	90,000	101,000	124,121	93,754	86,630	108,835	76,174
47	202,000	203,000	217,000	164,388	199,807	211,630	181,161	233,355
48	376,000	480,000	306,000	347,802	263,714	250,024	287,813	258,788
49	158,000	123,000	171,000	146,170	143,691	148,112	135,370	125,337
50	54,000	34,000	41,000	36,509	41,557	30,488	26,483	34,177
51	60,000	24,000	61,000	50,354	77,038	62,794	74,700	42,474
52	\$2,535,000	\$2,269,000	\$2,282,000	\$2,327,910	\$2,352,261	\$2,235,676	\$2,264,387	\$2,138,803
CONSUMER ACCOUNTING								
53	\$167,000	\$167,000	\$160,000	\$142,581	\$142,956	\$140,851	\$132,653	\$146,286
54	270,000	280,000	292,000	282,046	260,428	236,740	225,062	221,764
55	19,000	18,000	19,000	18,285	18,590	18,504	18,513	18,292
56	67,000	64,000	65,000	70,347	64,698	58,062	51,960	49,729
57	28,000	28,000	29,000	32,723	35,190	28,022	13,507	10,412
58	6,000	8,000	7,000	9,835	5,048	14,471	14,585	17,208
59	(15,000)	(15,000)	(16,000)	(15,762)	(15,694)	(15,147)	(14,205)	(14,200)
60	\$542,000	\$550,000	\$556,000	\$540,055	\$511,216	\$481,503	\$442,075	\$449,491

NOVATO WATER OPERATING BUDGET DETAIL

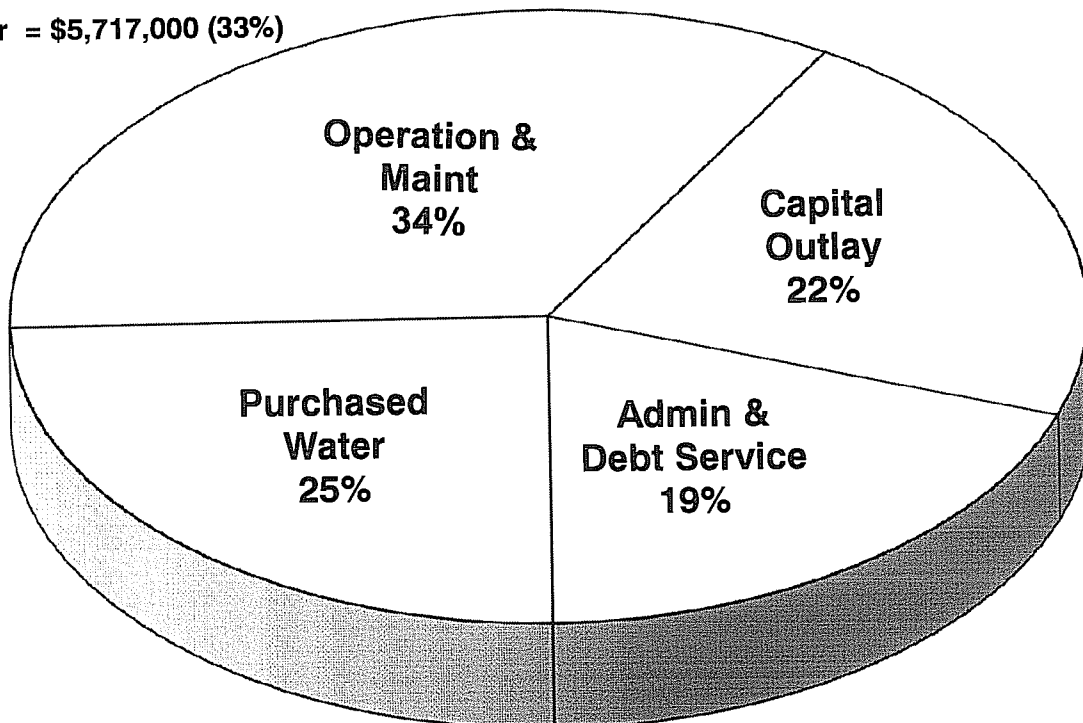
Fiscal Year 2012/13

	Proposed Budget 12/13	Estimated Actual 11/12	Adopted Budget 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07
WATER CONSERVATION								
61 Residential	\$298,000	\$209,000	\$287,000	\$338,093	\$438,668	\$438,588	\$457,600	\$253,540
62 Commercial	25,000	1,000	29,000	15,423	2,707	28,344	9,415	11,454
63 Public Outreach/Information	50,000	37,000	54,000	19,047	26,548	20,679	27,483	24,515
64 Large Landscape	27,000	15,000	30,000	10,337	10,695	19,649	26,120	16,751
TOTAL WATER CONSERVATION	\$400,000	\$262,000	\$400,000	\$382,900	\$478,618	\$507,260	\$520,618	\$306,260
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$15,000	\$15,000	\$15,100	\$16,200	\$15,000	\$14,600	\$14,300
66 Legal Fees	11,000	5,000	11,000	8,572	59,818	9,933	7,824	34,013
67 Auditing Services	21,000	29,000	29,000	27,800	31,100	30,000	22,000	15,250
68 Human Resources	31,000	22,000	31,000	32,112	33,080	31,848	26,923	37,051
69 Consulting Services/Studies	44,000	35,000	96,000					
70 General Office Salaries	1,195,000	1,240,000	1,236,000	1,177,170	1,166,410	1,125,232	1,020,823	980,772
71 Office Supplies	50,000	23,000	49,000	38,870	47,363	56,621	32,193	37,525
72 Employee Events	8,000	8,000	10,000	4,469	11,366	3,881	4,585	0
73 Other Administrative Expense	16,000	17,000	22,000	17,414	20,090	21,313	20,246	23,149
74 Election Cost	0	0	60,000	0	250	0	51,262	0
75 Dues & Subscriptions	50,000	50,000	49,000	47,775	49,208	42,004	40,738	32,203
76 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,193	8,112
77 Meetings, Conf & Training	154,000	78,000	153,000	101,472	114,985	112,985	107,411	108,228
78 Telephone, Water, Gas & Electricity	31,000	29,000	31,000	29,012	27,203	29,595	30,018	35,324
79 Building & Grounds Maintenance	34,000	37,000	35,000	35,902	53,907	44,268	47,389	41,312
80 Office Equipment Expense	87,000	74,000	96,000	74,325	85,550	91,052	78,962	98,577
81 Insurance Premiums & Claims	141,000	112,000	133,000	118,451	117,023	132,928	198,297	182,754
82 Retiree Medical Benefits	173,000	171,000	173,000	147,084	138,105	182,220	182,003	180,771
83 G&A Distributed to Other Operations	(91,000)	(101,000)	(110,000)	(104,515)	(100,811)	(92,969)	(86,742)	(73,004)
TOTAL GENERAL & ADMINISTRATION	\$1,978,000	\$1,852,000	\$2,127,000	\$1,779,125	\$1,878,959	\$1,844,023	\$1,806,725	\$1,756,337
OTHER OPERATING EXPENSE								
84 Expensed Improvement Projects	\$0	\$0	\$0	\$122,785	\$1,220,617	\$1,277,995	\$959,475	\$1,301,339
85 Expensed Equipment Purchases	0	3,000	6,000	29,993	31,266	34,204	8,531	2,427
86 G&A Applied to Construction Projects	(331,000)	(325,000)	(356,000)	(269,439)	(153,213)	(224,590)	(212,502)	(172,336)
87 (Gain)/Loss on Overhead Charges	(200,000)	(228,000)	(140,000)	(172,628)	(214,770)	(157,888)	(277,413)	(414,082)
TOTAL OTHER OPERATING EXPENSE	(\$531,000)	(\$550,000)	(\$490,000)	(\$289,289)	\$883,900	\$929,721	\$478,091	\$717,348
TOTAL OPERATING EXPENSE	\$11,748,000	\$11,639,000	\$11,533,000	\$11,235,830	\$12,227,653	\$12,392,637	\$11,623,285	\$11,899,722
OPERATING INCOME/(LOSS)	\$3,925,000	\$2,814,000	\$2,365,000	\$1,625,020	(\$746,395)	(\$753,246)	(\$640,971)	(\$705,524)
91 Non-budgeted Depreciation	\$2,360,000	\$2,330,000	\$2,300,000	\$2,309,166	\$2,312,339	\$2,087,598	\$1,530,000	\$1,377,612

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2012-13
SOURCE OF FUNDS = \$17,520,000**



Labor = \$5,717,000 (33%)

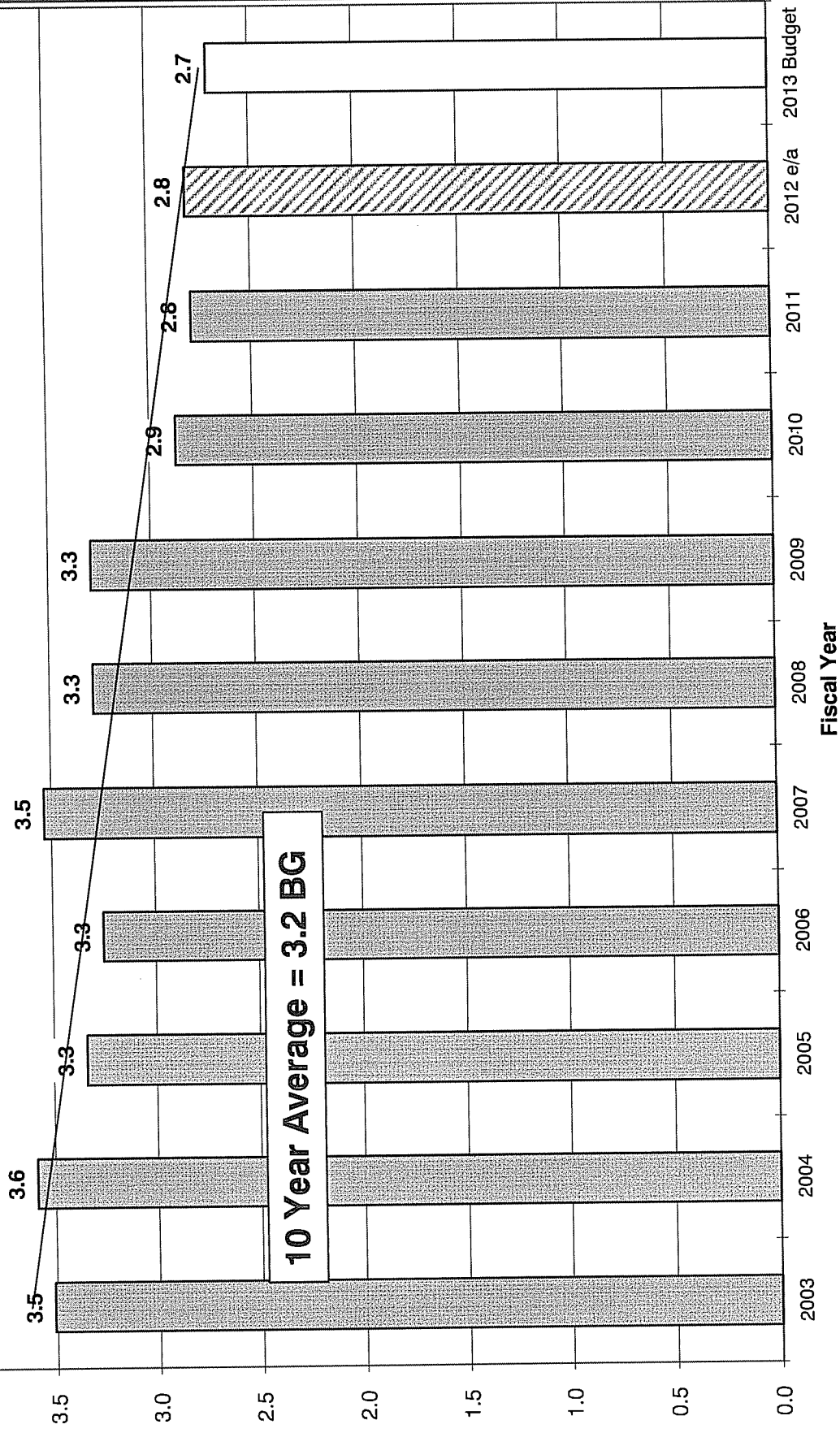


TOTAL EXPENDITURE PLAN = \$17,520,000

Novato Water Billed Consumption 10 Year History

5/7/12

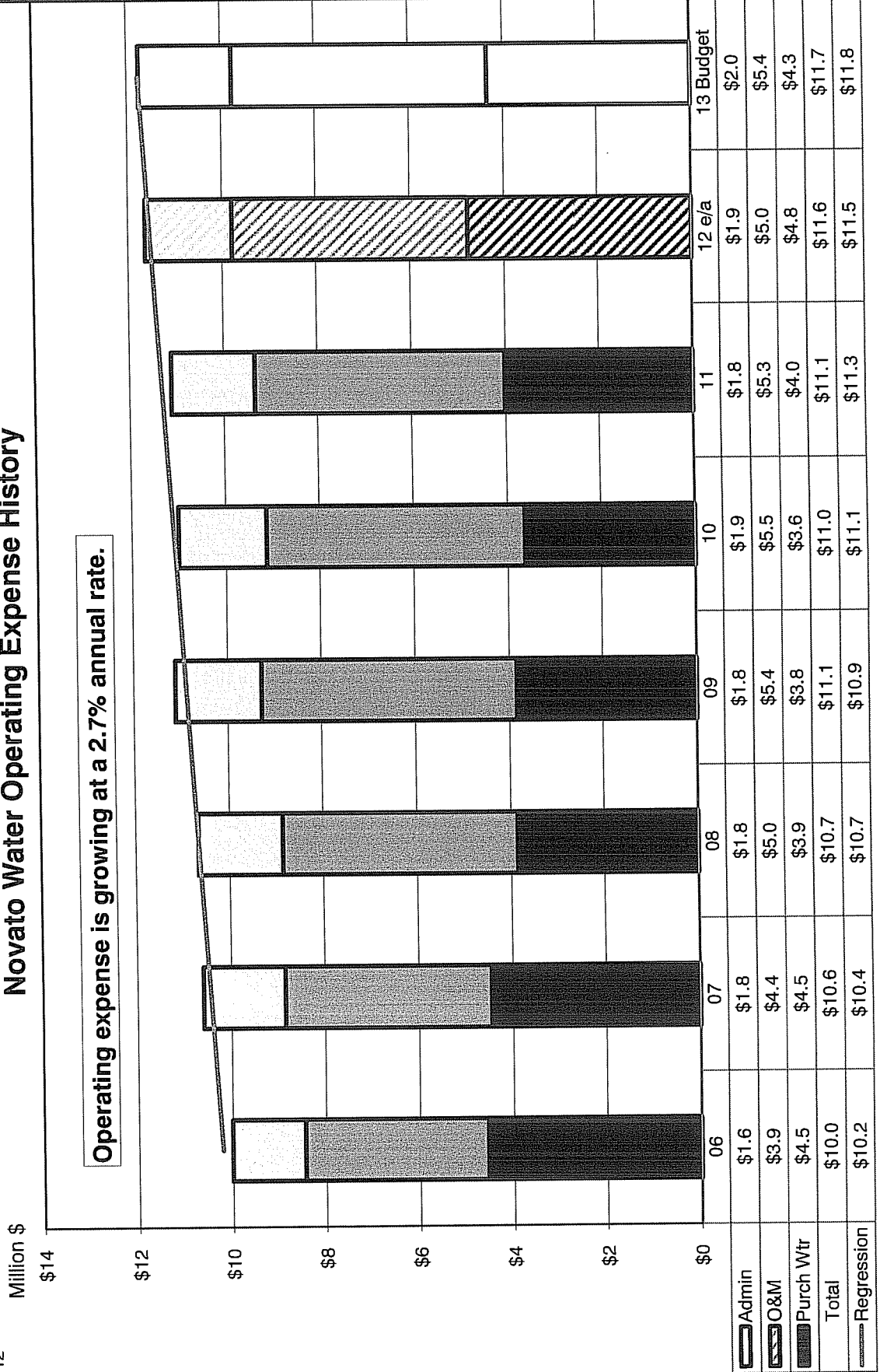
**Billion
Gal**
4.0



10 Year Average = 3.2 BG

Novato Water Operating Expense History


Operating expense is growing at a 2.7% annual rate.



