



**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
May 21, 2013 – 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 7, 2013
	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 Salary Adjustment for Chief Engineer
	7.	Consent – Approve Revised District Policies Number 29 & 32
	8.	Consent – Approve North Coast Mussel Consortium – Request for Support Federal Legislative Update Hr 1823
	9.	Consent – Approve Surplus Used Ion Chromatograph
		ACTION CALENDAR
	10.	Approve: Conditions of Employment – General Manager (Revised Resolution 95-12)
	11.	Approve: MSN/AEEP Contract Amendment – CSW
	12.	Approve: MSN/AEEP Contract Amendment – White/Prescott
	13.	Approve: FY14 Insurance Purchase
8:00 p.m.		INFORMATION ITEMS
	14.	Quarterly Progress Report – Water Quality

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	15.	Second Review – FY 2013/14 Proposed Novato Water Equipment Budget
	16.	Second Review – Proposed FY 14 & FY 15 Novato Capital Improvement Projects Budget
	17.	Second Review – FY 2013/14 Proposed Novato Operations Budget
	18.	Second Review – FY 2013/14 Proposed Novato Recycled Water Operations Budget
	19.	District Board Policies Review Numbers: 37 – Outside Employment 38 – Use of NMWD Meeting Room 39 – Grand Jury Response 40 – NMWD Computer Use
	20.	NBWRA Update
	21.	MISCELLANEOUS Disbursements Fluoridation Advisory Committee Meeting #1 LAFCO – Result of Election by Ballot
	22.	CLOSED SESSION: Conference with Real Property Negotiator (Chris DeGabriele & David Bentley) regarding 42 Spinosa Way, Novato, CA (Government Code Section 54956.8)
9:30 p.m.	23.	ADJOURNMENT

1

1 ACWA Conference

2 Mr. DeGabriele informed the Board that he will be attending the ACWA Conference in
3 Sacramento on Wednesday and Thursday and Drew McIntyre will be acting General Manager in his
4 absence.

5 Fluoridation Advisory Committee

6 Mr. DeGabriele advised the Board that next week the Sonoma County Health Department
7 will be holding the first Fluoridation Advisory Committee meeting and he will report back to the
8 Board.

9 **OPEN TIME**

10 President Fraites asked if anyone in the audience wished to bring up an item not on the
11 agenda and the following items were discussed:

12 Tracey Ruiz, a Hamilton resident, expressed her concerns about the trench patches in
13 Hamilton streets resulting from the Recycled Water Expansion Phase 2 project. She opined that the
14 District should repave the full lane width which was done in Phase 1 and that the residents were not
15 informed that Phase 2 would be different from Phase 1. She stated that the residents of Hamilton
16 endured the same issues as in Phase 1 with the loss of power, dust, traffic and the pavement patch
17 work. Ms. Ruiz stated that the patch work lessens the property value of the neighborhood. She
18 stated that there was a petition formed 24 hours prior to the meeting and it already has over 100
19 signatures requesting full lane width pavement restoration. Ms. Ruiz informed the Board that the
20 residents support the Recycled Water Project but believe that the lanes should be fully repaved are
21 and hoping that the District will hear the concerns of the customers. She requested that any decision
22 made by the Board be relayed to the Hamilton forum.

23 Marla Fields, another resident of the Hamilton community expressed her concerns regarding
24 the project and told the Board that she was proud to live in a neighborhood with purple piping but the
25 patch work on the roads has made the neighborhood deteriorate. She stated that traffic was allowed
26 on the newly paved roads too early and now there are tire marks on the paved road.

27 **STAFF/DIRECTORS REPORTS**

28 President Fraites asked if staff or Directors wished to bring up an item not on the agenda
29 and there was no response.

30 **CONSENT CALENDAR**

31 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,
32 the following items were approved on the Consent Calendar:

1 **EMPLOYEE SAFETY PERFORMANCE RECOGNITION**

2 NMWD employees have worked a total of 473 consecutive days without a lost time accident.
3 Going back to March of 2009, out of a possible 1,519 days, NMWD employees totaled 1,494 days
4 without a lost time.

5 The Board authorized recognition for Employee Safety Performance by authorizing
6 employees to select either a \$50 gift card or a NMWD all-weather jacket at their choice. In addition,
7 the Board authorized additional funds in the FY 2013/14 budget for the District's Holiday Party.

8 **REVISED DISTRICT POLICIES NUMBER 16, 18 & 20**

9 The Board was given District policies number 16, 18 and 20 to review and revise at the prior
10 Board meeting on April 16, 2013.

11 The Board adopted the following revised District policies, Policy Number 16 –
12 Condemnation, Policy Number 18 – Energy Policy, and Policy Number 20 – Purchase of Winter
13 Safety Jackets.

14 **REVISIONS FOR POLICY #26 – ON-CALL AND STANDBY DUTY; OVERTIME POLICY**

15 The Board approved the revised Policy #26 – On-Call and Standby Duty; Overtime with the
16 following revisions:

17 *Policy for On-Call and Stand-By Duty*

- 18 1. Clarify the hours and holiday weekends for stand-by duty.
- 19 2. Clarify job classifications for stand-by crews to provide more flexibility to the
20 Construction/Maintenance Superintendent.
- 21 3. Clarify the hours for Construction weekly on-call duty.
- 22 4. Remove redundant paragraph for Treatment Plant Operators on-call duty.
- 23 5. Define Lab on-call and stand-by duty.
- 24 6. Add paragraph to Compensation section about compensatory time off for Ops/EM
25 employees for on-call duty served. This paragraph is in the MOU On-Call Compensation
26 section.

27 *Overtime Policy*

- 28 1. Delete Compensation for Weekend Lab Work. This section was intended for part-time
29 lab employees and is no longer applicable.

1 **ACTION CALENDAR**

2 **ADOPT POLICY #46 – BOARD COMPUTER USE POLICY**

3 Mr. DeGabriele stated that the District is proposing a digital agenda format for delivering and
4 using paperless agendas. He informed the Board that staff proposed a policy for board computer
5 use so that there is guidance for the board in utilization of the computers and that the proposed
6 policy has been reviewed by District’s legal staff.

7 Director Rodoni expressed his gratitude for staff creating the computer use policy and asked
8 if staff had a similar policy. Mr. DeGabriele stated that staff does have a computer use policy.

9 Director Petterle requested that there be an opportunity for Directors to reimburse the District
10 for the purchase of District issued iPads.

11 Mr. DeGabriele stated that staff could add a provision to the policy for purchase of the iPad
12 but the Ralph M. Brown Act would still apply to the Directors.

13 Director Petterle agreed with Mr. DeGabriele and stated that it would be an advantage to the
14 District because the Director would be responsible for the iPad when damage occurs.

15 On motion of Director Petterle, seconded by Director Rodoni, and carried by the following
16 vote, the Board adopted Policy #46, Board Computer Use.

17 AYES: Director Fraites, Petterle, Rodoni, Schoonover

18 NOES: None

19 ABSTAIN: Director Baker

20 ABSENT: None

21 **PURCHASE OF IPADS FOR BOARD AND DISTRICT OFFICERS**

22 Katie Young requested the Board approve the purchase of seven iPad’s and accessories for
23 the remaining Board members and District Officers. She stated that by using the digitized agenda
24 format the District will be saving money on time and material preparing and delivery Board meeting
25 agendas. She informed the Board that the pilot program conducted by herself and Director Petterle
26 has been successful and believes the digital agendas will be a great addition to the District.

27 On motion of Director Petterle, seconded by Director Rodoni, and unanimously carried, the
28 Board approved the purchase of seven iPad’s and accessories for the remaining Board members
29 and District Officers.

30 Director Rodoni noted that the estimated time and materials savings is \$3,800 a year.

1 **2012 NOVATO WATER MASTER PLAN**

2 Mr. McIntyre reminded the Board of the 2012 Novato Master Plan which was presented at
3 the April 2nd Board meeting. He stated that since that time staff has incorporated the final edits and
4 comments from the Board and is requesting approval of the final report. He noted that the Master
5 Plan is a guideline for the next five years and will be updated every five years.

6 On motion of Director Schoonover, seconded by Director Baker, and unanimously carried,
7 the Board accepted the 2012 Novato Water System Master Plan Update final report.

8 **PROPOSED RATE INCREASE LETTER TO WEST MARIN WATER AND OCEANA MARIN**
9 **SEWER CUSTOMERS**

10 Mr. Bentley stated that there will be a public hearing on proposed rate increase for West
11 Marin Water and Oceana Marin Sewer customers in Pt. Reyes on June 25th and is requesting
12 approval for the letters to inform the customers of the hearing and proposed rate increases. He
13 stated that in West Marin the average rate increase proposed is 8% and that in Oceana Marin, the
14 sewer rate is proposed to increase by 12%.

15 On motion of Director Rodoni, seconded by Director Baker, and unanimously carried, the
16 Board approved mailing the rate increase letters to customers.

17 **INFORMATION ITEMS**

18 **RECYCLED WATER SOUTH PHASE 2 – PUBLIC OUTREACH UPDATE NO. 2**

19 Drew McIntyre provided the Board with an update on the Recycled Water Expansion South
20 Phase 2 Project. He stated that public outreach has improved with the total number of people
21 emailed going from 210 to 235 since last the report and that 250 flyers were distributed, and there
22 were seven articles printed in the paper, four in the Marin IJ and three in the Novato Patch. The
23 District has received 26 project concerns, including 4 positive comments. He noted that some of the
24 project concerns were dust issues, traffic conditions and paving concerns. Mr. McIntyre stated that
25 Argonaut Construction has almost completed the project other than final stripping of the roadways.
26 He stated that in Phase 1, most of the streets required full lane paving restoration, but standard t-
27 section trench restoration was done as well.

28 Director Baker asked if the full paving restoration was done for aesthetic reasons or part of
29 the project.

30 Mr. McIntyre responded that the full paving restoration was due to damage of the street and
31 requirements from the City of Novato.

1 Mr. McIntyre stated that in Phase 2, the District complied with trench restoration
2 requirements pursuant to the City of Novato. He stated that the City's trench restoration
3 requirements are more restrictive than the County of Marin, where the City requires 12 inches on
4 each side of the trench. He advised the Board that the pipeline restoration costs are increasing with
5 the additional trench restoration costs. Mr. McIntyre stated that the District does stand by its work
6 and should there be deterioration of the repaired trench pavement, the District will make the repairs.

7 Director Rodoni asked if the trench paving was structurally sound and if it has changed in
8 appearance, being less noticeable. Mr. McIntyre stated that the structure of the t-section is sound
9 and there has been no deterioration of the paving.

10 Director Baker stated that trenching happens throughout the city and all different types of
11 utilities do t-section restoration and in time there will be more in the Hamilton neighborhood.

12 Director Petterle asked if there are any mechanisms to either age the asphalt or if a slurry
13 seal could occur to blend in the paving. He also asked if the Mello Roos payments by the Hamilton
14 residents would cover this issue.