Fiscal Year

12

MEMORANDUM

To: Board of Directors May 11, 2012
From: David L. Bentley, Auditor-Controller 
Subj: Second Review – FY 2012/13 Proposed Novato Recycled Water Operations Budget
t:\aclword\budget13\rws 13 review 2.docx

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$7.8 Million FY13 Expenditure Plan to be considered at the June 19 Public Hearing

Since the Board's last review, Staff's estimate of the expenditures on the Recycled Water System Expansion project in the current fiscal year increased by \$400,000. While the total project cost remains unchanged, the accelerated pace allows a reduction of \$200,000 per year in both the FY13 and FY14 Expansion Budgets.

The FY 2012/13 (FY13) Recycled Water System (RWS) budget projects demand of 62MG next fiscal year (see chart of historical water use attached), up 24% from the current year estimated actual, as 14 new accounts are projected come online during the fiscal year. Consistent with the potable water rate increase, a 7% commodity rate increase will be effective June 1, 2012. The 7% increase will add \$17,000 to annual revenue.

Operating expenses are budgeted to increase 60% (\$79,000) from the existing FY12 budget, as start-up costs for operating the expanded distribution system are undertaken, and 39MG (\$59,000) of tertiary treated water from Novato Sanitary District and Las Gallinas Valley Sanitary District are purchased. We anticipate the Deer Island Plant to run through September, after which water will be purchased from NSD and LGVSD at anticipated pricing of \$1,500/MG.

The proposed budget includes \$5.5 million for continued expansion of the North & South Service Areas. The expansion project is funded by Federal and State grant funds (25%) and 2.6% 20-year SRF loans (75%).

The proposed FY13 RWS budget shows a break-even plan for the year. The RWS has borrowed over \$2.5 million from the Novato district pending receipt of grant and loan monies. As those monies are received, the loan will be repaid to Novato. \$1.7 million is budgeted to be repaid to Novato in FY13.

Staff will continue to fine-tune the RWS budget, and will present if it for approval at the June 19 public hearing.

NOVATO WATER - RECYCLED WATER SYSTEM
BUDGET SUMMARY
Fiscal Year 2012/13

	Proposed Budget 2012/13	Estimated Actual 2011/12	Adopted Budget 2011/12	
OPERATING INCOME				
1	Recycled Water Sales	\$255,000	\$192,000	\$230,000
2	Bimonthly Service Charge	6,000	4,000	4,000
3	Total Operating Income	\$261,000	\$196,000	\$234,000
OPERATING EXPENDITURES				
4	Purchased Water - NSD	\$41,000	\$0	\$0
5	Purchased Water - LGVSD	18,000	0	0
6	Pumping	2,000	1,000	2,000
7	Operations	22,000	39,000	6,000
8	Treatment	81,000	56,000	84,000
9	Transmission & Distribution	27,000	3,000	17,000
10	General Administration	19,000	20,000	22,000
11	Total Operating Expenditures	\$210,000	\$119,000	\$131,000
12	NET OPERATING INCOME (LOSS)	\$51,000	\$77,000	\$103,000
OTHER SOURCES OF FUNDS				
13	Interest Revenue	\$0	\$0	\$1,000
14	Fed Grant/SRF Loan - RWS Expansion	6,860,000	3,059,000	5,000,000
15	Connection Fees Trsf'd from Novato	467,000	1,168,000	125,000
16	Stone Tree Golf Debt Service	251,000	251,000	251,000
17	Total Other Sources	\$7,578,000	\$4,478,000	\$5,377,000
OTHER USES OF FUNDS				
18	Capital Improvement Projects	\$5,525,000	\$6,716,000	\$5,125,000
19	Loan (From)/Repayment to Novato	1,711,000	(2,434,000)	0
20	RWF SRF Loan Debt Service	273,000	273,000	273,000
21	RW Expansion SRF Loan Debt Service	120,000	0	45,000
22	Total Other Uses	\$7,629,000	\$4,555,000	\$5,443,000
23	NET SURPLUS/(DEFICIT)*	\$0	\$0	\$37,000
24	Depreciation (not included above)	\$165,000	\$163,000	\$165,000

* Line 12+17-22

Proposed Capital Improvement Projects

5/8/12

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FY13 Budget FY14 Budget FY13 Project Description

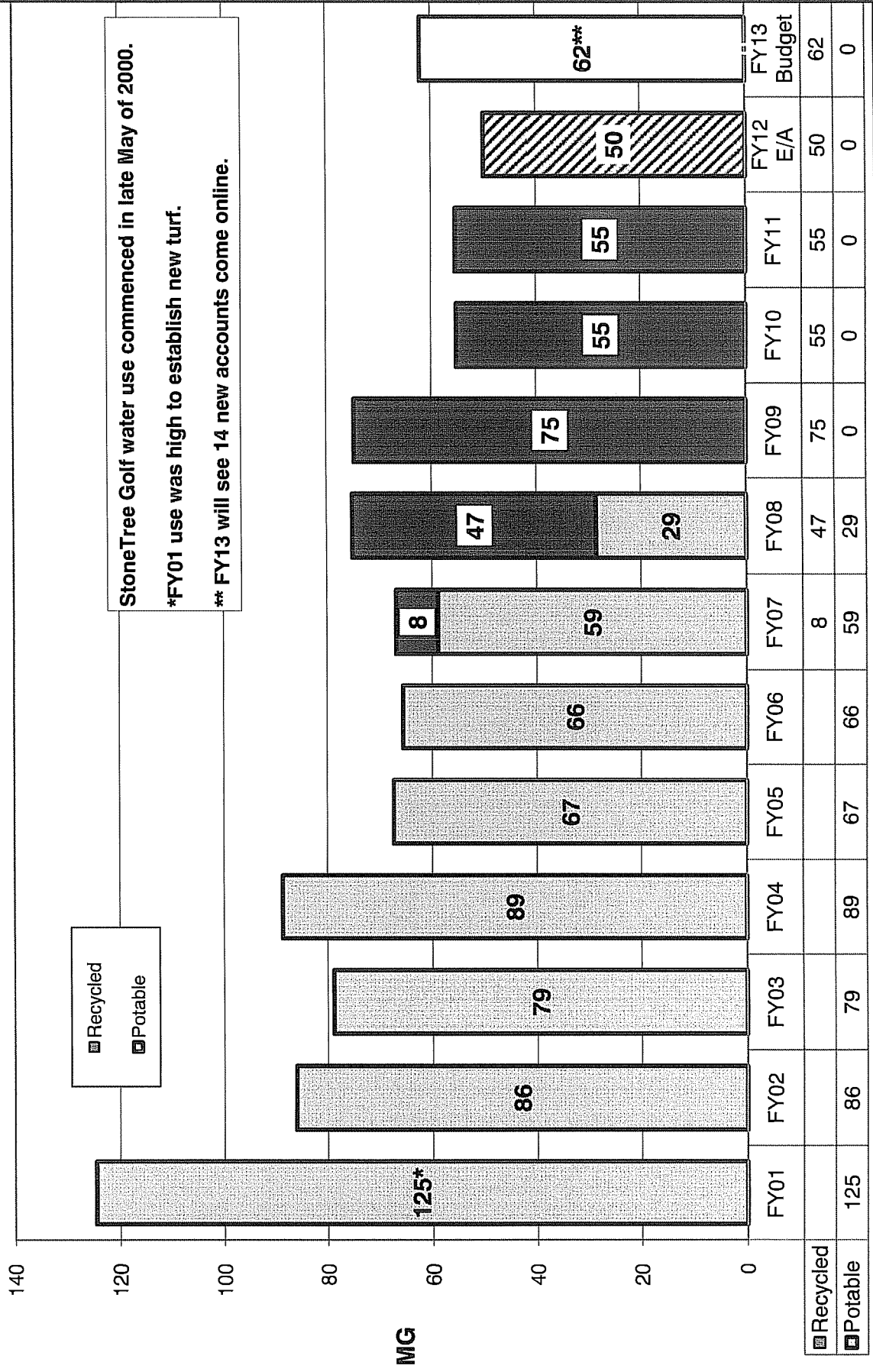
5. RECYCLED WATER				
a.	NB/WRA Grant Program Administration	\$325,000	\$125,000	Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants.
b.	Expansion to North Area	\$1,000,000		Pipeline additions and storage improvements to increase recycled water use by 186 AF.
c.	Expansion to South Area	\$4,200,000	\$300,000	Pipeline additions and storage improvements to increase recycled water use by 220 AF.
d.	Other Recycled Water Expenditures	\$5,525,000	\$20,000	
			<u>\$445,000</u>	
LESS FUNDED BY LOANS/GRANTS				
a.	Recycled Water Sys Expansion - North Area	(\$1,000,000)	\$0	Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
b.	Recycled Water Sys Expansion - South Area	(\$4,200,000)	(\$300,000)	Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
		<u>(\$5,200,000)</u>	<u>(\$300,000)</u>	

SUMMARY - NET PROJECT OUTLAY
INTERNALLY FUNDED PROJECT OUTLAY

\$325,000	\$145,000
-----------	-----------

Total Number of Projects 3 3

Recycled Water Use History



Recycled
 Potable

13

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager *CD*
Subject: Governor's Pension Reform Plan
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May 11, 2012

RECOMMENDED ACTION: Information Only

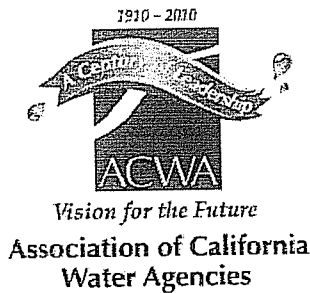
FINANCIAL IMPACT: None at this time

I participate in the Association of California Water Agency's (ACWA) Local Government Committee. One of the committee's charges this year is to inform the ACWA State Legislative Committee on a position regarding pension reform. In March 2012, the ACWA Local Government Committee reviewed the Governor's 12-Point Pension Reform Plan and prepared comments on the plan for the ACWA State Legislative Committee information as it reviews and takes positions on pension reform-related legislation (Attachment 1). The ACWA Local Government Committee viewed the plan as a good start and is generally supportive of its intent.

At the ACWA conference last week, the ACWA Local Government Committee met again and learned that pension reform would be included as a part of the ACWA Strategic Plan in the next two years, however, nothing else has happened in the state legislature.

Assembly Member Furutani, Chairman of the Public Employees Retirement and Social Security Committee, has penned a letter informing state legislators that no pension reform legislation will be taken up until the Assembly Conference Committee has issued its report on the topic (Attachment 2). It's likely that this Conference Committee will not issue a report until after the State budget deliberations have concluded for FY 2012/13. Once the Conference Committee issues its report, the State Assembly and Senate will have a vote on the floor regarding recommendations provided from the Conference Committee. There will be no reconciliation between the Assembly and State bills as typically proposed.

Some local agencies are establishing lower benefit and lower cost plans for new employees and negotiating higher employee contributions with existing employees to pay their pension obligations. The ACWA Local Government Committee acknowledges that pension reform will likely only happen at the local level.



Association of California Water Agencies
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ACWA
Local Gov't Comm.
File
77903

MEMORANDUM

TO: Paul M. Bartkiewicz, Chair, ACWA State Legislative Committee
FROM: Marion V. Ashley, Chair, ACWA Local Government Committee
DATE: March 22, 2012
RE: Pension Reform - Input from the Local Government Committee regarding the Governor's
Twelve Point Pension Reform Plan

On March 15, 2012, ACWA's Local Government Committee (the LGC) reviewed Governor Brown's October 27, 2011 *Twelve Point Pension Reform Plan* (the Plan). The LGC recognizes that the State Legislative Committee takes the positions on state legislation for ACWA, and that ACWA's Board of Directors is currently determining what actions, if any, the Board will take on pension reform. This memorandum is intended to aid the State Legislative Committee as it reviews pension reform-related legislation. A copy of the Plan is enclosed for ease of reference.

A. General Reaction

The LGC views the Plan as a good start and is generally supportive of its intent. The LGC recognizes that additional discussion on the specific details and potential unintended impacts of pension reform will take place at ACWA. It is important in these discussions to recognize that some local governmental bodies, including some water agencies, have already taken action, or are in the process of taking action, to contain pension costs. How pension reform should apply to governmental bodies that have taken early action will be an important issue.

B. Specific Reactions to Plan Elements

Following are the LGC's initial reactions to each of the twelve plan elements. (The elements are summarized in the attachment.)

1. Equal Sharing of Pension Costs: All Employees and Employers

The concept of having required contributions from both employer and employee is workable.

2. “Hybrid” Risk-Sharing Pension Plan: New Employees

The management of the hybrid plan for new employees should be carefully defined. The LGC generally supports having an employer match for the defined contribution component (the 401(k) type part), but there should be an appropriate limit on that match.

3. Increase Retirement Ages: New Employees

The LGC generally agrees that the proposal has merit, but other factors should be further explored. One issue for consideration (which also came up at ACWA’s Legislative Symposium) is how this element should take into account employees who have physical work as part of their jobs. Another issue is how this element should take into account employees who are under the new retirement age (67) and are disabled.

4. Require Three-Year Final Compensation to Stop Spiking: New Employees

The LGC agrees that there should be a prohibition on pension “spiking,” as it can increase the costs to the pension system for the employer, employee and the public.

5. Calculate Benefits Based on Regular, Recurring Pay to Stop Spiking: New Employees

The LGC agrees with this proposal.

6. Limit Post-Retirement Employment: All Employees

The LGC agrees that post-retirement employment should be time-limited. As the Plan notes, there are often significant benefits to bringing a retired employee back, so a reasonable balance needs to be struck.

7. Felons Forfeit Pension Benefits: All Employees

The LGC generally supports this concept but notes that sometime there are factors that need to be taken into consideration (e.g., an innocent spouse).

8. Prohibit Retroactive Pension Increases: All Employees

The LGC agrees with this proposal.

9. Prohibit Pension Holidays: All Employees and Employers

The LGC generally agrees with this proposal.

10. Prohibit Purchases of Service Credit: All Employees

The LGC generally agrees with this proposal.

11. Increase Pension Board Independence and Expertise

The LGC believes the Governor's proposal is a good starting point and suggests that more detail is needed regarding the selection of members to ensure that the members of the public retirement boards are truly independent and have the expertise to allow the boards to make sound financial decisions.

12. Reduce Retiree Health Care Costs: State Employees

This section is limited to state employees. The LGC did not have a comment on this section other than the LGC recognizes that unfunded retiree health liability is a major issue at both the state and local levels.

Thanks to you and the State Legislative Committee for considering this input. If you have any questions, please contact me at (951) 955-1043 or LGC Liaison Cindy Tuck at (916) 441-4545.

Enclosure

cc: Randy Record, President
John Coleman, Vice President
Tim Quinn, Executive Director
Kathy Cole, Vice Chair, State Legislative Committee
Gary Skrel, Vice Chair, Local Government Committee



Twelve Point Pension Reform Plan

October 27, 2011

The pension reform plan I am proposing will apply to all California state, local, school and other public employers, new public employees, and current employees as legally permissible. It also will begin to reduce the taxpayer burden for state retiree health care costs and will put California on a more sustainable path to providing fair public retirement benefits.

1. Equal Sharing of Pension Costs: All Employees and Employers

While many public employees make some contribution to their retirement – state employees contribute at least 8 percent of their salaries – some make none. Their employers pay the full amount of the annual cost of their pension benefits. The funding of annual normal pension costs should be shared equally by employees and employers.

My plan will require that all new and current employees transition to a contribution level of at least 50 percent of the annual cost of their pension benefits. Given the different levels of employee contributions, the move to a contribution level of at least 50 percent will be phased in at a pace that takes into account current contribution levels, current contracts and the collective bargaining process.

Regardless of pacing, this change delivers real near-term savings to public employers, who will see their share of annual employee pension costs decline.

2. “Hybrid” Risk-Sharing Pension Plan: New Employees

Most public employers provide employees with a defined benefit pension plan. The employer (and ultimately the taxpayer) guarantees annual pension benefits and bears all of the risk of investment losses under those plans. Most private sector employers, and some public employers, offer only 401(k)-type defined contribution plans that place the entire risk of loss on investments on employees and deliver no guaranteed benefit.

I believe that all public employees should have a pension plan that strikes a fair balance between a guaranteed benefit and a benefit subject to investment risk. The “hybrid” plan I am proposing will include a reduced defined benefit component and a defined contribution component that will be managed professionally to reduce the risk of employee investment loss. The hybrid plan will combine those two components with Social Security and envisions payment of an annual retirement benefit that replaces 75 percent of an employee’s salary. That 75 percent target will

be based on a full career of 30 years for safety employees, and 35 years for non-safety employees. The defined benefit component, the defined contribution component, and Social Security should make up roughly equal portions of the targeted retirement income level. For employees who don't participate in Social Security, the goal will be that the defined benefit component will make up two-thirds, and the defined contribution component will make up the remaining one-third, of the targeted retirement benefit.

The State Department of Finance will study and design hybrid plans for safety and non-safety employees, and will fashion a cap on the defined benefit portion of the plans to ensure that employers do not bear an unreasonable liability for high-income earners.

3. Increase Retirement Ages: New Employees

Over time, enriched retirement formulas have allowed employees to retire at ever-earlier ages. Many non-safety employees may now retire at age 55, and many safety employees may retire at age 50, with full retirement benefits. As a consequence, employers have been required to pay for benefits over longer and longer periods of time.

The retirement age for non-safety workers in 1932, when the state created its retirement system, was 65. The retirement age for a state highway patrol officer in 1935 was 60. The life expectancy of a twenty-year old who began working at that time was mid-to-late 60s, meaning that life expectancy beyond retirement was a relatively short period of time. Now with a growing life expectancy, pensions will pay out not just for a few years, but for several decades, requiring public employers to pay pension benefits over much longer periods of time. Under current conditions, many years can separate retirement age from the age when an employee actually stops working. No one anticipated that retirement benefits would be paid to those working second careers.

We have to align retirement ages with actual working years and life expectancy. Under my plan, all new public employees will work to a later age to qualify for full retirement benefits. For most new employees, retirement ages will be set at the Social Security retirement age, which is now 67. The retirement age for new safety employees will be less than 67, but commensurate with the ability of those employees to perform their jobs in a way that protects public safety.

Raising the retirement age will reduce the amount of time retirement benefits must be paid and will significantly reduce retiree health care premium costs. Employees will have fewer, if any, years between retirement and reaching the age of Medicare eligibility, when a substantial portion of retiree health care costs shift to the federal government under Medicare.

4. Require Three-Year Final Compensation to Stop Spiking: New Employees

Pension benefits for some public employees are still calculated based on a single year of "final compensation." That one-year rule encourages games and gimmicks in the last year of employment that artificially increase the compensation used to determine pension benefits. My plan will require that final compensation be defined, as it is now for new state employees, as the highest average annual compensation over a three-year period.

5. Calculate Benefits Based on Regular, Recurring Pay to Stop Spiking: New Employees

Where not controlled, pension benefits can be manipulated by supplementing salaries with special bonuses, unused vacation time, excessive overtime and other pay perks. My plan will require that compensation be defined as the normal rate of base pay, excluding special bonuses, unplanned overtime, payouts for unused vacation or sick leave, and other pay perks.

6. Limit Post-Retirement Employment: All Employees

Retirement with a pension should not translate into retiring on a Friday, returning to full-time work the following Monday, and collecting a pension and a salary. Retired employees often have experience that can deliver real value to public employers, though, so striking a reasonable balance in limiting post-retirement employment is appropriate. Most employees who retire from state service, and from other CalPERS member agencies, are currently limited to working 960 hours per year for a public employer, and do not earn any additional retirement benefits for that work. My plan will limit all employees who retire from public service to working 960 hours or 120 days per year for a public employer. It also will prohibit all retired employees who serve on public boards and commissions from earning any retirement benefits for that service.

7. Felons Forfeit Pension Benefits: All Employees

Although infrequent, recent examples of public officials committing crimes in the course of their public duties have exposed the difficulty of cutting off pension benefits those officials earned during the course of that criminal conduct. My plan will require that public officials and employees forfeit pension and related benefits if they are convicted of a felony in carrying out official duties, in seeking an elected office or appointment, or in connection with obtaining salary or pension benefits.

8. Prohibit Retroactive Pension Increases: All Employees

In the past, a number of public employers applied pension benefit enhancements like earlier retirement and increased benefit amounts to work already performed by current employees and retirees. Of course, neither employee nor employer pension contributions for those past years of work accounted for those increased benefits. As a result, billions of dollars in unfunded liabilities continue to plague the system. My plan will ban this irresponsible practice.

9. Prohibit Pension Holidays: All Employees and Employers

During the boom years on Wall Street, when unsustainable investment returns supported "fully-funded" pension plans, many public employers stopped making annual pension contributions and gave employees a similar pass. The failure to make annual contributions left pension plans in a significantly weakened position following the recent market collapse. My plan will prohibit all employers from suspending employer and/or employee contributions necessary to fund annual pension costs.

10. Prohibit Purchases of Service Credit: All Employees

Many pension systems allow employees to buy "airtime," additional retirement service credit for time not actually worked. When an employee buys airtime, the public employer assumes the full risk of delivering retirement income based on those years of purchased service credit. Pensions are intended to provide retirement stability for time actually worked. Employers, and ultimately taxpayers, should not bear the burden of guaranteeing the additional employee investment risk that comes with airtime purchases. My plan will prohibit them.

11. Increase Pension Board Independence and Expertise

In the past, the lack of independence and financial sophistication on public retirement boards has contributed to unaffordable pension benefit increases. Retirement boards need members with real independence and sophistication to ensure that retirement funds deliver promised retirement benefits over the long haul without exposing taxpayers to large unfunded liabilities.

As a starting point, my plan will add two independent, public members with financial expertise to the CalPERS Board. "Independence" means that neither the board member nor anyone in the board member's family, who is a CalPERS member, is eligible to receive a pension from the CalPERS system, is a member of an organization that represents employees eligible to or who receive a pension from the CalPERS system, or has any material financial interest in an entity that contracts with CalPERS. My plan also will replace the State Personnel Board representative on the CalPERS board with the Director of the California Department of Finance.

True independence and expertise may require more. And while my plan starts with changes to the CalPERS board, government entities that control other public retirement boards should make similar changes to those boards to achieve greater independence and greater sophistication.

12. Reduce Retiree Health Care Costs: State Employees

The state and the nation have seen the costs of health care skyrocket. The state's retiree health care premium costs have increased by more than 60 percent in the last five years and will almost double over ten years. This approach has to change.

My plan will reduce the taxpayer burden for health care premium costs by requiring more state service to become eligible for health care benefits at retirement. New state employees will be required to work for 15 years to become eligible for the state to pay a portion of their retiree health care premiums. They will be required to work for 25 years to become eligible for the maximum state contribution to those premiums. My plan also will change the anomaly of retirees paying less for health care premiums than current employees.

Contrary to current practice, rules requiring all retirees to look to Medicare to the fullest extent possible when they become eligible will be fully enforced.

Local governments should make similar changes.

CHIEF CONSULTANT
KARON GREEN

COMMITTEE SECRETARY
WENDY BURKE

California Legislature
Assembly Committee on
**PUBLIC EMPLOYEES, RETIREMENT
AND SOCIAL SECURITY**



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ASSEMBLYMEMBER
WARREN T. FURUTANI
CHAIRMAN

April 18, 2012

Assemblymember Smyth
State Capitol, Room 4098
Sacramento, CA 95814

Dear Assemblymember Smyth,

In 2011, the Legislature established the Conference Committee on Public Employee Benefits under the provisions of Senate Bill 827 and Assembly Bill 340. Since that time, the Committee has met five times and anticipates releasing its report in the next several months. The Legislature will then have the opportunity to vote on the Conference Committee report in both houses.

As Chair of the Assembly Public Employees, Retirement and Social Security (PER&SS) Committee and as Co-chair of the Conference Committee, I believe it appropriate to limit the bills considered this year in the policy committees to those that are not within the purview of the Conference Committee. I have determined that bills addressing pension reform and benefit changes of any kind should be referred to interim study so that their topics can be considered once the Conference Committee has issued its report.

Therefore, it will be the recommendation of the Chair that, AB 1649, AB 1681 and AB 2224, which relate to subjects under review by the Conference Committee, be referred to interim study when it is heard in the Assembly PER&SS Committee on April 26, 2012.

Authors will have three minutes to present on their bill and support and opposition will be limited to two minutes each. You also have the option of waiving presentation on your bill if you so choose.

The issue of pension reform is a priority for all legislators, Republican and Democrat, and will be addressed in a thoughtful and thorough manner during this legislative session.

If you have any questions regarding this letter, please do not hesitate to contact the Chief Consultant for our committee, Karon Green, at (916) 319-3957.

Sincerely,

Warren T. Furutani
Chairman

APR 18 2012



OPINION

EDITORIALS | Views of the editorial board

Legislature can't shelve pension reform

TOP LAWMAKERS MUST MAKE THAT CLEAR

The chairman of the Assembly Public Employees, Retirement and Social Security Committee insisted this week that pension reform is not dead.

Really?

A pension reform measure the governor proposed six months ago has gone nowhere. Then, last week, Assemblyman Warren Furutani, D-Gardena, sent out a letter telling legislators who had pension reform bills pending before his PER&SS Committee that their measures would be sent to interim study — legislative speak for killed, at least for this year.

Republican legislators, who had introduced bills that mirror Gov. Jerry Brown's controversial 12-point pension reform plan, interpreted the letter to mean that the governor's plan was dead, too.

Furutani says that is not the case. A two-house Conference Committee on Public Employee Pensions is working on comprehensive reform.

"To take action on these bills would be premature," Furutani said, "given that the subject matter is already under review by the conference committee and will be addressed by the final report submitted to the Legislature."

To consider pension fixes in a piecemeal fashion in a policy committee while trying to work out comprehensive reform in the conference committee complicates the process.

So, all pension bills are being held. Letters went out to every legislator who introduced a pension bill, Democrats and Republicans alike, committee staffers said.

Despite the reassurances, there is reason to be skeptical. Democrats in the Legislature have been promising pension reform for years, with little or nothing to show for it. They haven't been able to produce a bill that stops pension spiking, an abuse almost everyone agrees needs to be curbed. Meanwhile, many local governments are drowning in pension debt.

Unlike regular policy committees, the Conference Committee on Public Employee Pensions has until the end of the legislative year, Aug. 31, to produce a reform bill that the Legislature can vote on. The committee is expected to produce a draft report in the next few weeks.

The contents of that report — how seriously it addresses the state's pension crisis — will provide the definitive answer to the question of whether pension reform in California is dead or not.

Yet we shouldn't need to wait until August to see if this push for pension reform is real or just more kabuki. Legislative leaders — Senate President Pro Tem Darrell Steinberg and Assembly Speaker John A. Pérez — need to state emphatically and definitively that a pension reform package will pass out of their chambers, *this year*.

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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 4, 2012

Time: 9:30 a.m. – 11:30 a.m.

NAPA Location: Hatt Hall at the Napa River Inn
500 Main Street
Napa, CA 94559

AGENDA

Item

Recommendation

- | | |
|---|-------------|
| 1. Call to Order (Jack Gibson, Chair) | |
| 2. Public Comment | |
| 3. Approval of the Agenda (1 min.) | Approve |
| 4. Approval of Minutes | Approve |
| 5. Treasurer's Report (1 min.) | Accept |
| 6. Final Budget – 2012-2013 (15 min.) | Action |
| * Project Approval – Marin County Fish and Wildlife Commission (\$5k) | |
| Harry Seraydarian, NBWA Executive Director | |
| 7. Items of Interest | |
| 8. Items for Next Agenda | |
| 9. Status Update on the Napa River Flood Protection Project (30 min.)
and Restoration Efforts on the Napa River
Rick Thomasser, Watershed and Flood Control Operations Manager
Napa County Flood Control and Water Conservation District | Information |
| 10. Napa River Walking Tour (1 hr.)
Downtown Reach of the Napa River Flood Project
(Paved Urban Trails) | Information |

Next Meeting Information:

Next Meeting: June 1, 2012
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: May 4, 2012
Time: 9:30 a.m.
Location: Hatt Hall at the Napa River Inn
500 Main Street
Napa, CA 94559

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Mark Luce	Napa Sanitation District
Megan Clark	Las Gallinas Valley Sanitary District	Carey Parent	Bel Marin Keys Community Services District
Mike DiGiorgio	Novato Sanitary District	David Rabbitt	County of Sonoma and Sonoma County Water Agency
Rick Fraites	North Marin Water District	Rick Thomasser	Napa County Flood Control and Water Conservation District
Jack Gibson	Marin Municipal Water District		
Kathy Hartzell	Central Marin Sanitation Agency		

Directors present represented 12 out of the 16 agencies signatory to the Association MOU. Jeanne MacLeamy was in attendance representing the City of Novato, Associate Member.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:44 a.m.
2. **Public Comment.** There was no public comment.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held March 2, 2012.** (See Handout) The Minutes of the Board Meeting held on March 2, 2012 were unanimously approved.
5. **Treasurer's Report.** (See Handouts) The Treasurer's Reports for March and April, 2012 were accepted as presented by Harry Seraydarian.
6. **Final Budget – 2012-2013 and Project Approval: Marin County Fish and Wildlife Commission (\$5k).** Harry Seraydarian used a PowerPoint to provide background on historic NBWA budgets and then summarized the March approval of a maximum budget for 2012-2013 of \$178,304. Harry reviewed the budget categories and indicated he had not received input on any suggested changes since the March 2 Board action. He asked if there were any suggested changes to the budget. There were no suggestions and the March decision became the final action on the 2012-2013 Budget. Harry then introduced a new proposal that had been developed since the March 2 meeting. The Marin County Fish and Wildlife Commission is requesting \$5,000 to help fund 3 specific projects on their 2012 list (Mill Valley Streamkeepers – newsletter-\$700, PRBO/STRAW – Water Buffalo-\$3,860, and Friends of Corte Madera Creek – signage-\$1,100). Harry explained the Commission's process and the 3 projects and mentioned the endorsements of the NBWA Water Quality and Habitat/Floodplain Technical Committees. Harry noted that income from the Conference was ~\$5,000 more than expected so this project could be approved without changing estimated carryover funds. A Board member asked if the MCFAWC could provide the balance of the funding for the 3 projects? (Yes.) The NBWA Board unanimously approved a \$5,000 "contribution" to the Marin County Fish and Wildlife Commission targeted to the identified projects.