15 Mr. McIntyre stated that he spoke with the City regarding the Mello Roos District of Hamilton
16 and it does not cover street maintenance, levy repair or landscaping. He stated that the City has
17 standards on paving and that they do not normally do a micro seal process; instead they use a grind
18 and overlay process. He stated that the District could look into the micro seal process but it is a
19 significant cost and doing so would set a standard for other projects in Novato.

20 Director Rodoni asked when the District decided to do the full paved lanes in Phase 1 of the
21 project, if that was a joint decision with the City. Mr. McIntyre stated that it was a joint decision
22 between the contractor and the City.

23 Director Rodoni stated that he was not comfortable about doing anything more in Hamilton
24 because it could cause unintended problems and if the District goes forward and repaves fill lane
25 widths there, every customer in Novato whose street has t-section paving will request a full lane
26 paving even though the City requirements state otherwise.

27 President Fraites asked if the District has ever done a full paving for aesthetic reasons and
28 Mr. DeGabriele answered no.

29 President Fraites stated that he walked all the affected streets in the Hamilton area and
30 thought that the patch job completed was exceptional. He agreed that traffic was not kept off long
31 enough leaving some tire marks and that there are very few streets in Novato without patch jobs on

1 them. He stated that he doesn't believe the District should spend the money to repave the entire
2 road for aesthetics, that it would be too expensive considering the patch work was done properly.

3 Ms. Ruiz asked if there would be more communication from the District.

4 Mr. DeGabriele stated that the District does communicate with customers in the Hamilton
5 area and that is why staff has the board item on the agenda in order to update the Board about the
6 public outreach performed on this project. He stated that regrettably the details about how the trench
7 would be restored had not been part of the communication. He stated that the trench restoration
8 would have been the same in Phase 1, had the contractor not extensively potholed and damaged
9 the street, for which the City then required a full lane restoration.

10 Ms. Fields stated that the roads looked terrible and that it was a mess asthetically and
11 requested that the Board take a visit out to Hamilton and see the way it looks.

12 The Hamilton residents left the meeting.

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

14 David Bentley presented the Novato Water Operations Budget Initial Review to the Board.
15 He stated that for FY14 the proposed budget is \$20.5M for expenditures. He stated that the
16 projected cash surplus for FY14 would be \$445K. He informed the Board that the 11% increase
17 effective June 1, 2013 adds \$1.6M to the budgeted revenue and the projected water sales volume is
18 budgeted at 2.7BG. Mr. Bentley informed the Board that the June 1st increase is comprised of a
19 20% bimonthly and 8% commodity increase. He noted that the wheeling charge to Marin Municipal
20 is budgeted at \$322K for next year with the new interconnection agreement and the District will be
21 receiving an initial first time payment of \$480K, as well as an annual payment of \$245K towards
22 costs for the AEEP project. Mr. Bentley informed the Board that at June 30, 2013, \$2.8M of funds
23 advanced by the Novato Water System to the Recycled Water System will remain outstanding. He
24 stated that the entire \$2.8M has been budgeted to be repaid in FY14.

25 Mr. Bentley stated that the total operating expenditures are projected to increase 4% with
26 increased cost for labor and purchases of materials, services and supplies, including \$73K for
27 County Election Department expenses and two studies, \$70K for the Stafford Dam Emergency
28 Action Plan and \$30K to update the 1973 Dam Failure Inundation Map. He stated that for budgeting
29 purposes, a 3% cost-of-living salary increase has been factored into the budget as well as a 1.6%
30 salary increase to offset the negotiated requirements that employees pay an addition 1.6% of salary
31 toward their retirement benefits. Mr. Bentley informed the Board that while the District intends to
32 continue self-insuring worker's compensation, proposals have been requested for workers'

1 compensation insurance to provide a current calculation of savings (or loss) accrued. He noted that
2 the District has picked a good time to be self-insured considering one proposal came in at \$311K.

3 Mr. DeGabriele informed the Board that he is looking closely at staffing and looking to add
4 more staff to the Construction/Maintenance Department.

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

6 David Bentley presented the Recycled Water System Budget Initial Review to the Board. He
7 stated that almost 70% of the proposed \$4.1M expenditure plan is reimbursement to Novato Water
8 for monies borrowed to complete the North & South Service Area expansion. He noted that the
9 projected Recycled Water demand of 130MG next fiscal year is double of the current year, as 28
10 new accounts are projected to use Recycled Water. Mr. Bentley stated that consistent with the
11 Novato potable water rate increase, an 8% commodity rate increase, will be effective June 1, 2013.
12 He stated that the budget projects purchase of 89MG of tertiary treated water from Novato Sanitary
13 District and 41MG from Las Gallinas Valley Sanitary District at \$1,400/MG. He informed the Board
14 that after fully repaying Novato Water, the cash surplus will be just over \$800K.

15 Director Rodoni questioned why there isn't an 11% rate increase for the recycled water
16 equivalent to the potable rate increase.

17 Mr. Bentley stated that the District is trying to maintain the Recycled Water commodity rate
18 equivalent to the potable water rate and that Recycled Water customer typically use much more
19 water resulting in lower percentage increase.

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

21 Robert Clark provided the Board the 3rd quarter report for the Operations/Maintenance
22 Department. He stated that at the end of December Stafford Lake filled up. He noted that
23 Operations staff began to treat the lake water, producing 425 acre feet during this period. He stated
24 that the annual distribution system flushing programs were started in February with a Zone 1 and 2
25 system planned, including all dead ends throughout the Novato System. He noted that everything
26 looked clean and the District is debating on not performing a full distribution system flushing next
27 year to save on some staff time.

28 Director Baker asked if there were some downsides to not flushing.

29 Mr. Clark stated that it will be further evaluated and this was the second year of partial
30 flushing, and the water was fairly clean.

1 Mr. Clark stated that in West Marin an inspection and review of the Hazardous Materials
2 Business Plans for both the Point Reyes Treatment Plant and the Oceana Marin Ponds was
3 completed with the Marin County Health Department.

4 Director Rodoni asked if the new well will be online soon.

5 Mr. Clark responded that staff is in the process of getting it running. He stated that the
6 second set of water quality tests have been submitted to the Department of Public Health and they
7 would like to see more data for a longer period of time. He opined that it would most likely be early
8 summer when the well would be online.

9 Director Rodoni asked if Department of Public Health would let the District start well
10 production and then collect the data. Mr. Clark answered no because they want to make sure the
11 well is not under the influence of surface water.

12 **QUARTERLY PROGRESS REPORT – ENGINEERING**

13 Mr. McIntyre provided the Board with the quarterly progress report for the Engineering
14 Department. He informed the Board that with the exception of Novato Recycled Water, Capital
15 Improvement Project expenditures for both Novato and West Marin service areas will not exceed the
16 approved budgeted levels. He stated that for Novato Water System expenditures are forecasted to
17 be \$1.5M and for the Novato Recycled Water system they are expected to be \$6.5M.

18 Mr. McIntyre informed the Board that some of the projects added in the third quarter are
19 Loma Verde PB (Polybutelyene) Replacements, Sunset Parkway and Cambridge Old Cast Iron
20 Replacement, and PB Replacement: City Measure A, Group 5. He noted that the District tries to get
21 the PB replacements done before the City and County paving projects. He stated in West Marin
22 there were two new projects added, PB Replacement: Balboa, Portola, Mesa, 2nd St and the
23 Gallagher Well & Pipeline Design.

24 Mr. McIntyre stated that the Well #3 Replacement Project was originally estimated to cost
25 \$165K, but that cost will be combined with the demolition of the old Well #3, so the total project
26 costs are more.

27 Director Baker asked what the demolition of old Well #3 will involve.

28 Mr. McIntyre stated that the initial permitting work was to seal and destroy the well but he has
29 been working with the County to modify the well and use it as a monitoring well.

30 **QUARTERLY PROGRESS REPORT – WATER CONSERVATION**

31 Drew McIntyre provided the Board with water conservation update and stated that the overall
32 program participation numbers are steady compared to last year. He noted that there was an

1 increase in retrofit on resale. He stated that the District was awarded a Prop 84 Grant of \$184K in
2 cooperation with SCWA which will help fund future HET (High Efficiency Toilet) rebates, Cash for
3 Grass rebates, Smart controllers, Clothes Washer rebates, and a Commercial Direct Install HET
4 Program.

5 Director Rodoni asked why the commercial high efficiency toilets are not doing well and
6 asked how the District could get more participation from them.

7 Mr. McIntyre stated that overall commercial water conservation activity has been lagging and
8 the District is now starting to see the lag on the residential side as well.

9 Director Rodoni suggested the District do a promotion or giveaway again.

10 **BOARD REVIEW OF DISTRICT POLICIES NUMBER 29 & 32**

11 Mr. DeGabriele advised the Board that two more policies were included for review, Policy
12 Number 29 – Recognition at Retirement Party and Policy Number 32 – District Vehicles Taken
13 Home Policy. He requested that the Board review the policies and let him know of any changes. He
14 stated that staff will bring the revised policies back to the next meeting for approval.

15 Director Rodoni suggested Policy Number 32 – District Vehicles Taken Home, include
16 wording stating that it is ok for District employees to make a private stop or run an errand on their
17 way home and that no District employee may transport alcohol in any District vehicles.

18 **GREEN HOUSE GAS EMISSION REDUCTION PROGRESS**

19 Robert Clark stated that in 2006, California enacted the Global Warming Solutions Act
20 (AB32), which set into law the greenhouse gas (GHG) emissions reductions goal to reduce
21 emissions to the 1990 level by 2020. He informed the Board that the District has been committed to
22 reducing its GHG emissions since 2006 by becoming a member of the California Climate Action
23 Registry. He stated that the District has replaced old vehicles with fuel efficient vehicles and
24 employees are not idling as much. He noted that the District has purchased three alternative fuel
25 vehicles.

26 Mr. Clark stated that the District is currently meeting the goals for 2020 with the current fleet.
27 He noted that as far as the District building, there is not a lot of ways to conserve energy with the
28 older building, HVAC etc. Mr. Clark informed the Board that a survey was completed on employee
29 commute miles, to try and reduce those as well as using alternative ways to get to work to save on
30 fuel. He advised the Board that the District is trying to be more green and working on better ways to
31 conserve energy.

1 **NORTH BAY WATERSHED ASSOCIATION – MAY 7, 2013**

2 Director Baker stated that he represented the District at the North Bay Watershed
3 Association meeting on May 7, 2013 for President Fraites who was unable to attend. He stated that
4 there were two speakers Gordon Becker from CEMAR, who spoke about fish monitoring and Caitlin
5 Sweeney from SFEP, who spoke about Flood Control and Flood Mapping. He stated that the NBWA
6 Board authorized \$5K to the Marin County Fish and Wildlife Commission for a newsletter.