Harry also provided a summary of feedback from the April 13 Conference (97 out of about 200 attendees filled out forms): Conference met needs/expectations – 4.5 out of 5; Facilities were adequate, enjoyable and conveniently located – 4.5 out of 5; Conference length – 4.4 out of 5; Information – enable to be more effective on interconnected Bay Area water issues – 4.4 out of 5; Speakers – 4.33 average out of 5 (range 3.9 to 4.6). Harry also highlighted the types of specific comments received that will be considered for future conferences.

7. **Items of Interest.**

- * September 17 David Yearsley Memorial Fundraiser Event at the Lagunitas Brewing Company.
- * On May 3, 2012 the MMWD Board approved a Multi-Benefits/Integrated Water Management Projects Policy (based on NBWA Policy on Integrated Projects).

8. **Items for Next Agenda.**

- * Sustainable local water management – Elizabeth Dougherty, Ph.D., Wholly H2O Founder and Ex. Dir.
- * Tomales Bay Watershed Council Update – Neysa King

9. **Status Update on the Napa River Flood Protection Project and Restoration Efforts on the Napa River.**

Rick Thomasser used a PowerPoint to provide an update on the Napa River Flood Protection Project and Restoration Efforts. He highlighted the Oxbow in the City of Napa and reflected on Measure A – a 20 year, .5 cent sales tax that has raised \$230 million in revenue. Rick used an overview map to note the flood protection efforts in the cities on the Napa drainage and also explained the link with water supply reliability and the use of recycled water. He identified the key restoration areas on the Napa River, and in the Oakville and Rutherford areas. Rick emphasized the “Living River” design and the concept of giving the Napa River more room. He highlighted the South Napa Wetlands (900 acres restored by breaching levees) and the Oxbow bridge replacements with new levees and flood walls, which increase riparian width (15 year effort to be completed by 2017). Rick provided more detail on the South Wetlands Opportunity Area and noted that restoration was accomplished through breaching levees and not much active planting. He then described the efforts to monitor native habitat and vegetation communities (examples of improved vegetation and increases in bird surveys). Rick then described the “urban reach” near the Third Street bridge as setting the tone for aesthetics of public spaces. Rick provided examples of marsh plain restoration and floodplain terracing with an example of removing industrial development (Requiring removal of 230,000 cubic yards of petroleum contaminated soil, excavating to a 15 foot depth and placing clean fill). Rick then focused on the Hatt complex (flood wall completed in 2008) and the Veterans Memorial Park and Floodwall (designed to withstand being inundated by a 50 year flood event). Rick emphasized that the flood project had created an opportunity for renewal on Main Street. Rick then described the outlet improvements on Napa Creek (a bypass culvert and large woody debris structures that should be finished in one year). Rick then explained the other restoration efforts in Rutherford and Oakville and the need to restore geomorphic function, improve habitat, and comply with the TMDL for sediment. Rick noted the work was done on private property and Special Benefit Zones were created to fund maintenance work performed by the County. Rick provided some visuals of erosion examples and summarized the status on the Rutherford area (9 reaches totaling 4.5 miles and now working on reach 4). Rick highlighted the success in leveraging local funds with grants from the State and the EPA. Rick provided a status update on the Oakville to Oak Knoll reach and mentioned a \$395k grant from the EPA for design. Rick then highlighted the efforts to manage invasive non native plants and Pierce host plant species and also removing trash. Rick ended with a description of the Zinfandel Fish Passage Improvement Project completed in October, 2011 with a \$400k grant from the State Coastal Conservancy. The NBWA Board Members had a few questions. How long did locals work on passing Measure A? (Approximately 3 years. The 2/3 vote was held in 1997 and passage of Measure A was perhaps positively influenced due to a flood that occurred a few weeks before the vote. The community had previously rejected design concepts proposed by the USACE). Is the USACE at the center of the conflict between TMDLs restricting sediment in streams and the shortage of sediment in the bay? (No, not necessarily – sediment is stuck in the wrong places and the type of sediment is also an important factor).

Jack Gibson, Chair, adjourned the meeting at 10:43 a.m. for the walking tour.

10. **Napa River Walking Tour.** Downtown Reach of the Napa River Flood Control Project

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION:

June 1 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

July 6 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Redwood Room, Novato, CA 94949

**NBWA BOARD OF DIRECTORS' MEETING – MAY 4, 2012
ATTACHMENT TO AGENDA ITEM NO. 6**

MARIN COUNTY FISH AND WILDLIFE COMMISSION

1682 Novato Boulevard, Suite 150B, Novato
Phone 415-499-4204 • Fax 415-499-4209

The Marin County Fish and Wildlife Commission (Commission) is requesting a targeted grant from the North Bay Watershed Association (NBWA) in the amount of \$5,000 for the purpose of providing funding for our 2012 grant applicants whose mission is consistent with NBWA's mission.

The Commission (formerly the Marin County Fish and Wildlife Advisory Committee) was established by the Marin County Board of Supervisors (BOS) in 1975. The Commission advises the BOS on expenditures of funds obtained mainly through fines levied for fish and wildlife violations in Marin. With a mandate to enhance fish and wildlife resources and public education in Marin, the Commission has partnered with many local environmental organizations that perform the hands-on work of creek restoration, erosion control, wetland restoration, and other worthy projects.

While funding for our grant program comes mainly from fines levied by the California Department of Fish and Game, we had received other, significant funding from the state (such as in-lieu property taxes). As with many other organizations, the state funding we had received is no longer forthcoming. As a result, our ability to fund grant requests has suffered. For example, last year we had more than \$40,000 in requests but were able to provide less than \$10,000 in funding.

A few years ago, in order to avoid duplication of the small grants that both of our organizations administered, we entered into a partnership with MCSTOPPP that provided \$5,000 to \$10,000 per year. The Commission recommended distribution of the MCSTOPPP money as part of our ongoing grant program. Unfortunately, due to their own budget constraints, MCSTOPPP is currently unable to assist with our grant funding needs.

The projects we would recommend to the BOS for funding with a grant from NBWA are:

- \$700 to Mill Valley Streamkeepers for a newsletter to educate the community about impacts on stream habitat.
- \$3,860 to Students and Teachers Restoring a Watershed (STRAW) for purchase of a water buffalo (container) to allow for on site plant irrigation.
- \$1,100 to Friends of Corte Madera Creek Watershed for interpretative signs addressing harm to wildlife caused by trash.

The total amount needed to fund the above grants is \$5,660. Given a targeted grant of \$5,000 from NBWA, the Commission could recommend providing the additional \$660 from our existing grant money. Contingent on approval from the BOS, the above grants could be fully funded.

We greatly appreciate NBWA's consideration of our proposal and we hope to work with NBWA to ensure that these smaller projects can be funded for the benefit of habitat and wildlife. NBWA would be recognized for its contribution in our newsletter as well as our through our communications with the environmental community.

We look forward to hearing from you. Please let us know if we can provide any additional information.

NBWA FY 2012-2013 Proposed Budget

Overhead and General Benefit Projects		NBWA Cash Requirement					CASH ALLOCATION																	
		In-Kind Services	NBWA staff	Other consultants	ODCs	Assumed grant contribution	2012 - 2013 Total Cash Budget	CMSA	Marin Co	LGVSD	Bel Marin Keys, SASM, City of Mill Valley	McSTPP	MMWD	NMWD	NapaSan	NapaFlood	NovatoSan	Petaluma	San Rafael	City Sonoma	Sonoma Co.	SCWA	SVCS	NBWA TOTAL
A- Overhead																								
1	Board Meetings/Workshops	12,500	39,300	-	-	-	39,300	1,375	8,198	1,289	1,270	1,240	2,299	1,422	1,467	1,246	1,365	2,409	2,059	1,405	7,049	3,762	1,446	39,300
2	Board Meeting Minutes	3,000	4,560	-	-	-	4,560	159	951	150	147	144	267	165	170	145	158	280	239	163	818	436	168	4,560
3	Agency Coordination	-	13,680	-	-	-	13,680	478	2,854	449	442	432	800	495	511	434	475	839	717	489	2,454	1,309	503	13,680
4	Administrative Steering Comm.	-	4,460	-	-	-	4,460	156	930	146	144	141	261	161	166	141	155	273	234	159	800	427	164	4,460
5	Office support	4,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead Subtotals		20,000	62,000	-	-	-	62,000	2,168	12,934	2,033	2,004	1,956	3,628	2,244	2,314	1,966	2,153	3,800	3,248	2,216	11,121	5,934	2,281	62,000
Overhead Totals								2,168	12,934	2,033	2,004	1,956	3,628	2,244	2,314	1,966	2,153	3,800	3,248	2,216	11,121	5,934	2,281	62,000
B- General Benefit Projects																								
6	Public Outreach Materials	-	7,500	-	-	-	7,500	262	1,565	246	242	237	439	271	280	238	260	460	393	268	1,345	718	276	7,500
7	Committee Activities	-	27,360	-	-	-	27,360	957	5,708	897	884	863	1,601	990	1,021	868	950	1,677	1,433	978	4,907	2,619	1,006	27,360
8	Website	-	3,644	-	-	-	3,644	127	760	119	118	115	213	132	136	116	127	223	191	130	654	349	134	3,644
9	Data Management	-	10,000	-	-	-	10,000	350	2,086	328	323	316	585	362	373	317	347	613	524	357	1,794	957	368	10,000
10	Legislative Action*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Watershed Council	-	22,800	-	-	-	22,800	797	4,756	748	737	719	1,334	825	851	723	792	1,398	1,195	815	4,090	2,182	839	22,800
12	NBWA Water Conference	-	5,000	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Update of IRWMP	-	20,000	-	-	-	20,000	700	4,172	656	646	631	1,170	724	746	634	695	1,226	1,048	715	3,587	1,914	736	20,000
14	Contingency Reserve	-	25,000	-	-	-	25,000	874	5,215	820	808	789	1,463	905	933	793	868	1,532	1,310	893	4,484	2,393	920	25,000
General Benefit Subtotals			116,304	-	-	-	116,304	4,068	24,262	3,814	3,758	3,670	6,805	4,209	4,340	3,688	4,039	7,129	6,094	4,157	20,861	11,132	4,278	116,304
General Benefit Totals								4,068	24,262	3,814	3,758	3,670	6,805	4,209	4,340	3,688	4,039	7,129	6,094	4,157	20,861	11,132	4,278	116,304
FY 2012 - 13 TOTAL A + B		20,000	178,304	-	-	-	178,304	6,236	37,196	5,847	5,762	5,626	10,433	6,453	6,654	5,654	6,192	10,929	9,342	6,373	31,982	17,066	6,559	178,304
FY 2012 - 13 TOTAL A + B								6,236	37,196	5,847	5,762	5,626	10,433	6,453	6,654	5,654	6,192	10,929	9,342	6,373	31,982	17,066	6,559	178,304

Specific Benefit Projects		NBWA Cash Requirement					CASH ALLOCATION																	
		In-Kind Services	NBWA staff	Other consultants	ODCs	Assumed grant contribution	2012 - 2013 Total Cash Budget	CMSA	Marin Co	LGVSD	MCSO #5 (See Note 1)	McSTPP	MMWD	NMWD	Napa San	NapaFlood	NovatoSan	Petaluma	San Rafael	City Sonoma	Sonoma Co.	SCWA	SVCS	NBWA TOTAL
C- Specific Benefit Projects																								
1	Project "A"	-	-	-	-	NA	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Project "B"	-	-	-	-	NA	25,500	Funded from prior year carryover.																
3	Project "C"	-	-	-	-	NA	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2012-13 Specific Benefit Project Total							80,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NBWA Total for FY 2012-13	20,000	178,304	-	-	-	258,804	6,236	37,196	5,847	5,762	5,626	10,433	6,453	6,654	5,654	6,192	10,929	9,342	6,373	31,982	17,066	6,559	178,304
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Note 1 Marin Sanitation District #5 has withdrawn from NBWA. However, the City of Mill Valley, Southern Marin Sanitation District and Bel Marin Keys Community Services District will make up the contribution, at prior year funding levels.

Note 2 Total Budget allocations based on 16 members, which includes return of Petaluma to NBWA.

15

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subject: Water Advisory Committee and Technical Advisory Meeting – May 7, 2012
t:\gmlscwa\wac agenda and minutes\2012\cd notes 050712.doc

May 11, 2012

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None at this time

Agenda and handouts attached.

2. Public Comment

During public comment, Brenda Adleman from the Russian River Protection Committee commented on a recent NY Times editorial regarding chemicals of emerging concern in the environment (attached).

3. Recap from the March 5, 2012 WAC/TAC Meeting and Approval of Minutes

The minutes were approved as mailed.

4. Recap from the April 2, 2012 TAC Meeting and Approval of Minutes

The minutes were approved as mailed.

5. Water Supply Coordination Council

The summary from the April 27 Water Supply Coordination Committee meeting was included with the agenda mailing.

6. Presentation on the Draft SCWA Long Range Financial Plan

The Sonoma County Water Agency Chief Engineer, Jay Jasperse, made a presentation on the Agency's Long Range Financial Plan (see www.scwa.ca.gov/files/docs//finance/WACfinancialmodel-5-7-12.pdf). The WAC had previously received a presentation on the LRFP process in November 2011, and the TAC Budget Subcommittee has been working with the Agency staff on the plan and this presentation. The presentation included example scenarios relative to current financial obligations and projects including ongoing operations and maintenance, biological opinion, local hazard mitigation projects and capital improvement projects. Take home points from the LRFP scenarios are:

1. Dry Creek Habitat Enhancement Projects are required and are independent of water deliveries.
2. We want the Dry Creek habitat enhancements to work to avoid the \$141M capital cost of an alternate Dry Creek by-pass pipeline.
3. The Agency and water contractors should continue pursuing and pressuring the Corps of Engineers to share cost of the Dry Creek habitat enhancements.
4. Pre-funding as previously done and recently restarted helps stabilize rates.
5. A conservative approach was used for the LRFP model. The Agency has assumed a 3% escalation for O&M costs (the largest component of the budget) and low water demands. A bigger denominator in the rate calc will ostensibly lower rate increases but could require other capital projects to be needed sooner.