7 **WAC/TAC MEETING**

8 Mr. DeGabriele stated that he and Director Rodoni attended the Water Advisory Committee
9 meeting where Drew McIntyre made a great presentation on the District's Recycled Water
10 Expansion Program. He stated that the major issue discussed at the meeting was the water supply
11 conditions and the Temporary Urgency Change Order. He informed the Board that the State Water
12 Resource Control Board did issue the Temporary Change Order to the Agency, which enables lower
13 flows in both the upper Russian River from Lake Mendocino to Dry Creek and in the lower Russian
14 River. He stated that as of May 1st the instream flow in the upper Russian River will go from 185cfs
15 to 75cfs to preserve water in Lake Mendocino for the fishery releases. He noted that in the lower
16 Russian River the flow will drop to 85 cfs. Mr. DeGabriele stated that the agency will be monitoring
17 the water quality and fisheries and that the Agency has done a good job communicating with the
18 State.

19 Mr. DeGabriele stated that there could be a chance that during the summer there will be
20 water restrictions and the WAC wants to make sure all Water Contractors are working together. He
21 noted that the District is fortunate that there has been no mandatory diversion restrictions identified
22 in the order.

23 Mr. DeGabriele informed the Board that the Technical Advisory Committee has an ad hoc
24 committee formed who will be meeting every other week to monitor the water supply conditions and
25 will be developing messaging to the community and discuss plans to go forward.

26 Director Rodoni stated the District has to remain on top of the plan and that there could be
27 definite issues later in summer.

28 **MISCELLANEOUS**

29 The Board received the following miscellaneous items: Disbursements, March 2013
30 Equipment Auction Report, FY13 3rd Quarter Labor Cost Report and Eco-Friendly Garden Tour.

31 The Board also received the following news articles: Pages from the Past – 25 years ago
32 April 1988, Utility Seeks rate hike for beleaguered Dillon Beach, Supes delay vote on coastal

1 program as EAC ramps up opposition, Dry Creek restoration begins in summer, KRCB Watershed
2 Series Update, W. Edward Nute Receives Award and Reservoirs full but water use is high.

3 **CLOSED SESSION**

4 President Fraites adjourned the Board into closed session at 9:16 p.m. in accordance with
5 Government Code Section 54956.8, Conference with Real Property Negotiator (Chris DeGabriele &
6 David Bentley) regarding 15 Gustafson Ct, Novato, CA.

7 **OPEN SESSION**

8 Upon returning to regular session at 9:30 p.m., President Fraites stated that during the
9 closed session the Board had discussed the issue and no reportable action had been taken.

10 **ADJOURNMENT**

11 President Fraites adjourned the meeting at 9:31 p.m.

12 Submitted by

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Katie Young
District Secretary

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NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR April 2013
 May 21, 2013

1.

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	389	371	379	360	419	5%
August	396	373	368	367	417	6%
September	346	347	358	335	393	0%
October	283	249	278	233	313	14%
November	166	183	164	176	173	-10%
December	146	156	141	149	143	-6%
January	151	178	146	140	107*	-15%
February	148	147	134	124	136	1%
March	211	156	151	152	150	35%
April	239	171	194	164	227	40%
FYTD Total	2,476	2,331	2,313	2,200	2,479	6%

*Jan 2009 Kastania Meter Malfunction - water production understated by est 56MG

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	9.8	9.2	9.9	10.0	11.8	6%
August	9.7	9.4	9.9	10.6	11.9	3%
September	8.3	8.7	9.2	9.6	10.2	-5%
October	7.4	6.5	7.8	6.9	9.8	14%
November	5.2	5.1	4.9	5.6	7.2	1%
December	4.5	4.9	4.8	4.5	6.9	-9%
January	5.0*	4.8	4.3	4.2	6.4	4%
February	4.4	4.5	3.9	3.9	5.5	-2%
March	5.4	4.4	5.6	5.7	5.6	23%
April	6.0	5.4	4.9	4.3	6.4	11%
FYTD Total	65.7	63.0	65.3	65.1	81.7	4%

* Jan '13 PRE Tank #4 overflow & Olema Tank cleaning resulted in loss of 322,000 gal.

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	49	115	109	152	131	-58%
August	83	126	108	150	128	-34%
September	72	77	112	155	117	-6%
October	88	113	111	80	81	-22%
November	64	106	95	0	0	-40%
December	0	49	0	0	0	-
January	21	0	0	0	0	-
February	57	0	0	0	0	-
March	61	0	52	32	0	-
April	67	0	98	36	0	-
FYTD Total	560	586	686	604	458	-4%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	11.2	11.0	11.9	12.0	13.6	2%
August	10.5	12.2	11.2	12.9	13.6	-14%
September	8.5	9.6	9.5	10.2	10.9	-11%
October	0.0	0.0	2.6	2.6	6.4	-
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	1.4	0.0	0.0	0.0	0.0	-
April	8.8	2.5	0.0	0.0	8.8	256%
FYTD Total	40.3	35.3	35.2	37.7	53.3	14%

2. Stafford Lake Data

	April Average	April 2012	April 2013
Rainfall this month	1.71 Inches	1.23 Inches	.92 Inches
Rainfall this FY to date	27.5 Inches	17.14 Inches	19.26 Inches
Lake elevation*	194.9 Feet	189.4 Feet	193.5 Feet
Lake storage**	1,312 MG	947 MG	1,213 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
April 2012 (Novato)	35	95	63
April 2013 (Novato)	46	105	68

3. Number of Services

April 30	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %
Total meters	20,753	20,746	0.0%	20	2	900%	819	820	-0.1%	-	-	-
Total meters active	20,493	20,481	0.1%	15	2	650%	776	776	0.0%	-	-	-
Active dwelling units	23,939	23,929	0.0%	0	0	-	811	806	0.6%	227	227	0.0%

4. Oceana Marin Monthly Status Report (April)

Description	April 2012	April 2013
Effluent Flow Volume (MG)	0.620	0.498
Irrigation Field Discharge (MG)	0	0
Treatment Pond Freeboard (ft)	3.0	3.3
Storage Pond Freeboard (ft)	2.9	5.9

5. Developer Projects Status Report (April)

Job No.	Project	% Complete	% This month
2670	Canyon Green	5	5
2766	7320 Redwood Blvd	100	2

District Projects Status Report - Const Dept (April)

Job No.	Project	% Complete	% This month
7138.00	Sunset Pkwy 12" C.I. Replacements	90	70
7139.00	PB Replacement- City Measure A, Group 5	90	70
2.7123.13	PB Replacement- Balboa, Portola, Mesa, 2 nd Street	100	20

Employee Hours to Date, FY 12/13

As of Pay Period Ending April 30, 2013

Percent of Fiscal Year Passed = 82%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,065	1,694	63	Construction	3,524	3,815	92
Engineering	360	1,313	27	Engineering	4,571	3,855	119

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 13	0	0	0	0	2	4,430
FY through April 12	17	7,208	1	1	2	2,994

Days without a lost time accident through April 30, 2013= 443 days

7. Energy Cost

FYE	April			Fiscal Year-to-Date thru April		
	Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2013 Stafford TP	73,702	17.0¢	\$418	453,908	17.4¢	\$235
Pumping	112,963	12.8¢	\$517	1,244,931	14.5¢	\$574
Other*	34,498	16.3¢	\$201	368,546	18.4¢	\$211
	<u>221,162</u>	<u>14.8¢</u>	<u>\$1,166</u>	<u>2,067,385</u>	<u>15.9¢</u>	<u>\$1,030</u>
2012 Stafford TP	26,125	14.0¢	\$62	698,268	15.9¢	\$331
Pumping	53,409	16.3¢	\$299	1,094,178	14.8¢	\$536
Other*	32,212	17.3¢	\$185	382,872	19.2¢	\$233
	<u>111,746</u>	<u>16.0¢</u>	<u>\$526</u>	<u>2,175,318</u>	<u>16.0¢</u>	<u>\$1,105</u>
2011 Stafford TP	50,434	14.5¢	\$252	707,579	15.7¢	\$362
Pumping	83,468	15.3¢	\$411	1,135,088	14.9¢	\$531
Other*	35,043	17.8¢	\$208	403,572	19.2¢	\$253
	<u>168,945</u>	<u>15.5¢</u>	<u>\$973</u>	<u>2,246,239</u>	<u>15.9¢</u>	<u>\$1,146</u>

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of April 2013	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	18	214	2,600
Retrofit Certificates Filed	13	255	4,712
Cash for Grass Rebates Paid Out	3	28	516
Washing Machine Rebates	21	216	6,115
Water Smart Home Survey	23	137	1,377

9. Utility Performance Metric

CUSTOMER SERVICE INTERRUPTIONS	April No. of Customers Impacted
PLANNED	
Duration Between 0.5 and 4 hours	7
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
UNPLANNED	
Duration Between 0.5 and 4 hours	1
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
SERVICE LINES REPLACED	April
Polybutylene	6
Copper (Replaced or Repaired)	1

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2013

5/10/2013

Type	Apr-13	Apr-12	Action Taken April 2013
<u>Consumers' System Problems</u>			
Service Line Leaks	8	18	Notified Consumer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	4	8	Turned Back On
Nothing Found	6	9	Notified Consumer
Low Pressure	0	0	~
High Pressure	0	3	~
Water Waster Complaints	0	0	~
Total	18	38	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	2	0	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	2	3	Replaced
Water Off/On Due To Repairs	5	4	Notified Consumer
Misc. Field Investigation	4	2	Notified Consumer
Total	13	9	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	17	~
Service- Leak	8	3	Repaired
Services-Nothing Found	2	0	Notified Consumer
Service-Damaged	0	3	~
Fire Hydrant-Leak	3	0	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	1	0	Repaired
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	1	0	Notified Consumer
Meters Damaged	0	0	~
Washer Leaks	7	12	Replaced
Total	22	35	
<u>High Bill Complaints</u>			
Consumer Leaks	8	5	Notified Consumer
Meter Testing	0	0	~
Meter Misread	1	0	Notified Consumer
Nothing Found	11	6	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	20	11	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2013

5/10/2013

<u>Type</u>	<u>Apr-13</u>	<u>Apr-12</u>	<u>Action Taken April 2013</u>
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	1	0	Notified Consumer
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	1	0	
<u>Water Quality Complaints</u>			
Taste and Odor	0	1	~
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	0	1	~
Total	0	2	
<u>TOTAL FOR MONTH:</u>	<u>74</u>	<u>95</u>	<u>-22%</u>
<u>Fiscal YTD Summary</u>			
Consumer's System Problems	338	339	0% ~
Service Repair Report	120	88	36% Increase In Meter Replacement
Leak Complaints	224	252	-11% Decrease In Washer Leaks
High Bill Complaints	433	327	32% Increase In Nothing Found
Low Bills	4	8	-50% Decrease In Stuck Meter
Water Quality Complaints	32	43	-26% Decrease In Other
Total	<u>1,151</u>	<u>1,057</u>	<u>9%</u>

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Order April 2013

5/10/2013

<u>Type</u>	<u>Apr-13</u>	<u>Apr-12</u>	<u>Action Taken April 2013</u>
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	184	207	
<u>Change Meter:</u> leaks, hard to read	3	19	
<u>Possible Stuck Meter</u>	2	5	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	3	13	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	46	92	
<u>Dig Outs</u>	87	173	
<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	
	<hr/> 325	<hr/> 509	

Bill Adjustments Under Board Policy:

April 13 vs. April 12

Apr-13	16	\$4,864
Apr-12	11	\$880

Fiscal Year to Date vs. Prior FYTD

12/13 FYTD	318	\$113,611
11/12 FYTD	263	\$57,935

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MEMORANDUM

To: Board of Directors

May 17, 2013

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for April 2013

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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 \$8,681,084 and a market value of \$8,692,527. During April the cash balance decreased by \$187,362. For the fiscal year, the cash balance decreased \$1,828,308. The market value of securities held increased by \$708 during the month. The ratio of total cash to budgeted annual operating expense stood at 68%, down 2% from the prior month. This compares to the District's target ratio of 90%, or \$11.4 million. To date, \$6,468,835 has been advanced for the recycled water expansion project pending reimbursement via grant and SRF Loan funds.

At April 30, 2013, 63% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 17% in Time Certificate of Deposits, and 12% in Corporate Medium Term Notes. The weighted average maturity for the portfolio was 139 days, compared to 145 days at the end of last month. The LAIF interest rate for the month was 0.26%, compared to 0.29% the previous month. The weighted average Portfolio rate was 0.42%, compared to 0.44% the previous month. Including interest paid by Black Point Partners on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$8,075 in interest revenue during April, with 39% earned by Novato Water, 59% earned by Recycled Water (by virtue of the Black Point Partners loan) and the balance distributed to the other improvement districts.

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

"Through the first 10 months of the fiscal year, total revenues exceeded the Governor's January projections by \$4.6 billion (+6.1 percent). Personal income taxes led the gains by exceeding expectations by \$4.4 billion (+8.5 percent). We've reached an important milestone in California's economic recovery. For the first time in nearly six years, we closed out a month without borrowing from internal state funds to pay our bills. But there remains significant debt that must be shed before we can claim victory and these unanticipated revenues provide us with an important opportunity to take further steps toward long-term fiscal stability. The State ended the last fiscal year with a cash deficit of \$9.6 billion, and by April 30, 2013, that cash deficit narrowed to \$5.8 billion. That deficit is being covered by \$10 billion in external borrowing, which the State will begin repaying later this month."

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
April 30, 2013**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	4/30/2013 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$5,436,971	\$5,442,509	0.26% ³	63%
Time Certificate of Deposit								
TCD	Bank of Marin	n/a	6/3/11	6/3/13	\$1,000,000	\$1,000,000	1.00%	12%
TCD	Ally Bank	n/a	9/28/12	10/1/14	248,000	248,000	0.85%	3%
TCD	Goldman Sachs	n/a	12/5/12	12/5/14	248,000	248,000	0.75%	3%
					\$1,496,000	\$1,496,000	0.93%	17%
Corporate Medium Term Note								
MTN	General Electric	AA+	1/29/13	10/9/15	\$1,003,621	\$1,005,043	0.70%	12%
					\$1,003,621	\$1,005,043	0.70%	12%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$371,983	\$371,983	0.22%	4%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	7,662	12,145	5.00%	0%
Other	Various	n/a	Various	Open	364,848	364,848	0.00%	4%
TOTAL IN PORTFOLIO					\$8,681,084	\$8,692,527	0.42%	100%

Weighted Avg. Maturity = **139 Days**

LAIF: State of California Local Agency Investment Fund.

MTN: Medium Term Note - Maturity of 5 years or less.

TCD: Time Certificate of Deposit

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, 2013.

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	\$2,366,281	2.40%
Employee Housing Loans (8)	Various	Various	1,441,785	1,441,785	Contingent
Employee Computer Loans (3)	Various	Various	7,837	2,425	1.57% (avg)
TOTAL INTEREST BEARING LOANS			\$5,062,262	\$3,810,491	

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

6

MEMORANDUM

To: Board of Directors

May 17, 2013

From: Chris DeGabriele, General Manager 

Subject: Salary Adjustment for Chief Engineer
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RECOMMENDED ACTION: Board approve salary adjustment for Chief Engineer

FINANCIAL IMPACT: +\$12,000/year salary + \$4,450/year benefits

The Board has recently met to consider the performance review for the General Manger and during that discussion the Board reviewed officer salary survey information and recommended a salary adjustment for the Chief Engineer. Drew McIntyre's performance as Chief Engineer is outstanding. Along with his regular Chief Engineer duties, he is taking a lead representing NMWD at the North Bay Water Reuse Authority and working with CalTrans on the US Highway 101 Marin Sonoma Narrows widening and the related Aqueduct Energy Efficiency Project. Drew is active and respected in the Novato community and has held leadership roles in state and local water organizations (AWWA and BAWWA).

Recommendation:

Board authorize a salary increase for Chief Engineer to \$11,650/month (\$139,800/yr).


Approved by GM 
Date 5/17/2013

7

MEMORANDUM

To: Board of Directors

May 17, 2013

From: Chris DeGabriele, General Manager 

Subject: Adopt Revised District Policies Number 29 & 32
t:\hr\policies\bod policies\policy review 2013\bod memo adopt 051513.doc

RECOMMENDED ACTION: Adopt Revised District Policies

FINANCIAL IMPACT: None

Pursuant to direction received at the March 19th Board meeting, the following District policies now reflect the Board and staff's comments and standardized policy format:

Policy Number 29 – Recognition at Retirement Policy


Policy Number 32 – District Vehicles Taken Home Policy

RECOMMENDATION:

Board adopt the revised District policies:

Policy Number 29 – Recognition at Retirement Party

Policy Number 32 – District Vehicles Taken Home Policy

Approved by GM 
Date 5/17/2013

NORTH MARIN WATER DISTRICT

POLICY: RECOGNITION AT RETIREMENT POLICY
POLICY NUMBER: 29

Original Date: 1986
Revision Adopted: 1/2/07

-
1. This policy applies to persons having fifteen or more years of service with NMWD.
 2. The Board of Directors will issue a Resolution of Appreciation to the retiring employee and staff will compile an employee photo album.
 3. The District will contribute up to \$200 toward the cost of a gift or recognition gathering in appreciation of the 15+ years of service rendered by the retiring employee. The cost of any gift and/or recognition gathering in excess of \$200 will be paid by employee contributions.
 4. The head of the department from which the employee is retiring is charged with the responsibility of coordinating any reasonable recognition gathering as per the wishes of that employee.
 5. There are no alcoholic beverages provided in gatherings on District property, and the District will not provide alcoholic beverages at any retirement recognition gathering.
-

Revision: 1986, 1/07

NORTH MARIN WATER DISTRICT

POLICY: DISTRICT VEHICLES TAKEN HOME POLICY **BOARD POLICY NUMBER: 32**

Original Date: 1994
Revision Adopted: 2009

PURPOSE: To ensure that all vehicles owned by the District are utilized in the most efficient, economical, practical and reasonable manner.

POLICY: All District vehicles and equipment shall be used exclusively for the conduct and/or execution of District business and operated by District employees. Use of District vehicles taken home is authorized only in accordance with A. and B. below. Non-Employee Passengers shall be allowed in District vehicles only for the purpose of conducting District Business.

A. GUIDELINES

1. District vehicles are for official purposes only in the performance of employee job responsibilities.
2. Employees are to minimize use of District vehicles in any manner that may be perceived as "private use." However, employees may occasionally make intermediate stops to conduct personal business and in so doing shall comply with the District's Drug and Alcohol Abuse Policy.
3. Authorization for use of vehicles for home-to-work transportation on a regular basis shall be determined by the District General Manager considering the following:
 - a. Employees whose duties are critical functions that frequently involve emergency work and are regularly subject to call-outs as first responders.
 - b. Employees whose response to a District facility to procure a vehicle (with or without specialized equipment) would significantly delay response to an emergency.
 - c. Department Heads, Supervisors or employees who frequently need to use District vehicles outside normal working hours to perform work assignments.
 - d. Employees whose work duties periodically require that they begin or end the workday at locations other than their permanent reporting locations.
4. A Department Head may authorize the temporary use of a vehicle to an employee for transportation to and from work and home in connection with non-recurring exceptional work circumstances as follows:
 - a. In the event of a disaster.
 - b. Approaching winter storms.
 - c. Long weekends.
 - d. Pick up parts, materials and supplies.

- e. Meetings, conferences and training.
 - f. Reporting directly to a field location for specific project work.
5. A Department Head may authorize the temporary use of a vehicle to an employee for transportation to and from home for those that don't normally drive to work (bicyclers, bus riders, carpoolers, van poolers and walkers) and need to get home in an emergency.
 6. District vehicles shall not be driven home or to a restaurant for lunch unless the lunch stop is part of a District business meeting with persons other than District employees; except that field employees may use assigned vehicles for lunch breaks providing:
 - a. The frequency and time duration of the event, including travel time, conforms to the terms of the Employee Handbook regarding work hours lunch time, and
 - b. Access to the employee's personal vehicle, as a substitute for utilization of a District vehicle is not cost effective or practical for the District; and one field crew employee is designated to drive to one location to purchase meals for that crew's members.
 7. Vehicles authorized to be taken home are assigned to specific District employees in accordance with Section A. 3 within the positions listed in Section B. The position itself is not assigned a vehicle to be taken home. Annually or upon change in an assigned employee working status or residence location, the District General Manager shall review the vehicles authorized to be taken home as listed in Section B and make adjustments thereto.


B. VEHICLES AUTHORIZED TO BE TAKEN HOME ARE LISTED BELOW:

1. Employees assigned On-Call responsibility (first responders).
2. Construction/Maintenance Superintendent
3. Distribution & Treatment Plant Supervisor.
4. Maintenance Supervisor
5. Construction Foremen
6. Maintenance Foreman
7. Treatment Plant Operator residing in West Marin
8. Employee residing in District's West Marin residence
9. Operations/Maintenance Superintendent
10. Field Service Representative when necessary to answer evening turn off calls (usually Wednesdays-only).

Revisions: 1997, 2009

8

MEMORANDUM

To: Board of Directors May 17, 2013
From: Chris DeGabriele, General Manager 
Subject: North Coast Mussel Consortium – Request for Support Federal Legislative Update
HR 1823
t:\gm\2013 misc\hr1823 memo.doc

In November 2012, North Marin Water District joined the Consortium of North Coast Counties by signing the Memorandum of Understanding regarding the Zebra and Quagga Mussel Consortium (MOU) to implement a regional approach to prevention of Quagga and Zebra Mussel infestation.

The Board was appraised at that time that Stafford Lake is at a relatively low risk of infestation, nonetheless, the risks to NMWD are not zero. Watercraft and equipment operated by contractors do occasionally enter the lake. NMWD staff has instituted a number of practices to prevent Zebra and Quagga Mussels from entering Stafford Lake including:

- training staff on risk as well as watercraft inspections and equipment sterilization;
- sterilizing and dry-docking NMWD watercraft and equipment that enter non-NMWD water's before returning to Stafford Lake;
- minimizing the number of non-District watercraft and equipment that enter Stafford Lake;
- requiring contractors to use NMWD watercraft or provide verification their watercraft has been sanitized and certified as clean and dry before launching in Stafford Lake;
- continuing the prohibition of use of live baits and wading in Stafford Lake; and
- support California Department of Fish and Game early detection effort.