There were several questions from the WAC members but all in all the presentation was well received.

7. SCWA Water Supply/Transmission System Operations Status (So. Valley GWM Plan/Storm Water Mgmt/Santa Rosa Plan GW Studies)

Jay Jasperse also made a presentation on the groundwater management ongoing in Sonoma County (see http://www.scwa.ca.gov/files/docs/about-us/wac/2012-05/050712WACTAC_GMPslides1.pdf) including: the Alexander Valley groundwater studies completed in 2006, the Sonoma Valley groundwater studies also completed in 2006, the Santa Rosa Plain groundwater studies scheduled for completion in 2012 and the Petaluma Valley groundwater area where studies have not yet started. Jay made a comprehensive presentation on the Sonoma Valley studies which have resulted in a groundwater management plan and basin advisory committee. He talked about the USGS studies ongoing now in the Santa Rosa Plain and that a steering committee has been established to develop a framework for a groundwater management plan and to identify goals and objectives.

8. Biological Opinion Status Update

Pam Jeane walked through the Biological Opinion update for 2012. Grant Davis thanked the folks who attended the Coho Broodstock ribbon cutting.

9. Integrated Regional Water Management Plan(s) Update

Jake Mackenzie advised that the North Coast IRWMP had received a \$1M planning grant authorization from DWR. The Bay Area IRWMP update dated May 7, 2012 was distributed.

10. Items for Next Agenda

11. Check Out

Valley of the Moon reported that on June 1st they will celebrate their 50th anniversary with an open house and all are invited.

Shirley Zane commended the Town of Windsor on being singled out by WATEREUSE as the Medium Size Recycled Water Agency of the year in California.

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



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY, MAY 7, 2012

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 March 5, 2012 WAC/TAC Meeting and Approval of Minutes
4. Recap from the April 2, 2012 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. Presentation on the Draft SCWA Long Range Financial Plan
7. SCWA Water Supply/Transmission System Operations Status (So. Valley GWM Plan/Storm Water Mgmt/Santa Rosa Plain GW Studies)
8. Biological Opinion Status Update
9. Integrated Regional Water Management Plan(s) Update
10. Items for Next Agenda
11. Check Out

How chemicals in receipts affect us and our children

Scientists are observing with increasing alarm that some very common hormone-mimicking chemicals can have grotesque effects.

A widely used herbicide acts as a female hormone and feminizes male animals in the wild. Thus male frogs can have female organs, and some male fish actually produce eggs. In a Florida lake contaminated by these chemicals, male alligators have tiny penises.

These days there is also growing evidence linking this class of chemicals to problems in humans. These include breast cancer, infertility, low sperm counts, genital deformities, early menstruation and even diabetes and obesity.

Philip Landrigan, a professor of pediatrics at Mount Sinai School of Medicine, says that a congenital defect called hypospadias — a misplacement of the urethra — is now twice as common among newborn boys as it used to be. He suspects endocrine disruptors, so called because they can wreak havoc with the endocrine system that governs hormones.

Endocrine disruptors are everywhere. They're in thermal receipts that come out of gas pumps and ATMs. They're in canned foods, cosmetics, plastics and food packaging. Test your blood or urine, and you'll surely find them there, as well as in human breast milk and in cord blood of newborn babies.

In this campaign year, we are bound to hear endless complaints about excessive government regulation. But here's an area where scientists are increasingly critical of our government for its failure to tackle Big Chem and regulate endocrine disruptors adequately.

Last month, the Endocrine Society, the leading association of hormone experts, scolded the Food and Drug Administration for its failure

to ban bisphenol-A, a common endocrine disruptor known as BPA, from food packaging. Last year, eight medical organizations representing genetics, gynecology, urology and other fields made a joint call in *Science* magazine for tighter regulation of endocrine disruptors.

Shouldn't our government be as vigilant about threats in our grocery stores as in the mountains of Afghanistan? Researchers warn that endocrine disruptors can trigger hormonal changes in the body that may not show up for decades. One called DES, a synthetic form of estrogen, was once routinely given to pregnant women to prevent miscarriage or morning sickness, and it did little harm to the women themselves. But it turned out to cause vaginal cancer and breast cancer decades later in their daughters, so it is now banned.

Scientists have long known the tiniest variations in hormone levels influence fetal development. For example, a female twin is very slightly masculinized if the other twin is a male, because she is exposed to some of his hormones. Studies have found that these female twins, on average, end up slightly more aggressive and sensation-seeking as adults but have lower rates of eating disorders.

Now experts worry that endocrine disruptors have similar effects, acting as hormones and swamping the delicate balance for fetuses in particular. The latest initiative by scholars is a landmark 78-page analysis to be published next month in *Endocrine Reviews*, the leading publication in the field.

"Fundamental changes in chemical testing and safety determination are needed to protect human health," the analysis declares. Linda S. Birnbaum, the nation's chief environmental scientist and toxicologist, endorsed the findings.

The article was written by a 12-member panel that spent three years reviewing the evidence. It concluded that the nation's safety system for endocrine disruptors is broken.

"For several well-studied endocrine disruptors, I think it is fair to say that we have enough data to conclude that these chemicals are not safe for human populations," said Laura Vandenberg, a Tufts University developmental biologist who was the lead writer for the panel.

Worrying new research on the long-term effects of these chemicals is constantly being published. One study found that pregnant women who have higher levels of a common endocrine disruptor, PFOA, are three times as likely to have daughters who grow up to be overweight. Yet PFOA is unavoidable. It is in everything from microwave popcorn bags to carpet-cleaning solutions.

Big Chem says all this is sensationalist science. So far, it has blocked strict regulation in the United States, even as Europe and Canada have adopted tighter controls on endocrine disruptors.

Yes, there are uncertainties. But the scientists who know endocrine disruptors best overwhelmingly are already taking steps to protect their families. John Peterson Myers, chief scientist at Environmental Health Sciences and a co-author of the new analysis, said that his family had stopped buying canned food.

"We don't microwave in plastic," he added. "We don't use pesticides in our house. I refuse receipts whenever I can. My default request at the ATM, known to my bank, is 'no receipt.' I never ask for a receipt from a gas station."

I'm taking my cue from the experts, and I wish the Obama administration would as well.



NICHOLAS D. KRISTOF

Nicholas D. Kristof is a columnist for the New York Times.

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

- Attendees:
- Susan Gorin, City of Santa Rosa
 - Glen Wright, City of Santa Rosa
 - Linda Reed, City of Santa Rosa
 - Jennifer Burke, City of Santa Rosa
 - Linda Hall, City of Santa Rosa
 - Jake Mackenzie, City of Rohnert Park
 - Darrin Jenkins, City of Rohnert Park
 - Milenka Bates, City of Sonoma
 - Toni Bertolero, City of Sonoma
 - Mark Landman, City of Cotati
 - ✗ Damien O'Bid, City of Cotati
 - Dennis Rodoni, North Marin Water District
 - Chris DeGabriele, North Marin Water District
 - Drew McIntyre, North Marin Water District
 - Mike Healy, City of Petaluma
 - Remleh Scherzinger, City of Petaluma
 - Robin Goble, Town of Windsor
 - Steve Allen, Town of Windsor
 - Richard Burt, Town of Windsor
 - Mark Bramfitt, Valley of the Moon Water District
 - Krishna Kumar, Valley of the Moon Water District
 - Paul Helliker, Marin Municipal Water District
 - Mike Ban, Marin Municipal Water District
 - Grant Davis, SCWA
 - Pam Jeane, SCWA
 - Spencer Bader, SCWA
 - Michael Thompson, SCWA
 - Ann DuBay, SCWA
 - Brad Sherwood, SCWA
 - Carrie Pollard, SCWA
 - Lynne Rosselli, SCWA

- Public Attendees:
- Richard Dowd, City of Santa Rosa BPU
 - Brenda Adelman, RRWPC
 - David Keller, FOER
 - Dietrich Stroeh
 - Dawna Gallagher
 - Bob Anderson, United Wine Growers
 - Colleen Fernald
 - Deborah Tavares
 - Doug Millar
 - Marge Sorbi
 - Orlean Koehle
 - Jennifer Delany
 - Casey (no last name)

1. Check-in

Chair Susan Gorin called the meeting to order at 9:00a.m.

2. Public Comment

Deborah Tavares spoke against fluoridation of the water supply.
Colleen Fernald is concerned about water supply quality issues.
Doug Millq4 (sp) spoke against fluoride in the water.
Brenda Adelman does not agree that the inflow into Pillsbury is the determining factor for the critically dry year that has been declared.
Jennifer Delany spoke against fluoride in our water.
Casey (no last name given) spoke against fluoride.
Orlean Koehle spoke against fluoride.

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

Unanimous agreement to approve the minutes of the February 6, 2012 WAC/TAC meeting as published.

4. Consider SCWA FY 2012/13 Water Transmission System Budget

Spencer Bader referred to the handout available at this meeting and offered to answer any questions on the budget included with distribution of the WAC/TAC agenda. Chair Gorin requested input from the WAC representatives. Jake Mackenzie, City of Rohnert Park, has been authorized to approve the budget. City of Petaluma agrees with the budget. City of Sonoma has reviewed and agrees. Town of Windsor agrees. Marin Municipal appreciates the collaborative efforts. Valley of the Moon agrees. North Marin is prepared to move ahead with the budget. City of Cotati supports the budget. Santa Rosa supports the budget. Jake Mackenzie reported on his trip to Washington, DC. Supervisor Efren Carrillo and Supervisor Shirley Zane are currently in Washington. Grant Davis, SCWA General Manager, reported that we are united in securing Federal support for Biological Opinion funding which has resulted in the Army Corps of Engineers keeping us on track to meet the goal for the first mile of the Dry Creek Restoration by 2014. However, there are no longer any earmarks in Congress and we target the administration in order to get budgeting for projects. SCWA competes with other districts for USACOE O&M budget money. A full report will be made in April when Supervisors Carrillo and Zane return from Washington, DC. Moved by Jake Mackenzie, City of Rohnert Park, to recommend the proposed SCWA budget be adopted by the SCWA Board of Directors, seconded by Laurie Gallian, City of Sonoma; unanimously approved.

5. Water Supply Conditions

Pam Jeane stated conditions have changed and March will tell how the water supply fares. Critical water supply conditions are now in place and are based on the inflow to Lake Pillsbury. We were 800 acre feet short of a dry year. Monitoring is continuing. April 1, May 1 and June 1 will be the dates to change the status. Storage amount is very good, with Lake Sonoma at 80% full. It has carryover for a dry year through 2013. Lake Mendocino has no carryover storage from year to year because it is too small. As of March 1 Lake Mendocino can add to storage into the flood control pool. Water conservation is still important for later water use by people and fish.

North Marin typically draws from Stafford Lake in summer months and since that supply is low they will rely on SCWA providing more water to them.

Pam advised that the EIR being prepared now is aimed at making changes to 1610 by looking at the hydrologic index, proposing a new operating rule instead of using Lake Pillsbury as the determining factor. The State Water Resources Control Board makes the final decision as to what determining factor will be used.

David Keller asked if Frost protection comes from Lake Mendocino and how much will the SCWA release to keep that protection? An independent science panel review is being set up to help keep information accurate and answer inquiries from users.

6. Items for April 5 TAC agenda

Water Supply and Transmission System Operations status
Biological Opinion Status Report
Sonoma Valley and Santa Rosa Plain Groundwater Plans

May 7 WAC/TAC

Water Conditions
Biological Opinion Status Report

7. Check Out

Next TAC meeting is April 2.
Next WAC/TAC meeting is May 7.

Chair Susan Gorin adjourned the meeting at 11:03a.m.

Minutes of Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
April 2, 2012

Attendees: Susan Gorin, City of Santa Rosa
Miles Ferris, City of Santa Rosa
Glen Wright, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Linda Hall, City of Santa Rosa
Damien O'Bid, City of Cotati
Darrin Jenkins, City of Rohnert Park
Toni Bertolero, City of Sonoma
Mike Ban, Marin Municipal Water District
Krishna Kumar, Valley of the Moon Water District
Chris DeGabriele, North Marin Water District
Michael Thompson, SCWA
Pam Jeane, SCWA
Jay Jasperse, SCWA
Spencer Bader, SCWA
Carrie Pollard, SCWA
Ann DuBay, SCWA
Lynne Rosselli, SCWA

Public Attendees: Dick Dowd, City of Santa Rosa BPU
Dietrich Stroeh
Brenda Adelman, RRWPC
Bob Anderson, United Winegrowers
Dawna Gallagher
Deborah Tavares
Lou Tavares
Rod Houser, Kennedy/Jenks

Check-in

1. TAC Chair Chris DeGabriele called the meeting to order at 9:05a.m.

2. Public Comment

Brenda Adelman spoke about an article titled "Hormones and Endocrine-Disruptive Chemicals: Low-Dose Effects and Non-monotonic Dose Responses".
Jennifer Burke distributed information regarding an ACWA Regional program in Santa Rosa on June 22, "Developing a Regional Drink Local Water Campaign".
Lou Tavares spoke against fluoride in water supply.
Deborah Tavares spoke regarding fluoride in water supply.
Dawna Gallagher requested contacting the legislature and request hearings be held prior to ratifying the casino compact.

3. Russian River Water Year Classification

Pam Jeane reported the Russian River is in a normal water condition as of March 30. Lake Pillsbury has 124,000AF inflow. There will be another measurement on May 1 and June 1. Flows out of Lake Mendocino and Lake Sonoma are at minimum since there is sufficient run off in the watershed to maintain stream flows.
Biological opinion requires a temporary urgency change petition be filed with the SRWCB requesting a change in upper river flow to same level as last year's petition. The petition will be filed in the next couple of weeks.

4. Biological Opinion Status Update

Pam Jeane reviewed the Biological Opinion Status Update provided to the TAC.

5. Items for next WAC/TAC agenda

Long Range Financial Plan review

Sonoma Valley and Santa Rosa Plain Groundwater Management Plans review

Biological Opinion Status update

6. Check Out

Next WAC/TAC meeting is May 7

Next TAC meeting is June 4

Meeting adjourned at 9:44a.m.

Water Supply Coordination Council

MEETING AGENDA

Friday, April 27, 2012
11am – 12noon
Board Caucus Room

- 1) Review summary of last meeting (January 26, 2012 summary attached)
- 2) May 7th WAC/TAC meeting
 - Co Presentation by TAC and SCWA on water supply and financial planning
 - Presentation on groundwater studies and management for Sonoma Valley and SR Plain
- 3) June 4th TAC Meeting
- 4) Long Range Financial Planning Coordination
- 5) Schedule Next Meeting
- 6) Other

*If you need to call in, please contact Stephanie Reynolds at 547-1955 so a phone line can be arranged.