Sonoma County Water Agency has recently requested assistance to support Federal Legislation (HR 1823) introduced by Congressman Mike Thompson, which would add Quagga Mussels under the Lacey Act defining that species as injurious. Under the Lacey act it is unlawful to import/export, acquire or purchase fish, wildlife, or plants that are taken, possessed, transported, or sold: 1) in violation of U.S or Indian law, or 2) in intra state or foreign commerce involving fish and wildlife, or plants, taken, possessed or sold in violation of state or foreign law. In 2008, the Lacey Act was amended to include a wider variety of prohibited plants and plant

Approved by GM 5/17/13
Date CD

products, to regulate the import of any species protected by international or domestic law, and prevent the spread of invasive or non-native species.

NMWD staff is checking with our adjoining Water District, Marin Municipal, to determine if they are also offering a letter of support. The letter of support is attached for the Board's consideration.

RECOMMENDATION:

Board authorize sending the letter of support for HR 1823.

DRAFT

May 22, 2013

Congressman Thompson's Office: Dan Sousa
Daniel.Sousa@mail.house.gov

Congressman Heck's Office: Kristen Maxwell
Kristin.maxwell@mail.house.gov

Congressman Huffaman's Office: Ben Miller
Ben.miller@mail.house.gov

Re: Passage of HR 1823

Dear Congressman Thompson:

The North Marin Water District (NMWD) supports the passage of HR 1823 (The Preventing Lakes Against Quaggas Act) and wishes to thank you for introducing this important piece of legislation. This legislation would add the quagga mussel to the list of injurious species under the Lacey Act to give federal agencies more authority to address the interstate transport of infested articles. Currently, the equally destructive invasive zebra mussel is listed under the Act.

NMWD, along with a coalition of other local government agencies along the North Coast of California, have joined together to begin a regional invasive mussel prevention program. We realize that quagga and zebra mussels pose a serious threat to not only critical water supply and flood control facilities, but also to the regional effort to restore the endangered coho salmon within the Russian River watershed. If either mussel were to be introduced into Lake Sonoma, our regional coho restoration program could be shuttered.

HR 1823 fills a hole that currently exists with the omission of quagga mussels in the Lacey Act. The federal government should treat interstate transportation for both the zebra and quagga mussel equally. We appreciate your continued support for our regional mussel prevention efforts. Please feel free to contact me with any questions.

Sincerely,

Rick Fraitcs
President
North Marin Water District

CC:
Congressman Jared Huffman
Congressman Joe Heck

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Don't Move A Mussel

Home / North Coast Mussel Prevention Consortium: Federal Legislative Update, Support Needed for HR 1823

North Coast Mussel Prevention Consortium: Federal Legislative Update, Support Needed for HR 1823



Dear North Coast Mussel Prevention Partners and Friends:

An important piece of federal legislation (HR 1823) has been introduced that would amend the Lacey Act to include quagga mussels. Below is a fact sheet of HR 1823. Congressman Mike Thompson is co-sponsoring this legislation; we greatly appreciate his continued support on this issue. We ask that you please send letters of support on HR 1823 to Congressman Thompson and Congressman Heck (Nevada, introduced the bill).

HR 1823 Fact Sheet

The Impact of Dreissenid Mussels

Background:

HR 1823: Congressman Heck & Amodei of Nevada introduced bill HR1823 on April 30, 2013.

This bill would add the "genus Dreissena" under the Lacey Act as an injurious species. Currently, zebra mussels are the only species of Dreissena listed as injurious under the Lacey Act. By adding genus Dreissena both quagga and zebra mussels would be listed. Under the

Lacey Act, the importation or shipment of an "injurious wildlife" species is prohibited and subject to civil and criminal penalties.

These species could cost taxpayers hundreds of millions of dollars a year and close down access to state waters for recreation and commercial opportunities. Mussels can clog water intake pipes and filters, reducing water pumping capabilities for power and water treatment plants. Once established, these mussels will change ecosystems and food sources critical to native mussels and species such as salmon and trout. Currently, there is no proven way to eradicate the mussels from a water body once they are established.

- Dreissenid mussels are freshwater mollusks introduced into the Great Lakes in 1986 via ships' ballast water. Quagga and zebra mussels spread quickly throughout the Great Lakes and were moved to the west to Lake Mead on boats.
- After they were discovered in Lake Mead in 2007, quagga mussels quickly spread to connected lower Colorado River basin lakes and reservoirs in Arizona and southern California. They have also turned up in New Mexico, Colorado, and Utah.
- Quagga mussels can spread to other inland waters either in their immature form transported in water carried in livewells, bilge, and motors, or as adults attached to boat hulls, engines, aquatic weeds, lines, anchors and other surfaces.
- Mussels have proven that they in fact can move across dry land and infest water bodies that are separated by hundreds of miles.

Problem:

- Quagga and zebra mussels have cost more in prevention and control than any other aquatic species to invade the United States, costing an estimated \$5 billion in prevention and control efforts since their arrival to the Great Lakes in the late 1980s.
- Mussels are filter feeders. They take water out, remove the food items, and then pump out water and waste. They compete directly with the food sources for both native and game fish, and can change the food web in a lake. They also take in lots of

pollutants (at levels higher than the surrounding area, referred to as bio-accumulation), which can harm other wildlife that eat them.

- Mussels can multiply at an alarming rate. A single female quagga can produce more than one million eggs in a spawning season.
- The threat and/or presence of mussels is causing people to change the way we have come to use water. Water users are having to pay more for maintenance of water delivery systems; boaters are being asked to have their vessels inspected before launching; and some water bodies now restrict boating hours to insure that boats are inspected prior to launching.

For more information about the mussels, please go to www.dontmoveamussel.com.

Source:

<http://www.invasivespecies.wa.gov/documents/priorities/ZebraQuaggaMusselFactSheet.pdf>

9

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: Surplus Used Ion Chromatograph
p:\lab\wq supv\2013\memo to board surplus ic.doc

May 17, 2013

RECOMMENDED ACTION: Surplus Dionex Ion Chromatograph and Related Equipment
FINANCIAL IMPACT: None

The Water Quality Laboratory purchased a Dionex DX120 Ion chromatograph and related equipment in 2002 for approximately \$45,000. In 2009 the manufacturer discontinued support for parts and a replacement instrument was purchased in 2012 from a different vendor. There is a secondary market for these instruments where the instrument and/or its components may sell, allowing the district to recoup a portion of its investment.

Recommendation

Board authorize surplusing the Dionex Ion Chromatograph and related equipment.

Approved by GM *CD*
Date *5/17/2013*

10

MEMORANDUM

To: Board of Directors

May 17, 2013

From: Rick Fraites, Board President

Subject: Conditions of Employment – General Manager (Revised Resolution 95-12)
t:\gm\2013 misc\conditions of employment gm.doc

RECOMMENDED ACTION: Approve Revised Resolution 95-12 – Conditions of Employment
– General Manager

FINANCIAL IMPACT: +\$15,000/year salary + \$5,510/year benefits

The Board has recently met to discuss the General Manager's performance review and "Conditions of Employment." The Board desires to authorize a salary increase in the amount of \$1,250/month. The revised resolution reflects said increase.

Recommendation:

Board authorize Revised Resolution No. 95-12, North Marin Water District Conditions of Employment – General Manager.

Revised
RESOLUTION No. 95-12
OF
THE NORTH MARIN WATER DISTRICT
CONDITIONS OF EMPLOYMENT - GENERAL MANAGER

WHEREAS: Chris D. DeGabriele was appointed General Manager/Chief Engineer of the District by unanimous vote of the Board of Directors on March 21, 1995; and

WHEREAS: Mr. DeGabriele's appointment as General Manager/Chief Engineer became effective on May 1, 1995; and

WHEREAS: Effective October 12, 1998, with the District's hiring of a Chief Engineer, Mr. DeGabriele's appointment was revised as General Manager; and effective ~~April 1, 2010~~ May 15, 2013 the following provisions apply:

WHEREAS: Mr. DeGabriele serves at the pleasure of the Board and shall:

- a. Have full charge and control of the maintenance, operation and construction of the water and wastewater systems of the District,
- b. Have full power and authority to employ and discharge all employees at pleasure (excluding the District Secretary, Auditor and Chief Engineer),
- c. Have full power to determine the duties of employees,
- d. Set the compensation of employees subject to Board policy,
- e. Represent the District at various public entities/private groups and perform other duties imposed by the Board, and
- f. Report to the Board in accordance with Board policy.

NOW, THEREFORE, BE IT RESOLVED that the conditions of Mr. DeGabriele's employment, remuneration and benefits are:

1. Annual salary of ~~\$165,465~~ 180,165 per year to be paid in semi-monthly installments. Said salary shall be reviewed annually.

2. Reimbursement of business or business related mileage incurred on privately owned vehicle at the normal rate per mile authorized by the District plus payment by District of \$338 per month. General Manager's use of privately owned vehicle is for the convenience of the District and required as a condition of employment. General Manager shall maintain in force liability insurance on private vehicle of not less than \$300,000 for one individual and \$500,000 for two or more individuals.

3. Reimbursement of all reasonable expenses incurred in connection with the conduct or furtherance of District business and affairs.

4. Other benefits as are from time to time afforded all District unrepresented employees with the exception of overtime compensation. Except for vacation, such benefits, which are a function of time in service, shall be calculated from the date first employed by the District. For vacation eligibility purposes, the General Manager shall be credited with five additional vacation days annually ~~and five additional years of continuous service with the District as of the date first employed by the District. The additional years of continuous service credit shall apply through the nineteenth year of actual continuous service and thereafter shall terminate.~~

5. The right to reside in any area within the District territorial boundaries.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted/amended by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the ~~sixth~~ seventh day of ~~April 2010~~ May 2013 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Katie Young, District Secretary
North Marin Water District

(SEAL)

t:\bod\resolutions\employees\degabriele 2013.doc

11

MEMORANDUM

To: Board of Directors

Date: May 17, 2013

From: Drew McIntyre, Chief Engineer


Subject: Approve Contract Amendment - CSW/ST² Engineering Services:
Marin Sonoma Narrows/Aqueduct Energy Efficiency Project

R:\Folders by Job No\7000 jobs\7118\Consultants Folder\CSW7118 CSW Contract Amendment for Aqueduct Upsizing BOD Memo 5-21-13.docx

RECOMMENDED ACTION: Board authorize General Manager to execute a contract amendment with CSW/Stuber-Stroeh for additional design services related to the Aqueduct Energy Efficiency Project (AEEP).