Summary
April 27, 2012
Water Supply Coordination Council Meeting

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

Attendees: Efren Carrillo, Grant Davis, Susan Gorin, Mark Bramfitt (via telephone), Jake Mackenzie, Krishna Kumar, Chris DeGabriele

1. Review Draft Summary of Last Meeting (January 26, 2012)

Summary of the January 26, 2012 WSCC meeting was reviewed.

2. May 7, WAC/TAC Meeting

A draft agenda for the Water Advisory Committee and Technical Advisory Committee meeting scheduled for May 7, 2012 was reviewed. The parties agreed upon a WAC/TAC agenda to be distributed.

3. June 4, TAC meeting.

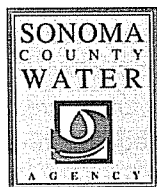
No discussion was held regarding this item.

4. Long Range Financial Plan Coordination

The parties discussed the presentation to be made to the WAC at the May 7 meeting. The TAC chair will request that TAC members reach out to their WAC representatives prior to the meeting regarding content of the long-range financial plan.

5. Schedule Next Meeting.

The next Water Supply Coordination Council meeting will be scheduled prior to the August 6 WAC/TAC meeting; date and time to be determined.



Russian River Biological Opinion Update – May 2012

The Sonoma County Water Agency is continually planning and implementing the Russian River Biological Opinion requirements. To better communicate the progress and timeline of this work, the Water Agency has provided the below outline of project updates. For more detailed information about these activities, please visit www.sonomacountywater.org.

Dry Creek Demonstration Project

- The Dry Creek Demonstration Project reached the 90% design level at the end of October. Discussions with landowners regarding right-of-way and construction are ongoing.
- On the permitting front, a draft 1600 Agreement from Fish and Game has been amended and is expected to be finalized within days; a 401 water quality certification permit from the North Coast Regional Water Quality Control Board and a permit from the Corps of Engineers permit are anticipated by the end of May.
- Bids were received in early April for large woody debris (redwood/douglas fir trees and trees with root wads) and enough material has been identified to meet the needs of the demonstration project.
- Interfluve, the consulting firm, is preparing construction contract documents for summer 2012 for those enhancements on properties where signed right-of-way agreements are nearly complete.

Dry Creek Habitat Enhancement Study

- In December, InterFluve submitted the Draft Conceptual Design Report for the Dry Creek Habitat Enhancement draft feasibility study. This report presents conceptual designs for potential habitat improvements areas beyond the 1-mile demonstration project. A meeting will be held at the end of May to finalize the report.
- The Water Agency, National Marine Fisheries Service, Department of Fish & Game and the U.S. Army Corps of Engineers are working with consultants, ESSA, to develop clear success measures for habitat enhancement. The plan should be completed in 2012.

Tributary Fish Passage and Habitat Enhancement Projects

- In mid-April, fishery staff installed downstream migrant traps in the Russian River, at Mirabel, in Dry Creek, Mark West Creek and Dutch Bill Creek. To date, thousands of juvenile steelhead and coho have been counted and released in daily checks of traps.

Mirabel Screen and Fish Ladder Replacement

- The Water Agency received a \$255,000 California Department of Fish and Game Fishery Restoration Grant for design of the project. The 65% design was received in mid-March, and was reviewed by Water Agency staff.
- In late March, staff submitted a grant application to CDFG for construction funds for the fish ladder.

Russian River Estuary Management Project

- A three-year general lease was received from the State Lands Commission for the estuary management project.

- A Marine Mammal Protection Act Incidental Harassment Authorization (IHA) was received from National Marine Fisheries Service for activities that could potentially disturb seals (and other pinnipeds). As in past years, the IHA requires extensive monitoring of seals prior, during and after any beach activity. In addition, it requires bi-monthly monitoring of seals and limits activities when seal pups are on the beach.
- Staff is gearing up for the 2012 monitoring season, and anticipates beginning biological monitoring and water quality monitoring in May.
- The Estuary Management Project final Environmental Impact Report was certified in August and the Board of Directors approved the project. On September 16, a lawsuit was filed by the Russian River Watershed Protection Committee challenging the EIR.

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.

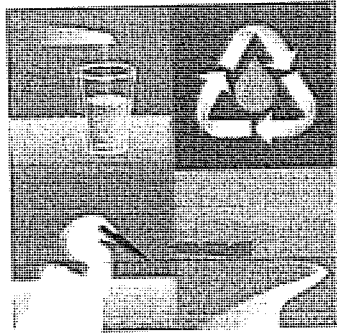
- EIR Schedule
 - Release Draft EIR in summer 2012
 - Release Final EIR in summer 2013
 - BO requires Board to certify Final EIR by September 24, 2013
 - EIR will be prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis.

Interim Flow Changes

- The State Water Resources Board issued a 2012 Temporary Urgency Change order on May 2. The order requires fisheries reports, water quality monitoring and recognizes the continuing efforts by the contractors and Water Agency with regard to water use efficiency.
- Reports for the 2011 TUC were submitted to the State Water Board on March 31, 2012.

Public Outreach

- Plans are underway for extensive outreach on the Dry Creek habitat enhancement demonstration project, which is slated to begin construction this summer.
- The USACE and the Water Agency co-hosted a ribbon-cutting at the new building housing the Russian River Coho Salmon Captive Broodstock Program on May 2.



Bay Area Integrated Regional Water Management Plan

North Bay Sub-region

UPDATE May 7, 2012

- The four sub-regions of the Bay Area IRWMP are working to help stakeholders develop projects to include in the ongoing update of the IRWMP and for inclusion in Proposition 84 funding proposals. This includes the North Bay Sub-region and the four counties' sub-sub-regions. For example, stakeholders in the Sonoma Valley are developing an integrated project that includes flood control, groundwater recharge and habitat restoration.
- **Round 2 Proposition 84 grant proposals will be due in March 2013.** The Bay Area will receive \$20 million for this round. Round 3 will include more than \$85 million for the Bay Area.
- **Round 2 Proposition 1E grant proposals will be due in December 2012.** These are grants for flood protection projects, including seismic retrofit, designed to protect life and property. There could be as much as \$136 million for statewide competition.

More information on the Bay Area IRWMP and sub-region efforts can be found at www.bairwmp.org.

16

DISBURSEMENTS - DATED MAY 2, 2012

Date Prepared: 5/2/12

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

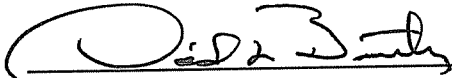
Seq	Payable To	For	Amount
1	Aberegg, Michael	Drafting Services: Canyon Green Subdivision (Bal Remaining on Contract \$9,525)	\$1,100.00
2	Baker, Jack	Director's Fee (\$200) & Novato Watershed Program Meeting - 4/23 (\$100)	300.00
3	Bastogne	Refund Overpayment on Account	2,000.00
4	Bay Area Barricade Service	Marking Stick, Orange Marking Paint (12-17oz cans) (\$44), White Striping Paint (24-17oz cans) (\$112) & 12 X 18 Cardboard Signs: No Parking (500) (\$380)	560.09
5	Business Card	Cancellation & Rebooking Fee for ACWA Conf (\$75), Reg Fee: ACWA Conf (Bentley) (\$335), Breakfast Meeting (\$58), Lodging - ACWA Conf (\$307), Parts for RWF Computer (\$881), Internet Payment Fee (\$113), Notary Stamp (Young) (\$36), Reg Fee: Marin Conservation League Dinner Meeting (Fraits) (\$75) & Cooler for Lab (\$43)	1,922.64
6	California State Disbursement	Wage Assignment Order (3)	1,478.50
7	CDW-Government	Wireless Mouse (Grisso)	25.35
8	CORE Utilities	Consulting Services: March IT Support Services (\$5,000), Service on RWF Computer \$600, Pt Reyes TP (\$175), Annual Water Cost Calculator (\$175) & Director's Email (\$75)	6,025.00
9	CSW	Progress Payment #8: Reservoir Hill Tank Rehabilitation (Bal Remaining on Contract \$2,153)	4,766.94
10	Fisher Scientific	Buffer (4) (Lab)	126.30
11	Fong, Tom	Novato "Washer Rebate" Program	50.00
12	Fraits, Rick	Director's Fee (\$200) & Novato Watershed Program Meeting - 4/23 (\$100)	300.00

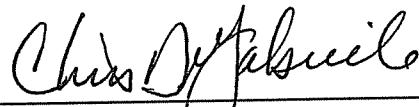
Seq	Payable To	For	Amount
13	Fremouw Environmental Svc	Hazardous Waste Disposal	50.00
14		Vision Reimbursement	189.97
15	Grainger	Security Camera Battery (Crest Tank), Light Bulbs (12), Flood Light & Fluorescent Lights (36) (\$175)	232.90
16	Groeniger	2" Couplings (5)	618.45
17	Hanlein, Jon	Novato "Cash for Grass" Program	312.50
18	Hazard Management Services	Reg Fee: Asbestos Cement Pipe Training Class (13 employees)	500.00
19	HydroScience Engineers	Engineering Services: Design & Prepare Specifications for Pt Reyes TP Solids Handling Addition (Bal Remaining on Contract \$8,130)	5,920.00
20	Itron	Service on Hand Held Meter Reading Device	190.00
21	Klinger, Alisa	Novato "Washer Rebate" Program	50.00
22	Lincoln Life	Deferred Compensation PPE 4/30	9,913.33
23	Lopez, Carlos	Novato "Washer Rebate" Program	50.00
24		Cafeteria Plan - Childcare Reimbursement	416.66
25	Marin Reprographics	Mylar Paper (2)	423.16
26	McLellan, WK	Misc Paving: Novato Area (88 S.F.)	756.00
27	McJunkin Red Man	Motor Starter Relay for 24" Aqueduct Valve	371.32
28	Milano, Virginia	Refund Security Deposit on Hyd Meter Less Final Bill	455.06
29		Wage Assignment Order	284.00
30	National Deferred	Deferred Compensation PPE 4/30	1,025.00
31	Novato Police Dept	Telephone Answering Service (Feb-Apr)	600.00

Seq	Payable To	For	Amount
32	Pace Supply	Valve Lid (\$420), Valve Replacement Parts (\$80), Angle Meter Stops (6) (\$214), Valves (10) (\$99), Pipe Wrap (100') (\$287), Flanges (2), Gasket, Couplings (6) (\$99), Bushings (5), Tees (4), Nipples (9) (\$196), Ell, Meter Spuds (40) (\$330), Adaptors (2) (\$383), Meter Boxes (2) (\$127), Lids (2) (\$240), PVC Pipe (40') & Nuts (86) (\$153)	2,763.33
33	PERS Health Benefits	May Health Ins Premium (Employees \$50,410, Retirees \$10,437 & Employee Contrib \$6,745)	67,592.36
34	Peterson Trucks	Re-Program Computer, Add Brake Wire for Electric Brake Controller (\$163), Rear Axle Brake Drums, Shoes & Seals (\$514) ('02 Int'l 5 yard Dump Truck)	676.94
35	Petterle, Stephen	Director's Fee	200.00
36	Rodoni, Dennis	Director's Fee	200.00
37	Schoonover, John	Director's Fee Less Deferred	150.00
38	Shreibman, Henry	Novato "Cash for Grass" Program	200.00
39	SKW Investments	Refund of Deposit-New Development/Water Conservation Restriction	1,000.00
40	Staples	Replacement Chairs for Board of Directors (5)	976.45
41	Staples Advantage	Correction Tape (10 pk), Hi-Liters (12), 3-Tab Folders & Dust-Off (2) (\$26)	67.44
42	Weisseusee, Marv	Novato "Toilet Rebate" Program	75.00

Seq	Payable To	For	Amount
43	Wiley Price & Radulovich	Consulting Services: Personnel Matters	196.00
44		Cafeteria Plan - Childcare Reimbursement	833.32
		TOTAL DISBURSEMENTS	<u>833.32</u> <u>\$115,944.01</u>

The foregoing payroll and accounts payable vouchers totaling \$115,944.01 are hereby approved and authorized for payment.


5/1/12
 Auditor-Controller Date


5/1/2012
 General Manager Date

DISBURSEMENTS - DATED MAY 9, 2012

Date Prepared: 5/8/12

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 4/30	\$118,525.17
EFT*	US Bank	Federal & FICA Taxes PPE 4/30	44,614.43
1*	Mello, John	Payroll Advance	600.00
2	Able Tire & Brake	Tire (\$322) ('99 F-350) & Tire Repair	358.41
3	Advanced Reproduction Center	Plans/Specs for Recycled Water South Phase 1A (7 sets)	548.36
4	Allied Electronics	RTU Batteries (24)	58.62
5	American Family Life Ins	April Employee Contrib for Accident, Disability & Cancer Ins	3,591.14
6	AT&T Mobility	Cellular Charges: Monthly (\$448) & Airtime (\$6) (15)	454.79
7	AT&T	Telephone Charges: Leased Lines (\$273), Local (\$4) & Minimum (\$684)	961.58
8	Automation Direct	RTU Analog Input Cards (6)	474.00
9	Bay Area Barricade Service	Signs: Violators Will Be Prosecuted for Failure to Obey A Posted Sign (4) (Spillway Security Improvement)	173.60
10		Cafeteria Plan - Uninsured Medical Reimbursement	25.00
11	Berman, Joel	Refund Overpayment on Closed Account	14.59
12	Bold & Polisner	March Legal Services: AEEP-B1 (\$240), AEEP-Non-Reimb (\$390), Connection Fee Credit (\$74), Hamilton Nursery (\$111), Lagunitas Water Rights (\$345), Pt Reyes Well #3 (\$210), Public Records Act (\$18), SCWA (\$59) & Sewer Rates (\$697)	2,144.50
13	Bradley Real Estate	Refund Overpayment on Closed Account	89.87
14	State of California	State Tax & SDI PPE 4/30	8,792.20

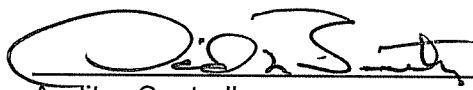
Seq	Payable To	For	Amount
15	State of California	Unemployment Ins Claim (Siragusa) (1/1/12-3/31/12)	1,076.95
16	CSW/Stuber-Stroeh Engineering	Prog Pymt #12: Aqueduct Energy Efficiency Project (Balance Remaining on Contract \$117,058)	1,351.15
17	Curry Discount	Quarterly Toner Order (12)	646.37
18	Dalmon Property Mgt	Refund Overpayment on Closed Account	22.00
19	De Gabriele, Chris	Exp Reimb: April Mileage	155.40
20	Fisher Scientific	Thiosulfate (\$42) & Dishwashing Soap (4 lbs) (\$55) (Lab)	97.72
21	Ghilotti Construction	Final Pymt: Release of Retention: Recycled Water North Segment 3 Construction (Total Pymts \$1,609,069)	119,280.94
22	Golden Gate Petroleum	Gasoline (\$4.04/gal) & Diesel (\$4.18/gal)	4,005.55
23	Grainger	Replacement Gas Pump (\$1,141), Air Filters for Office HVAC System (12) (\$166), Motor Contactor for Polymer Pump @ STP (\$75), Gas Cans (2) (\$87), Disposable Wipes for Backflow & Pump Repairs (\$44), Reflective Tape (25 rolls) (\$36), Screwdrivers (5), Hammer & Sledge Hammers (2) (\$73)	1,668.24
24	Groeniger	Brass Nipples (28) (\$2,387), Box Lids (4) (\$555) & Air Release Valves (6) (\$3,053)	5,995.84
25	Gronberg, Carl	Refund Overpayment on Closed Account	20.00
26	Kaiser Foundation Health Plan	DMV/DOT Physical Exam (Castellucci) & Pre-Employment Physical (\$125) (Meier)	195.00
27		Cafeteria Plan - Uninsured Medical Reimbursement	115.00
28		Cafeteria Plan - Uninsured Medical Reimbursement	12.00
29	Larsengines	Replacement Chain Saw	485.95
30	Madruga Iron Works	Frame & Cover (\$3,870) & Reading Lids for Detection Check Assembly (\$507)	4,377.86
31	Marin Color Service	Paint (1 qt & 4-17oz cans)	43.35