FINANCIAL IMPACT: \$80,600 (included in FY13-14 CIP Budget)

Background

CalTrans and NMWD are almost complete with the detailed design phase for the Marin Sonoma Narrows (MSN) project which includes construction of frontage roads along U.S. 101 between Novato and Petaluma. As part of the MSN project, CalTrans requires relocation of a significant portion (approximately 80%) of NMWD's existing 30" aqueduct from the west side of the highway between Redwood Landfill Overpass and Kastania Pump Station (see map in Attachment 1). The District received its first Notice to Owner from CalTrans on April 12, 2012 for the approximate 2 mile MSN B1-AEEP Reach E segment requiring relocation as shown in the red dashed lines in Attachment 1. Prior to receipt of this Notice, the District entered into a Utility Agreement and Cooperative Agreement with CalTrans for said project on April 3, 2012. While construction is underway for the MSN B1 – AEEP Reach E project, CalTrans is still designing the MSN B3 segment and the District is paying CSW/ST² for 'betterment' design costs related to the District's AEEP Reaches A-D. All design work is expected to be finished for the MSN B3-AEEP Reach A-D segments late this summer.

CSW/ST² Consulting Services Contract

The Board approved a contract with CSW/ST² for design work on the AEEP project at the January 18, 2011 meeting for \$236,540 (plus a \$24,000 contingency). A contract amendment in the amount of \$17,160 for additional services was issued in August, 2011 (for a contract total of \$253,700). CSW/ST²'s billing through January 13, 2013 totals \$194,359 leaving a balance of \$59,345 on their contract. Since the remaining balance is less than 25%, staff requested that CSW/ST² reassess their scope and budget to identify anticipated costs to complete the project based on NMWD requested out of scope services. As a result of said request, CSW/ST² submitted a proposal for additional services dated April 26, 2013 (see Attachment 2). The attached proposal identifies existing extra work that has been requested by the District that CSW/ST² has been tracking to date plus future tasks requested by NMWD to

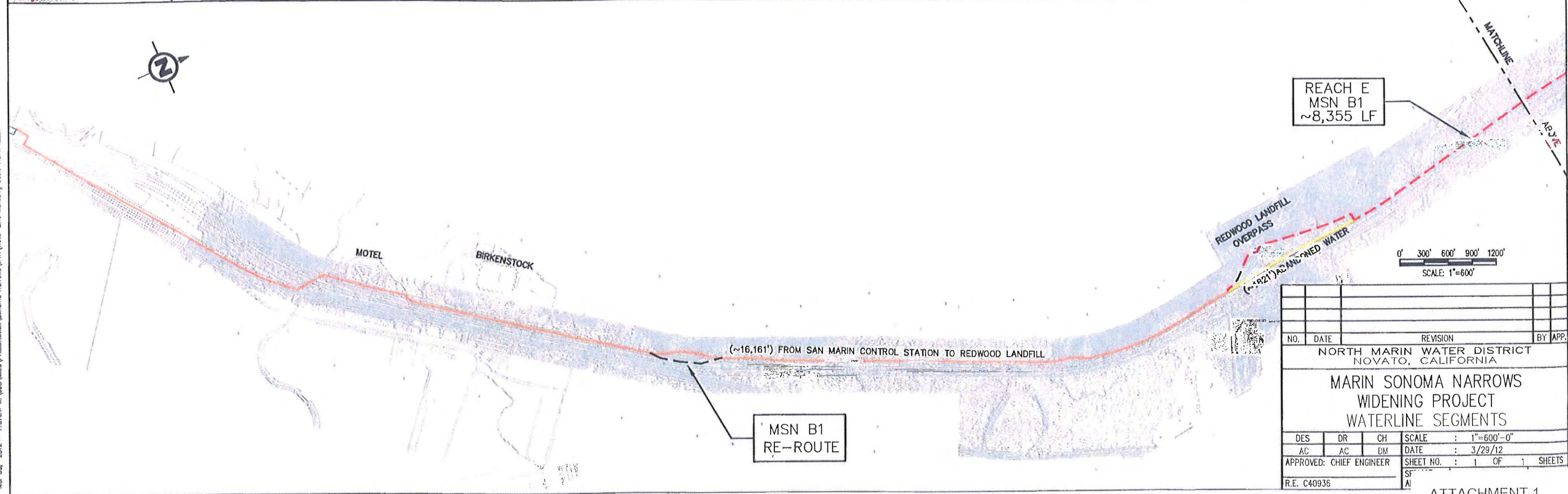
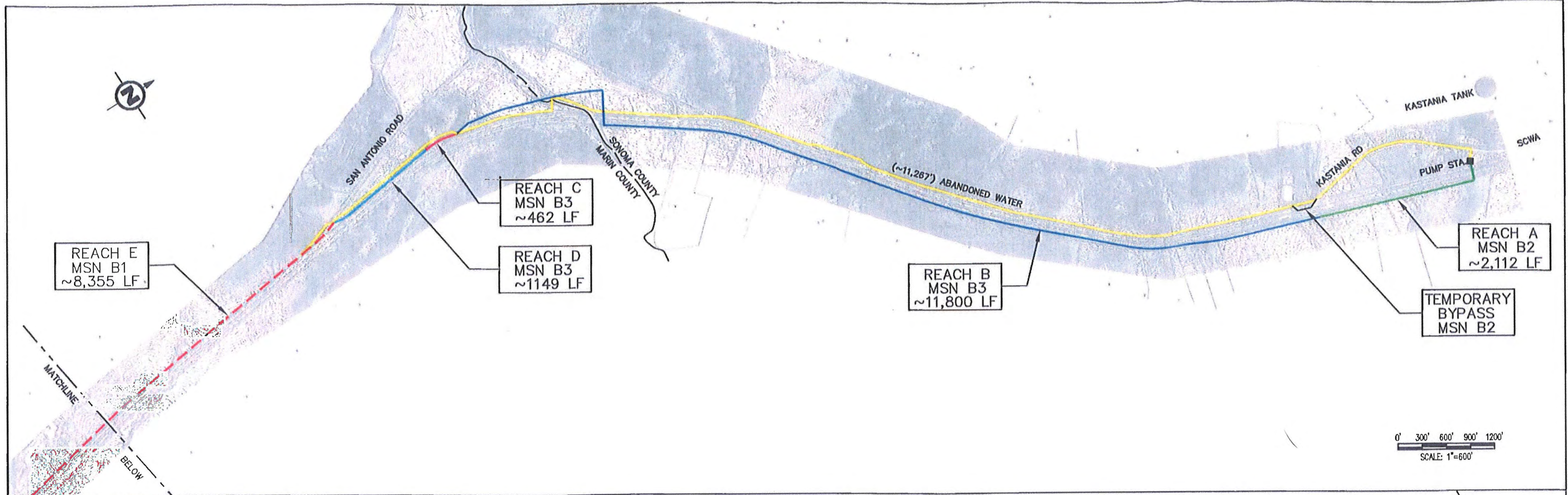
assist District staff in finalizing the Aqueduct Energy Efficiency Project. The additional services are summarized in the following table and cumulatively increase CSW/ST²'s contract value by \$80,580.

Item No.	Description of Add Services	Budgets	Segment
1	Convert Reach A to Stand Alone Design	\$6,400	Reach A
2	Telemetry Line at Kastania Pump	3,000	Reach A
3	Landscape at Korean Church	8,000	Reaches C and D
4	Alignment and cross sections at Korean and Majauskas	8,000	Reaches C and D
5	Explore one or two contracts for Reaches A-D	9,500	Reach A
6	Misc. Survey for locating exist. Facilities	5,000	Reaches A, C and D
7	Potholing exposed utilities	6,000	Reaches A, C and D
8	Utility Poles along B-1 ATT	3,400	Reach E
9	Kastania Easements	1,200	Reach A
10	Construction Administration	30,000	Reaches A through E
11	Explore cost contribution for B-3 between CalTrans and NMWD	2,400	Reach A
Total		\$80,580	

As the above table identifies, the single largest line item cost is \$30,000 for anticipated design engineering services during construction of the MSN B3-AEEP project. This additional cost is included as part of the District's AEEP project cost estimate and some of the tasks, particularly Item 8 - Utility Poles along B-1 ATT and Item 10 - Construction Administration, will be eligible for partial reimbursement by CalTrans.

RECOMMENDATION

Authorize the General Manager to execute a contract amendment with CSW/Stuber-Stroeh in the amount of \$80,600 for additional design engineering services related to the MSN and Aqueduct Energy Efficiency Project.



NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
MARIN SONOMA NARROWS WIDENING PROJECT WATERLINE SEGMENTS				
DES	DR	CH	SCALE	: 1"=600'-0"
AC	AC	DM	DATE	: 3/29/12
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1 OF 1 SHEETS
R.E. C40936			SF	AI

Mar 30, 2012 - 7:57am W:\008\MSN Presentation\Senoma Narrows\Water Line HSH.dwg User: ACANTILLER

Date: April 26, 2013
File: 4.1131.02

RECEIVED

APR 29 2013

North Marin Water District

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

RE: ADDITIONAL SERVICES FOR THE AEEP PROJECT GAP CLOSURES

Dear Drew:

Thank you for meeting with me last week to discuss the added work we have been doing on the AEEP pipeline for Reaches A-E. Since 2011, we have continued to work on various reaches in conjunction with the pipeline relocation, upsizing and ancillary support work. As you discussed with Emily Dean in our office, we have been tracking the extra work, but have not finalized a formal request for a contract amendment. Since we have expended approximately 77% of our initial contract, a reassessment of the scope and budget seems to be in order.

As a recap, through January 13, 2013 we have billed and NMWD has paid the following amounts:

	Description	Budgets	Billing through 1/13/13	Remaining in Contract
101	Gap Closure (Reach C/D)	56,130	21,949.11	34,181
102	Kastania (Reach A)	49,980	58,456.75	-8,477
103	B-3 (Reach B)	47,010	42,709.75	4,300
104	B-1 (Reach E)	47,406	17,054.50	30,352
105	Project Management	20,000	26,434.00	-6,434
Consultants	Corpro	15,000	17,538.00	-2,538
Reimbursables	Copies etc	1,014	635.91	378
CAS 1(106)	Environmental Review	17,160	9,576.86	7,583
Total Current Through 1/13/13 Billing		\$253,700	\$194,354.88	\$59,345

Mr. Drew McIntyre
North Marin Water District
April 26, 2013
Page 2

The following is the out of scope work that has been added to the scope of work in the billing shown above. The task numbers represent our internal codes to track the specific fees. The reach associated with each task follows in parenthesis.

Task 107: Convert Reach A to a Stand Alone NMWD bid document.

Reach A was originally designed to be included in the MSN B-2 project. The 65% and 95% drawings were prepared in Caltrans format and were included in the MSN B-2 drawings. Prior to the 100% PS&E issuance, it was decided that Reach A would be bid separately by NMWD and not included in B-2. (Reach A)

Task 108: Survey Existing Telemetry Line and Draft Plat Map and Legal Description for Easement Application.

This work includes surveying the telemetry line between the Kastania Pump Station and the meter pit located by NMWD crews, preparing a plat map and legal description. (Reach A)

Task 109: Landscape Architecture services on Korean Church property.