Seq	Payable To	For	Amount
32	Marin Landscape Materials	Crushed Rock (\$106), Concrete (\$322) & Mason Mix	436.05
33	Maselli & Sons	Replacement Back Pack Blower & Spark Arrestors	492.32
34	McLellan, WK	Misc Paving: Novato Area (474.50 S.F.)	2,818.13
35	Mehrer, Karen	Novato "Washer Rebate" Program	50.00
36	MSC Industrial Supply	Sample Pump for Actifloc Clear Well (STP)	246.67
37	National Park Service	Refund EFT Payment from NPS Sent to NMWD in Error	5.27
38	North Marin Auto Parts	Shocks (4) (\$172), Electrical Switch for Small Generator, Dust Masks (50), Generator Plug, Fuel Filter, Paint (\$34), Oil Filters (7) (\$70), Motor Oil (16 qts) (\$70), Gear Oil (5 qts) (\$69), Wire for Battery Charger, 2 Cycle Oil (12 gal) (\$89), Marker Light, Grommets (2), Emergency Break-Away Switch (\$61), Bolts, Electrical Wire Loom (10), Degreaser (32 oz), Spot Mirror, Armour All, Door Latch Bolt, Air Filter, Electrical Wire Cover, 4" Socket, Head Light Bulb, 3" Ext Tubing (10') (\$42) & Front Wheel Bearings (4) (\$45)	759.41
39	North Marin Water District	NMWD Employee Assoc Dues - March & April	1,880.00
40	Novato Builders Supply	PVC Pipe (2), Coupler (2), Rope & Lumber (\$34)	89.17
41	Novato, City of	In-Lieu Fee for Cutting Moratorium Street - Vallejo & 4th Street	500.00
42	Novato Chevrolet	Parts & Labor to Replace Faulty Air Bag Module ('07 Chevy 2500 Silverado)	676.93
43	Office Depot Business Service	Quarterly Office Supply Order: Pens (192) (\$187), Calculator, Deposit Bags (300) (\$67), Hand Sanitizer (2 8oz), Cash Reg Tape (10), Sheet Protectors (200), Post-its (48), Dividers (117), Dry Erase Board, "OK to Pay", "Mailed" Stamps, Envelopes (100), Pocket Files (5) (\$29), Folders (150) & Replacement Office Furniture (Baccei, Corda, Kurfirst & Latanyzsyn) (\$3,314)	4,160.33

Seq	Payable To	For	Amount
44	Pace Supply	6" Check Valve (\$813), Gaskets (78) (\$572), Double Detection Fire Check Assembly (\$1,994), Plugs (7) (\$70), Ells (6), Bolts (288) (\$2,701), Nuts (202) (\$369), Nipples (14) (\$712), Couplings (50) (\$3,903) & Valves (4) (\$1,127)	12,285.55
45	Pailha, Sean & Anna	Refund Overpayment on Closed Account	74.19
46	PDM Steel Service Centers	Steel for Shop (\$116) & STP Chlorine Tank Frame (\$115)	231.54
47	PERS Retirement System	Pension Contribution PPE 4/30	43,450.91
48	Peterson Trucks	Air Brake Retainer Bolts ('02 Int'l Dump Truck) & Mirror Kit ('99 Int'l Dump Truck) (\$114)	120.36
49	Petro Tech	Diesel Pump Repair	159.80
50	PG&E	Refund Security Deposit on Hyd Meter Less Final Bill	430.46
51	Pini Hardware	Nut Compression, Sleeve, Copper Tube, Fittings, Rubber Gaskets, White Vinegar & Wire Cable Lug	51.67
52	Protection Engineering	Polyguard Primer (8 qts)	162.79
53	Pryor Seminars, Fred	Reg Fee: Microsoft Excel 2007/2010 Basics Seminar (\$79) & Reg Fee: Beyond the Basics (Kessler)	128.00
54	Ranger Pipelines	Prog Pymt #2: RW North Seg 2 Project (Balance Remaining on Contract \$1,150,418.28)	289,857.89
55	Roberts & Brune	12" PVC Pipe (20')	499.10
56	Roudebush, Tiffany	Novato "Washer Rebate" Program	50.00
57		Cafeteria Plan - Uninsured Medical Reimbursement	104.89
58	Sebastopol Bearing & Hydraulic	Air Compressor Base Ends	160.63
59	Sequoia Safety Supply	Safety Gloves (400) & Brief Relief Urine Bags (100) (\$220)	283.72
60	Shamrock Materials	Sand (7 cu yds) (\$776) & Rapid Set Concrete (50 sacks) (\$1,045)	1,821.35

Seq	Payable To	For	Amount
61	Shirrell Consulting Services	May Dental Ins Adm Fee	305.10
62	Soiland	Fee for Asphalt Recycling (5.11 tons)	20.00
63	Strahn Communications	Postage for Spring Water Line (Novato-\$2,920 & Pt Reyes-\$199)	3,118.90
64	Syar Industries	Asphalt (5.76 tons)	702.95
65	USA BlueBook	pH Probe (\$145) & Water Quality Supplies (STP) (\$151)	296.93
66	Verizon California	Telephone Charges: Leased Lines (\$827) & Minimum (\$44)	870.24
67	Verizon Wireless	April CIMIS Station Data Transfer Fee (2)	19.08
68	VWR International	Plunger Replacements (2) (\$83) & Calibration Kit (\$277) (Lab)	360.60
69	Waste Management	Trash Dumping (Misc Debris) (5 yds)	114.18
70	Winzer	Bolts, Washers, Nuts & Hand Cleaner for Auto Shop	153.44
71	YSI	Sensor for Sonde-Lake Water Quality Meter	312.95
		TOTAL DISBURSEMENTS	<u>\$689,237.08</u>

The foregoing payroll and accounts payable vouchers totaling \$689,237.08 are hereby approved and authorized for payment.



Auditor-Controller

5/3/12

Date


 For General Manager

5/8/12

Date



**American Water Works
Association**

Utility Member Benefit

Government Affairs Office
1300 Eye Street NW
Suite 701W
Washington, DC 20005
T 202.628.8303
F 202.628.2846

Headquarters
6666 West Quincy Avenue
Denver, CO 80235-3098
T 303.794.7711
F 303.795.1989
www.awwa.org

The Authoritative Resource on Safe Water®

Regulatory Advisory

**TO: AWWA Leadership
All Utilities**

FROM: AWWA Government Affairs

DATE: May 1, 2012

Who:	U.S. Water Utilities
What:	SDWA Definition of Lead-Free is Changing
When:	Action Needed to Comply by January 4, 2014

AWWA member utilities should be aware of an upcoming compliance deadline that could significantly impact procurement and inventory management of meters and other distribution system components.. This compliance deadline is the result of revisions to the Safe Drinking Water Act (SDWA) that President Obama signed into law in January, 2011 (Public Law 111-380).

As of January 4, 2014 it will be illegal to use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, in the installation or repair of a public water system or customer's drinking water plumbing unless it meets a new definition of lead-free. The new definition of lead free is calculated differently (and is much lower) than the current lead free requirement (<8.8% lead). After January 4, 2014 the term "lead free" will mean—

- (A) not containing more than 0.2 percent lead when used with respect to solder and flux; and
- (B) not more than a **weighted average of 0.25 percent lead** when used with respect to the wetted surfaces of pipes, pipe fittings, plumbing fittings, and fixtures.

While the deadline is approximately 19 months away, water utilities need to take steps much sooner in order to ensure their inventory of distribution system components such as pipes, pipe fittings, meters, valves, etc. is compliant by January 4, 2014 or sooner.

EPA is still developing regulations to implement P.L. 111-380. Revisions included in the Long-Term Lead and Copper Rule (LT-LCR) will address this issue, but the LT-LCR is not scheduled to be finalized until 2015, which falls after the January 4, 2014 lead-free compliance deadline. In the interim, water systems will need to take a number of steps including using the somewhat confusing wording of P.L. 111-380 as a guide:

1. Establish procurement processes,
2. Develop inventory control mechanisms,
3. Adopt maintenance practices,
4. Prepare installation and construction specifications, and
5. Effect internal controls.

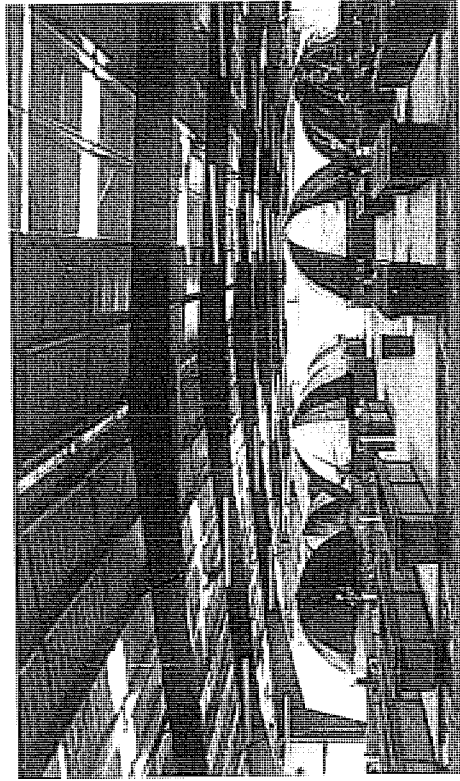
To help utilities better understand this new lead-free definition and comply with this new regulatory requirement, a forum is being held at the AWWA Annual Conference on Monday, June 11th, from 3:45-5:00p.m. in Room D164 of the Dallas Convention Center. Speakers from EPA, NSF, and various manufacturers will summarize their efforts to assist utilities with compliance, and open discussion will be encouraged.

If you have any questions about this new lead-free definition and potential compliance implications, please contact Steve Via in AWWA's Washington, DC office at svia@awwa.org.

###

ARRA Funding dedicated to Lake Sonoma projects have benefited local businesses including:

Allied Construction Services	Stanley Security Solutions
Allright Construction, Inc.	Kipper Tool Co
BC Schmidt Construction, Inc.	Miramar Ford
North Star Construction & Engineering, Inc.	Arrow Fencing
Yerba Buena Engineering & Construction	Miracle Recreation
	Mendocino Construction MIE, Inc.



Russian River Coho Recovery Broodstock Program
Don Clausen Fish Hatchery, at Lake Sonoma
3246 Skaggs Springs Road

www.spn.usace.army.mil
www.sonomacountywater.org



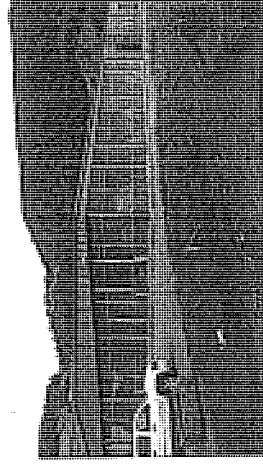
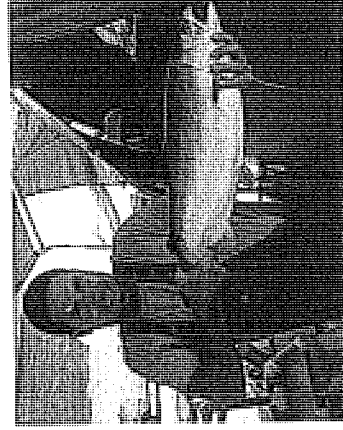
**US Army Corps
of Engineers**
San Francisco District



UCCE
University of
California
Cooperative Extension



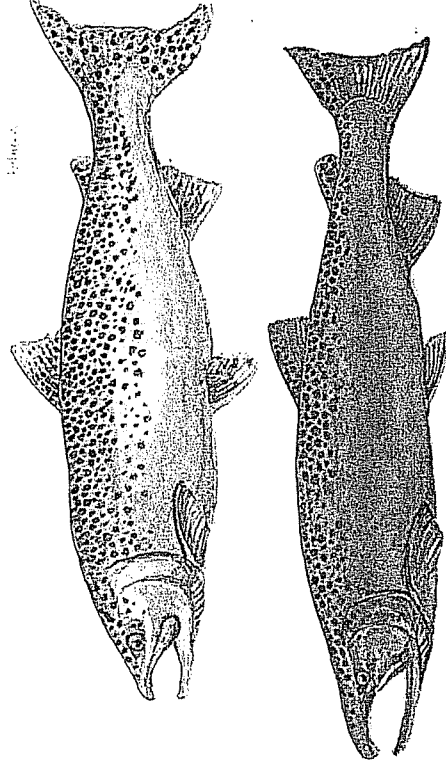
The Russian River Coho Salmon Captive Broodstock Program Building



Ribbon cutting May 2, 2012

In the 11 years since it began, the Russian River Coho Salmon Captive Broodstock Program has prevented coho salmon from disappearing from the Russian River watershed. This new building will allow this critical program to thrive and expand.

As a part of the American Recovery and Reinvestment Act (ARRA) more than \$25 million was spent on projects at Lake Sonoma and Lake Mendocino. Here at Lake Sonoma \$14.3 million was spent on critical dam safety projects, renovations to the Milt Brandt Visitor Center and Don Claussen Fish Hatchery, and other needed infrastructure including the Russian River Coho Salmon Captive Broodstock Program building (\$4 million).



Formal program will begin at 10:00 am

- 9:30 Reception & "Preview" of Milt Brandt Visitors Center
- 9:45 Walk through Visitors Center & Renovated Don Claussen Fish Hatchery viewing gallery
- 10:00 Opening, Russian River Coho Salmon Captive Broodstock Program Building
- Mike Dillabough, Chief, Operations and Readiness Division, U.S. Army Corps of Engineers San Francisco
 - Lt. Col. Torrey A. DiCiro, District Commander, U.S. Army Corps of Engineers, San Francisco District
 - The Hon. Mike Thompson, U.S. House of Representatives, 1st District
 - Mike McGuire, Water Agency Director; Sonoma County Supervisor, 4th Supervisorial District
 - Rodney McInnis, Regional Administrator, National Marine Fisheries Service, Southwest Region
 - Charlton Bonham, Director, California Department of Fish and Game/Scott Wilson, Regional Manager
 - Mike Chrisman, Director, Southwestern Partnership Office, National Fish and Wildlife Foundation
 - Lt. Col. Torrey A. DiCiro, District Commander, U.S. Army Corps of Engineers, San Francisco District

Ribbon cutting to follow speakers

Tour of Broodstock Building

Led by Miguel Galarza, President of Yerba Buena Construction & Ben White, U.S. Army Corps of Engineers

RECEIVED

MAY 02 2012

May 1, 2012

North Marin Water District

Dear Chris,

Aileen, Tom and I greatly enjoyed our tour of Ammo Hill and the Amaroли tank on Friday. The day was beautiful and it was interesting to see the growth on the hill since the dedication. The view from the site is gorgeous. We enjoyed your story of starting the young oak trees from acorns.

I thank you for bringing the plaque so we could see where it belongs and have our pictures taken with it.

It was an unexpected addition to our trip that it took place on the anniversary of the District - Clean-up-Day - and we got to meet some of the employees and share your cake.

Thank you for arranging our trip to Ammo Hill. And thanks to you and David Bentley for escorting us on our tour.

Sincerely,

Marian Amaroли



*The Board of Directors of the Valley of the Moon Water District
cordially invites you to join us in celebrating*

VOMWD's 50th Anniversary

at an

Open House

Friday, June 1, 2012

2:00-4:00 p.m.

VOMWD Offices

19039 Bay Street, Sonoma, California

2:00 - 2:30 p.m.

Refreshments

2:30 - 3:30 p.m.

Program

Welcome: Mark Bramfitt, President, Board of Directors
Keynote Speaker: Michael Woods Esq., former Director, General Manager, and
District Counsel
Remarks: Valerie Brown, County of Sonoma Supervisor and Director,
Sonoma County Water Agency, and others

3:30 - 4:00 p.m.

Anniversary Cake

Board of Directors: Mark Bramfitt, President; Ron Prushko, Vice President;
Mark Heneveld; Edward Kenny and Russell Townsend, Esq.

*On June 1, 1962, VOMWD became operational. Today, VOMWD serves 23,000 people in
Sonoma Valley. Our mission is to provide our customers with reliable, safe water at an equitable
price and to ensure the fiscal and environmental vitality of the District for future generations.*

Contact Gary Klien via email at gklien@marinij.com

The Dodge then continued forward and struck a fence and trees. ... The

Contact Nels Johnson via email at ij.civiccenter@gmail.com

BOD MSC



MARIN MUNICIPAL WATER DISTRICT

California TAX-EXEMPT Bond Issue
Anticipated the Week of May 14, 2012

\$82,000,000*

MARIN MUNICIPAL WATER DISTRICT
FINANCING AUTHORITY
(Marin County, California)
Water Revenue Bonds
2012 Series A

The bonds will be rated AA+ by Fitch and
AA by Standard & Poor's.

Interest on the bonds is exempt from California State
and Federal Taxes.**

For more information and a
preliminary official statement, please call:

Ed Schuller
Senior Vice President
RBC Capital Markets
(800) 445-8312

Peter Rossi, CFP®
Senior Vice President/Investments
Stifel Nicolaus
(415) 445-2613

John Solarczyk
Senior Vice President
De La Rosa & Co.
(866) 361-3300

* Preliminary, subject to change

** Applies to California residents. Upon the issuance of the Bonds, Quint & Thimmig LLP, Bond Counsel, will deliver an opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes, as more fully set forth in the Official Statement. Prospective buyers should consult their tax advisors.

This announcement is not an offer to sell or a solicitation of an offer to buy the Bonds and does not purport to be a complete statement of all material facts relating to the Bonds. The offering is made only by means of the Official Statement.

Sausalito man appointed to state water board

marinij.com

Posted:

Steven Moore of Sausalito has been appointed by Gov. Jerry Brown to the state Water Resources Control Board.

Moore, 45, has been a civil and sanitary engineer at San Rafael-based Nute Engineering since 2006 and has been a member of the San Francisco Bay Regional Water Quality Control Board since 2008.

He served in multiple positions on the regional board from 1999 to 2006 and 1992 to 1996, including resources control engineer.

He was a senior engineer at Montgomery Watson Consulting Engineers from 1997 to 1998, and an environmental analyst and biologist for Earth Metrics Inc. from 1989 to 1991.

The position, which requires Senate confirmation, pays \$128,109 a year. Moore is a Democrat.

TUBYS

In the gallery:

May 3-30

Point Reyes Open Studios group show sponsored by KWMMR

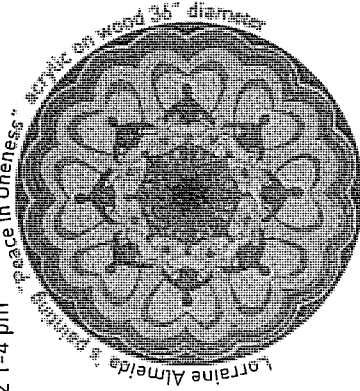
Reception Saturday May 12 1-4 pm

- Mother's Day Gifts
- Flowering Plants
- Chocolates
- Soaps
- Clothing



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WILDERMAN OF CAROL PARADE, CINCO DE MAYO PARTY AT NOON W/ LOS TENIENTES DEL NORTE

Saturday, May 5, 11 AM



TRUST: SECOND ACTS IN YOUNG LIVES (FILM)

Saturday May 5 at 7 PM

Coming soon:

MOLE TASTING DINNER BENEFITS LATINO

Friday, May 11, 6:30 PM

Friday, May 11, 6:30 PM

**PET EMERGENCY
& SPECIALTY CENTER OF MARIN**
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- 🐾 Expertise
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Bubbly water for North Marin ✓

A natural phenomenon may make drinking water cloudy for North Marin Water District (NMWD) customers in West Marin. The occurrence is the result of air dissolved in the water and is not uncommon during wet seasons. This spring has been especially rainy, resulting in high flows in Lagunitas Creek, which is adjacent to the district's water supply. Pressure caused by high water levels, combined with cold temperatures, makes the water capable of holding and dissolving significant amounts of entrapped air. By the time the water gets to the faucet, it may look similar to carbonated soda. For clear drinking water, the district suggests letting the water sit for a few minutes. While the water is safe to drink, the district has increased testing to assure its high quality.

BDD MISC

pressdemocrat.com

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PD Editorial: Mark Bramfitt best fit in 1st

Published: Wednesday, May 2, 2012 at 7:00 p.m.

Voters in Sonoma County's 1st Supervisorial District have their work cut out for them in the June 5 election.

Voters in this district, which stretches from Sonoma Valley through Rincon and Bennett valleys and other parts of east Santa Rosa, must name a successor for Valerie Brown, who is stepping from the Board of Supervisors after 10 years in office. In our view, they have five very capable and accomplished candidates from whom to choose.

The two most promising are Gina Cuclis and Mark Bramfitt, the two candidates who, as long-time residents of the unincorporated Sonoma Valley, have the best grasp on the issues confronting the district as well as the county as a whole. Of these two, our endorsement goes to Bramfitt.

A resident of the valley for 23 years, Mark Bramfitt, an energy consultant, is well versed on 1st District needs having served on LAFCO, the Valley of the Moon Water District and the Sonoma Valley Groundwater Basin Advisory Board. His background in engineering and his experience as an energy efficiency specialist for PG&E make him ideally suited to confront challenges such as ground water and whether to create a local "green energy" power agency.

Most of all, Bramfitt offers practical, no-nonsense approaches to addressing the county's financial challenges, including balancing the budget, stepping up road repairs and reining in runaway salary and pension costs.

Similarly, Cuclis, a Boyes Hot Springs communications consultant, is familiar with the district's issues having lived in the valley for 25 years and served on multiple governing boards and campaigns, including those for SMART. As a founder and president of the Verano Springs Association, she led the campaign to encourage the county to build sidewalks and rejuvenate the area. That led to what remains one of the most successful, if not completed, redevelopment projects in the county.

Three other candidates are attractive in that they all come with extensive experience in elected office. John Sawyer and Susan Gorin are both members of the Santa Rosa City Council. Both have shown themselves to be thoughtful, articulate public servants although they have been on opposite sides of a council that at times has been deeply divided. Sawyer's close ties to public safety unions and Gorin's strong connections with SEIU and other public employee groups give us concern about their independence and resolve to confront the salary and pension challenges that threaten to consume the county.

Sonoma Mayor Joanne Sanders, who owns a Sonoma-based employment agency, has a deep understanding of Sonoma and a broad knowledge of hiring practices and salaries in the private sector that would be helpful in bringing the county's payroll in line. But she lacks the depth of understanding of her competitors on a number of the larger issues facing the region.

A sixth candidate is Glen Ellen special education teacher Michael McClure who filed just before deadline is running a low-key campaign.

We're confident that any of the primary candidates — Cuclis, Gorin, Sawyer, Sanders or Bramfitt — would represent the district well. But in this race, we believe only one

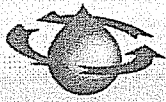
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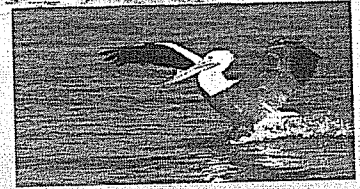
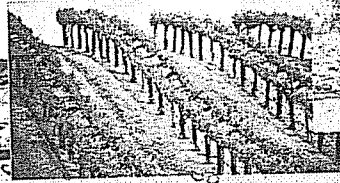
person comes with the right combination of professional experience, community service and local knowledge to represent the 1st District. The Press Democrat recommends Mark Bramfitt for the Sonoma County Board of Supervisors.

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NORTH BAY WATER REUSE PROGRAM

Water Supply Reliability through Regional Reuse



FOR IMMEDIATE RELEASE

May 3, 2012

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North Bay Water Reuse Program awarded \$3.8 million in federal funding Salt Marsh restoration and Napa Recycled Water Pipeline construction projects

Two North Bay projects that will recycle up to 2,700 acre feet of water per year for beneficial uses in agriculture, irrigation and habitat restoration have been awarded \$3.8 million in construction funding from the federal Bureau of Reclamation.

The funds are part of the Interior Department's Bureau of Reclamation WaterSMART program and will fund a portion of two projects already under way that are part of the North Bay Water Reuse Program (NBWRP), a regional group comprised of seven public utility agencies in Napa, Sonoma and Marin counties.

"This is great news," said Napa County Board of Supervisors Chair Keith Caldwell, who is also the current Chair of the North Bay Water Reuse Authority (NBWRA), the group's governing body. "It says a lot about the relationship we have with the Bureau of Reclamation and that they understand the value of our project and how important it is for us to have continued funding. The three counties involved in the North Bay Water Reuse Program have demonstrated that a regional approach to water reuse and water supply can be successful."

In Napa, \$2.025 million in WaterSMART funding will help the Napa Sanitation District (NSD) and Napa County complete the Milliken-Sarco-Tulocay (MST) Recycled Water Pipeline project, which will provide 500-1,000 acre feet of water per year (AFY) for irrigation uses and agriculture. Groundwater in the area has been over-pumped and the recycled water will help alleviate water quality and water supply problems.

Napa Mayor Jill Techel, who is a NBWRA Director and Chair of the NSD Board, said NSD was "thrilled to get the funding. It's wonderful to get support for a project that will use recycled water where it can do the most good. Securing these funds for a local project is difficult, and having the Bureau of Reclamation and our neighboring agencies as partners makes that possible."

North Bay Water Reuse Authority • c/o Novato Sanitary District • 500 Davidson Street, Novato, CA 94945
707-235-8965 • NBWRA.org

Las Gallinas Valley Sanitary District • Napa County • Napa Sanitation District • North Marin Water District
Novato Sanitary District • Sonoma County Water Agency • Sonoma Valley County Sanitation District

The Salt Marsh Project being constructed by the Sonoma Valley County Sanitation District will receive \$1.812 million to complete a 3.5-mile pipeline near the Sonoma-Napa county border that will transport tertiary treated recycled water for tidal restoration of 640-acres of former salt ponds. It is one of the largest wetlands restoration projects on the West Coast and will utilize up to 1,700 AFY to dilute the bittern ponds. Restoration of the ponds is expected to take 10 to 15 years.

Sonoma County Supervisor David Rabbitt, who is also a NBWRA Director and a director of the Sonoma County Water Agency, said the variety of projects funded by WaterSMART grants illustrates the creative approach that is needed in water management. "By finding beneficial uses for recycled water, we can not only help the environment and agriculture, but we can also conserve our potable water supplies," said Supervisor Rabbitt. "Recycled water is a drought-proof source of water that provides numerous benefits and we appreciate the support of the Bureau of Reclamation."

The NBWRP is a coordinated, regional effort to offset potable water demand by promoting water reuse for agriculture, urban use and environmental protection. It is comprised of seven public utilities in Marin, Sonoma and Napa counties. Its members currently include: Las Gallinas Valley Sanitary District, Napa Sanitation District, Novato Sanitary District, Sonoma County Water Agency, Sonoma Valley County Sanitation District, North Marin Water District, and Napa County.

Phase 1 of the NBWRP is currently under design and construction with six recycled water distribution projects, which when complete will provide 3,757 AFY for irrigation in the North San Pablo Bay region. In addition to that, the Salt Marsh project will receive up to 1,700 AFY for habitat restoration. (An acre-foot of water is 325,851 gallons.)

The Bureau of Reclamation news release about the WaterSMART awards can be found at <http://nbwra.org/latestnews/>

For more information about the North Bay Water Reuse Authority, visit the website at <http://www.nbwra.org/> E-mail: info@nbwra.org, or call (707) 235-8965.

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Novato man says he'll fight water district over bill

marinij.com

Posted:

When Bill Slade of Novato received a \$500 water bill last month — more than 10 times higher than normal — he thought it was off by a decimal place. He lives alone and did not recall any unusual water use.

But a technician visited Slade's condominium and said his meter was working correctly. The North Marin Water District agreed to cut payment to \$210 under a policy for abnormal bills, but Slade, 76, has no intention of paying what he says is still an excessive charge.

"I want to pay what I think is right, and if they reject it, we're going to have a battle," he said.

The bill, which covers a two-month period ending April 9, shows Slade used more than 100,000 gallons of water, more than 13 times higher than his typical 7,500 for this time of year, the district acknowledges.

Aware that water use occasionally spikes because of leaks or other problems, the district partially reduce bills that are unusually high as long as the spike is not caused by a "willful act or the negligence of the consumer," according to written policy.

The Marin Municipal Water District has a similar policy and in both districts, the customer shares in the cost.

"Once the water passes through the meter it is the customer's responsibility," said Chris DeGabriele, general manager for the North Marin district.

DeGabriele said it is not clear what, exactly, caused Slade's water use to spike but the district stands by the meter reading.

"We don't know if there was a leak that occurred or if somebody else used the water, but it went through the meter so any further adjustment (beyond the cut to \$210) would mean that the rest of the customers are subsidizing that particular customer," he said.

However, Slade says he is not responsible for the spike. His appliances work well, he has not altered his routines and although he traveled on short trips during the past two months neighbors and housekeepers have kept an eye on the condo, he said.

"If something was leaking, we would have flooded the complex with that much water," he said.

Customers can go before the district's board of directors to request additional bill reductions, an option Slade said he is considering. If Slade is rejected, he said he may take the fight to court.

"I won't pay it," he said. "I'll tell you why I won't pay it — that's saying it's OK."

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