This work includes site visits, selection of tree types, compilation of specification sheet and photo of each tree for consideration by the Church, comparison of different tree sizes, coordination with the Church, producing landscape plan and planting details for inclusion in the AEEP set, opinion of probable costs, and landscape specifications for inclusion in the AEEP set. (Reaches C and D)

Task 110: Parallel pipe location through Korean Church and Majauskas.

This work includes cross sections for the existing and proposed parallel pipe through two properties to determine the need to modify existing NMWD easements, preparing cross sections, meetings with NMWD, research on easement location, calculating areas, preparing exhibits, and coordinating with B-3 project. (Reaches C and D)

Mr. Drew McIntyre
North Marin Water District
April 26, 2013
Page 3

Task 111: Explore the options for NMWD to contract for Reaches A-D in one or two contract package(s).

This work includes exploring optional types of pipes and pipe coatings, constraints of unused installed pipe, cost considerations, and timing options. Work also includes developing schedules, coordinating with the B-2 and B-3 project teams, meetings and teleconferences. (Reaches A-D, however, this is driven by NMWD and should be placed within Reach A cost accounting).

Task 112: Miscellaneous On-call surveying.

This work includes survey and coordination time to locate facilities pertinent to design, coordination with White and Prescott, and identifying potential conflicts with existing facilities. (Reaches A, C, and D).

Task 113: Pothole existing Utilities.

This work includes surveying exposed utilities along the Korean Church, Majauskas and in the vicinity of the Kastania Pump Station to provide design information necessary to prepare construction details of tie-in points and other fittings. (Reaches A, C, and D)

Task 114: Study ATT pole locations along the north end of MSN B-1.

This work includes discussing pole location and options with ATT construction and BKF, adding ATT construction documents to the underlying base mapping, preparing cross sections, and general coordination with the team and ATT. (Reach E, this work should be passed through to Caltrans as it would have been required for a 30 inch or 42 inch pipe, albeit the smaller 30 inch pipe would allow more flexibility).

Task 115: Kastania parcel layout and easements.

This work includes preparing special exhibits for White and Prescott to document a logical pipeline easement location through SCWA property. (Reach A).

Mr. Drew McIntyre
North Marin Water District
April 26, 2013
Page 4

Task 116: Construction Administration.

This work will include responding to issues which arise during construction including general contract questions, technical questions, Requests for Information (RFIs) from the contractor, Submittals, and other construction related issues. (Reaches A-E). This work will be split between Caltrans and NMWD by Reach. Reaches A, C, and D (with the exception of the boring under the highway at the Kastania Pump station) will include all the items above and be identified as NMWD. Reaches B and E will mostly include submittals which NMWD requests CSW to review. For Reach E, the work includes RFIs and will be further split as 90.5% Caltrans (to be reimbursed to NMWD) and 9.5% NMWD. For Reach B, this split is currently being negotiated. Work on RFIs, technical questions and other issues will likely be requested through NMWD since NMWD will be administering the contract. We will track these costs separately so that NMWD can request reimbursement from Caltrans for work that would have occurred if the project was for relocation only. Work on RFIs, technical questions and other issues for Reach E should be covered in the Construction Administration work through the highway designer, BKF and be billed to Caltrans through the design contract and not a part of this task.)

Task 117 Prepare a Memo outlining CSW's opinion of probable cost to increase the pipe size from 30 inch to 42 inch through Reach B, MSN B-3 segment.

This work will include a review of pipe costs, trench construction, pipe construction and associate incidentals of 30 inch and 42 inch pipes. The work will include preparing a memo to NMWD outlining a defensible increase in construction and design cost to change the pipe from 30 inch to 42 inch. (Reach B, however this is a specific task requested by NMWD to aid in the negotiations with Caltrans to allocate costs for reach B, MSN B-3 segment).

In addition to the additional tasks outlined above, the Project Management task is currently over the target budget and is projected to further increase. This is primarily due to the fact that the original contract anticipated design to be completed in December, 2011. Currently, design is projected to be completed in June, 2014. Since we are under budget on a number of items we are currently projecting that the additional time associated with the Project Management task will fit within an overall contract that includes the current contract plus the suggested budgets

Mr. Drew McIntyre
 North Marin Water District
 April 26, 2013
 Page 5

shown below. As we move forward we will continue to monitor the overall costs on a monthly basis and notify NMWD if this appears to be changing.

FEES

The suggested budgets for the additional tasks follow:

	Description of Add Services	Budgets	
107 (CAS 2)	Convert Reach A to Stand Alone	6,400	Reach A
108 (CAS 3)	Telemetry Line at Kastania Pump	3,000	Reach A
109 (CAS 4)	Landscape at Korean Church	5,680	Reaches C and D
110	Alignment and x sections at Korean and Majauskas	8,000	Reaches C and D
111	Explore one or two contracts for Reaches A-D	9,500	Reach A
112	Misc Survey for locations and supplemental	5,000	Reaches A, C, and D
113	Potholing exposed utilities	6,000	Reaches A, C, and D
114	Utility Poles along B-1 ATT	3,400	Reach E
115	Kastania Easements	1,200	Reach A
116	Construction Administration	30,000	Reaches A through E
117	Explore cost contribution for B-3 between Caltrans and NMWD	2,400	Reach A
Total		\$80,580	

Drew, if you are in agreement with this approach please issue us an amendment to our contract to cover the additional services. If you have any questions, please contact me.

Sincerely,

CSW/STUBER-STROEH ENGINEERING GROUP, INC.


 Al Cornwell, R.C.E. 27577

AGC:gmp

12

MEMORANDUM

To: Board of Directors

May 17, 2013

From: Drew McIntyre, Chief Engineer



Re: Contract Amendment for Engineering Services - White and Prescott

R:\NON JOB No ISSUES\Consultants\White&Prescott\FY12-13\Agmts_BOD Memos\W&P FY12-13 Contract Amend No. 1 BOD Memo 5-13.doc

RECOMMENDED ACTION: Authorize General Manager to execute an amendment to White and Prescott's General Services Agreement

FINANCIAL IMPACT: \$20,000

Background

At the October 16, 2012 meeting, the Board authorized a General Services Agreement between the District and White & Prescott for miscellaneous engineering consulting services.

A cost breakdown for the \$10,000 FY12-13 contract by task is summarized as follows:

Starting Contract Amount	\$10,000
Projects (billings to date)	
AEEP-Marin Sonoma Narrows (Easements)	<\$6,120>
Pt. Reyes Treatment Plant Solids Handling (survey)	<\$2,160>
Digital Dr to Leveroni Ct Looping (easement)	<\$240>
Remaining Balance on Contract	\$8,520

Expenditures

FY12-13 White & Prescott expenditures currently total \$8,520 leaving a balance of \$1,480 on the contract. Although the contract amount has not been completely expended, additional authorized expenditures coupled with the following upcoming tasks make a contract amendment necessary:

- Hamilton Elementary School Survey and Easement
- On-going AEEP-MSN Easements

Note that White & Prescott's fee estimate to provide the above referenced engineering services for Hamilton Elementary School project is \$8,700. This is an estimated time and expense budget and billings will be based on actual expenses incurred. In addition, the contract duration will be extended into FY13-14.

RECOMMENDATION

That the Board authorize the General Manager to execute an amendment to White & Prescott's General Consulting Services Agreement in the amount of \$20,000.

13

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Approve - Purchase of FY14 Insurance
t:\aclword\insurance\14\fy14 ins mmo.docx

May 17, 2013

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$121,153 to be included in FY2013/14 Operations Budget

The District requested proposals for insurance coverage for the coming fiscal year from three brokers: 1) SST Insurance located in the City of Sonoma; 2) Gallagher Insurance Services in San Francisco, who won our business last year; and, 3) Heffernan Insurance of Petaluma. For the second year in a row, Gallagher's package proposal pricing from Argonaut Insurance for property and liability coverage, and New York Marine and General for excess workers' compensation coverage, was superior. SST presented a proposal from Glatfelter Insurance Services. Heffernan advised at the deadline that they were unable to provide a competitive proposal.

The recommended purchase package presented for your consideration herein reflects a cost increase of \$1,110 (1%) from the current year premium.

PROPOSAL SUMMARY

Insurance Proposal	FY12/13	FY13/14	% Δ
Property	\$40,415	\$38,246	-5%
Liability ¹	\$32,281	\$33,631	4%
Excess Workers' Comp	\$47,347	\$49,276	4%
	\$120,043	\$121,153	1%

MARKETING RECAP

Gallagher approached ten carriers to underwrite the property and liability coverage. All but Argonaut declined for various reasons, prevalent among which were dam exposure (most carriers exclude dam liability coverage) and that Argonaut's existing premium is "too low" to compete with. SST approached four carriers to obtain proposals for 1st dollar (e.g., no deductible) workers' compensation coverage and Gallagher approached three. The workers' comp insurance quotes were requested to determine if continuing to self-insure workers' comp risk is appropriate, and also to ascertain the current market value of the coverage which the District self-insures. Two 1st dollar workers' compensation insurance proposals were obtained.

¹ Amounts shown NMWD's net cost are after MCWCFCD's contribution (\$15,000 in FY13 & \$13,650 in FY14).

PROPERTY INSURANCE

Property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Structures and tanks are insured in an amount up to the value of the asset as shown on the attached schedule. Equipment coverage is provided on an agreed value basis. The insured value of the District's property, including mobile equipment (backhoes, compressors, etc.) declined 0.7% from the prior year, to \$54.2 million. Staff recommends increasing the property insurance deductible from \$10,000 to \$25,000. This will save \$2,451 in premium. To our knowledge the District has never made a property loss claim.

2012-13 Actual

<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Property	\$54,624,000	\$10,000	\$40,415	\$0.74

2013-14 Proposal

Argonaut	Property	\$54,226,000	\$25,000	\$38,246	\$0.71 ←
Argonaut	Property	\$54,226,000	\$10,000	\$40,697	\$0.75
Glatfelter	Property	\$53,642,000	\$10,000	\$44,475	\$0.83

VEHICLE PHYSICAL DAMAGE INSURANCE

Comprehensive & Collision insurance for District autos and trucks protects the District against physical damage occurring due to collision, fire, theft, etc, on an agreed value basis. The insured value of the District's insured vehicle fleet decreased 5% from the prior year to \$450,000.

2012-13 Actual

<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Auto PD	\$472,000	\$3,000	Included	-

2013-14 Proposal

Argonaut	Auto PD	\$450,000	\$3,000	Included	- ←
Glatfelter	Auto PL/PD ²	\$450,000	\$3,000	\$15,872	-

² Includes \$1 Million liability coverage with a \$25,000 deductible and a medical payments limit of \$10,000.

PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYEMENT PRACTICES LIABILITY

Errors and Omissions is a form of liability coverage that insures the District Board and Officers against claims made for "breach of duty" occurring through negligence, error or unintentional omission. It also includes Directors and Officers' Employment Practice Liability Insurance, covering claims for wrongful termination, discrimination, harassment, etc.

<u>2012-13 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$1,000,000	\$25,000	Included
<u>2013-14 Proposal</u>			
Argonaut	\$1,000,000	\$25,000	Included
Glatfelter	\$1,000,000	\$25,000	\$12,564 ↵

GENERAL AND AUTO LIABILITY UMBRELLA INSURANCE

General and Auto liability umbrella coverage provides a backstop in the event of a large liability claim (bodily injury, property damage, personal injury) where the damage exceeds the District's \$1 million self-insured retention (SIR). The umbrella covers subsidence, failure to supply, inverse condemnation, eminent domain and dam failure. In addition, the umbrella covers the \$1 million Public Officials and Employment Practices Liability policy.

A 1985 agreement with the Marin County Flood Control and Water Conservation District (MCFCWCD) requires North Marin to maintain a minimum \$10 million liability policy and obligates MCFCWCD to pay the incremental cost of increasing the limit from \$5 million to \$10 million. The District has self-insured the first \$1 million in liability since 1986. The Argonaut package insures the provides the next \$9 million, rendering total coverage of \$10 million. Under Argonaut's proposed policy, MCFCWCD's share of the cost drops by \$1,350 to \$13,650 next fiscal year for the \$5 million in additional coverage required under the agreement.

		<u>2012-13 Actual</u>	
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Argonaut	\$10,000,000	\$1,000,000	\$32,281 ³

		<u>2013-14 Proposal</u>		
Argonaut	\$10,000,000	\$1,000,000	\$33,631⁴	↔
Argonaut	\$20,000,000	\$1,000,000	\$53,631	
Argonaut	\$25,000,000	\$1,000,000	\$63,631	
Glatfelter	\$10,000,000	\$25,000	\$96,468 ⁵	

EMPLOYEE FIDELITY (CRIME) INSURANCE

The employee blanket fidelity bond insures the District against loss occurring through dishonesty (fraud) on the part of District employees. Crime coverage includes employee theft and electronic funds transfer fraud. Losses are covered up to \$500,000.

		<u>2012-13 Actual</u>	
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$500,000	\$10,000	Included

		<u>2013-14 Proposal</u>		
Argonaut	\$500,000	\$10,000	Included	↔
Glatfelter	\$500,000	\$10,000	\$813	
Argonaut	\$1,000,000	\$25,000	\$5,503	
Argonaut	\$1,000,000	\$10,000	\$8,451	

EXCESS WORKERS' COMPENSATION

The District reinstated its certification to self-insure workers' compensation liability effective July 1, 2011, employed a third-party administrator (TPA), and purchased an excess workers' compensation policy that protects the District against a catastrophic loss exceeding \$750,000, which is the SIR. The current year cost for the TPA and excess insurance is \$59,400. The District has incurred only two claims this fiscal year-to-date (the second remarkably safe year in a row) and has paid \$600 in claims cost. This \$60,000 cost (\$59,400 + \$600) compares to Chartis proposal for 1st dollar workers' comp coverage of \$312,000 for the same coverage in

³ Net cost shown. Total premium is \$47,281. MCFCWCD paid \$15,000 for the incremental \$5M coverage.
⁴ Net cost shown. Total premium is \$47,281. MCFCWCD will pay \$13,650 for the incremental \$5M coverage.
⁵ Net cost shown. Total premium is \$107,580. MCFCWCD would pay \$11,112 for the incremental \$5M coverage. Policy includes \$1M in Cybercrime Liability coverage.

FY14. Staff recommends the District continue to self-insure its Workers' Compensation liability.

2012-13 Actual

<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
NY Marine	Statutory (unlimited)	\$750,000	\$47,347

2013-14 Proposal

NY Marine	Statutory (unlimited)	\$750,000	\$49,276	⇐
Chartis	Statutory (unlimited)	\$0	\$311,764	
SCIF	Statutory (unlimited)	\$0	\$317,190	

Last year's insurance purchase totaled \$120,403.

STAFF RECOMMENDATION:

<u>TYPE</u>	<u>CARRIER</u>	<u>RATING</u>	<u>COVERAGE</u>	<u>PREMIUM</u>
Property	Argonaut	A XII	\$54,226,000	\$38,246
Liability	Argonaut	A XII	\$10,000,000	\$33,631 ⁴
Excess Worker's Comp	NY Marine	A IX	Unlimited	\$49,276
				<u>\$121,153</u>

14

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: Third Quarter FY 12/13 – Water Quality Report
P:\LABWQ SupvWQ Reports\2013\3rd Qtr FY13 WQ Rpt.doc

May 17, 2013

RECOMMENDED ACTION: Information**FINANCIAL IMPACT:** \$0

The water served to the communities of Novato and Point Reyes met federal and state primary and secondary water quality standards during the third quarter of fiscal year 2012-2013.

Following is a review of the activities and water quality issues in regards to:

- Source Water
- Treatment Performance
- Distribution System Water Quality

NOVATO SYSTEM**Source Water: Stafford Lake**

Stafford Lake water was used as a source of drinking water this quarter beginning on January 22nd. Water quality was monitored on a weekly basis throughout the quarter for chemical and mineral components as well as microbiological activity.

Algae and plankton from the raw water intake were identified and enumerated. Total algae numbers were low as is typical in winter months. There were three types of cyanobacteria, one type of diatom, and one filamentous green alga present in significant numbers.

Stafford Lake Watershed

During the rainy season, we conduct our monthly watershed monitoring program. Water runoff entering Stafford Lake is sampled at eight different locations (flow permitting). The water is analyzed for fecal coliform bacteria, solids, as well as for nutrients (three forms of nitrogen and two forms of phosphorous) which can fuel algal blooms and create other water quality challenges.

In 2012 we worked with the owners of the Grossi Dairy in an attempt to decrease the amount of nutrients entering the lake. This was done by restricting the spreading of manure, which is normally applied to grazing pastures all over the watershed, to areas further from the lake and to areas off of the Stafford Lake watershed. This year nutrients and sediments entering the lake were down considerably. The average concentration of nitrogen in tributary samples was down 75%, average ammonia was down 52%, and average ortho-phosphate was down 85%. This reduction in nutrients entering the lake may have a number of weather related components, but the possibility

that we can improve water quality in the lake by this method shows promise. We will continue to study this issue in the coming months and years and report results when more data is available.

Treatment Performance: Stafford Treatment Plant

Total organic carbon (TOC) removal remained above the 35% requirement of the Enhanced Surface Water Treatment Rule. Operators were able to achieve from 51-54% removal throughout the quarter. Finished water TOC concentration was above the district's goal of 2.0 mg/L, ranging between 2.9-3.0 mg/L. The majority of TOC removal was accomplished through optimized coagulation and filtration.

Distribution System: Novato

Of the 241 routine samples collected for compliance with the Total Coliform Rule, there were no coliform positive samples this quarter. Chlorine residual concentrations throughout our distribution system were good.

Average disinfection by-product concentrations were well below the maximum contaminant limit (MCL).

POINT REYES SYSTEM

Source Water: Coast Guard Wells

Raw water quality was good throughout quarter. Levels of constituents associated with salt water intrusion fell slightly throughout the quarter. Chloride ranged from 19-31 mg/L while sodium ranged from 33-38 mg/L, despite being at multi-year lows both remained above their historical baseline levels of approximately 15mg/L. Hardness ranged from 75-89 mg/L and by the end of the quarter was within its historical baseline range. Bromide ranged from <20-119 ug/L.

Treatment Performance: Point Reyes Treatment Plant

Treatment was optimal throughout most of the quarter and finished water quality was good. Of the two principal constituents targeted for removal- there was one sample with detectable iron in March, while manganese was not detectable throughout the quarter.

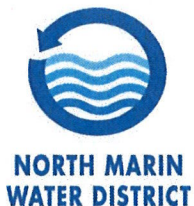
Distribution System: Point Reyes

Of 23 routine samples collected for compliance with the Total Coliform Rule, there were no coliform positive samples this quarter. Chlorine residual concentrations throughout our distribution

system were good.

Concentrations of disinfection by-products (DBPs) were low during the quarter. The sample from the location representing the maximum residence time for the system had the lowest concentration of total trihalomethanes (TTHMs) since monitoring began. The sprayer systems at Inverness Park tanks and Paradise Ranch Estates Tank #2 seem to be very effective at reducing the concentration of disinfection byproducts.

We continue to be under an accelerated monitoring schedule for disinfection byproducts due to two samples with concentrations of DBPs above the maximum contaminant limit (August 2009 and February 2010). This schedule can return from two samples every quarter back to two samples during the spring and summer quarters once we have three years without an exceedance, presumably after the sample during 4th quarter of FY 2013.



North Marin Water District- 3rd Quarter FY2012/2013

Bacteriological Quality Monitoring

Novato: 241 Samples Analyzed. No samples positive for coliform bacteria
 Point Reyes: 23 Samples analyzed. No samples positive for coliform bacteria.

Chemical Quality Monitoring

Constituent	Units	Maximum Contaminant level	SCWA North Marin Aqueduct	Stafford Treatment Plant	Point Reyes Treatment Plant
Conductivity	umhos/cm	900 *	336	302	320
TDS	mg/L	500 *	148	168	178
Hardness	mg/L	-	127	86.3	76.7
Alkalinity	mg/L	-	137	70.7	117
Calcium	mg/L	-	27.7	18.4	13.2
Magnesium	mg/L	-	14.4	10.4	11.9
Copper	mg/L	1.0*	ND	ND	ND
Iron	mg/L	0.3*	ND	ND	0.123
Manganese	mg/L	0.05 *	ND	ND	ND
Zinc	mg/L	5.0 *	ND	ND	ND
Sodium	mg/L	-	20	24	39
Chloride	mg/L	250 *	7.58	38.7	23.5
Sulfate	mg/L	250 *	14.6	11.5	8.70
Fluoride	mg/L	2.0 (1.4-2.4)	0.097	0.117	0.103
Nitrite as N	mg/L	1.0	ND	ND	ND
Nitrate as N	mg/L	10	0.356	0.961	0.088
pH	pH units	8.5 *	8.57	8.35	7.37
Turbidity	NTU	5	0.06	0.08	0.06
Color	PCU	15	<2.5	<2.5	<2.5
Free Chlorine	mg/L	4.0	0.63	1.56	0.67
Total Chlorine	mg/L	4.0	0.74	1.70	0.78
Temperature	°C	-	13.0	11.7	12.2
Odor	TON	3	<1	<1	<1

*Indicates secondary drinking water standard

ND = Not Detected
 NA = Not Analyzed

15

MEMORANDUM

To: Board of Directors

May 17, 2013

From: David L. Bentley, Auditor-Controller



Subj: Second Review – Proposed FY 2013/14 Novato Water Equipment Budget
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RECOMMENDED ACTION: Provide Direction to Staff

FINANCIAL IMPACT: None at this time. \$231,000 proposed for June 18 Public Hearing

Since the April 16 review, no changes have been made to the proposed FY14 Equipment Budget.

Following is a chart showing ten years of equipment purchases history (A), and a five-year vehicle and equipment replacement plan (B).

A public hearing and approval of the Equipment Budget is scheduled for June 18, 2013.

**Proposed
Equipment Expenditures
Fiscal Year 2013/2014 Budget**

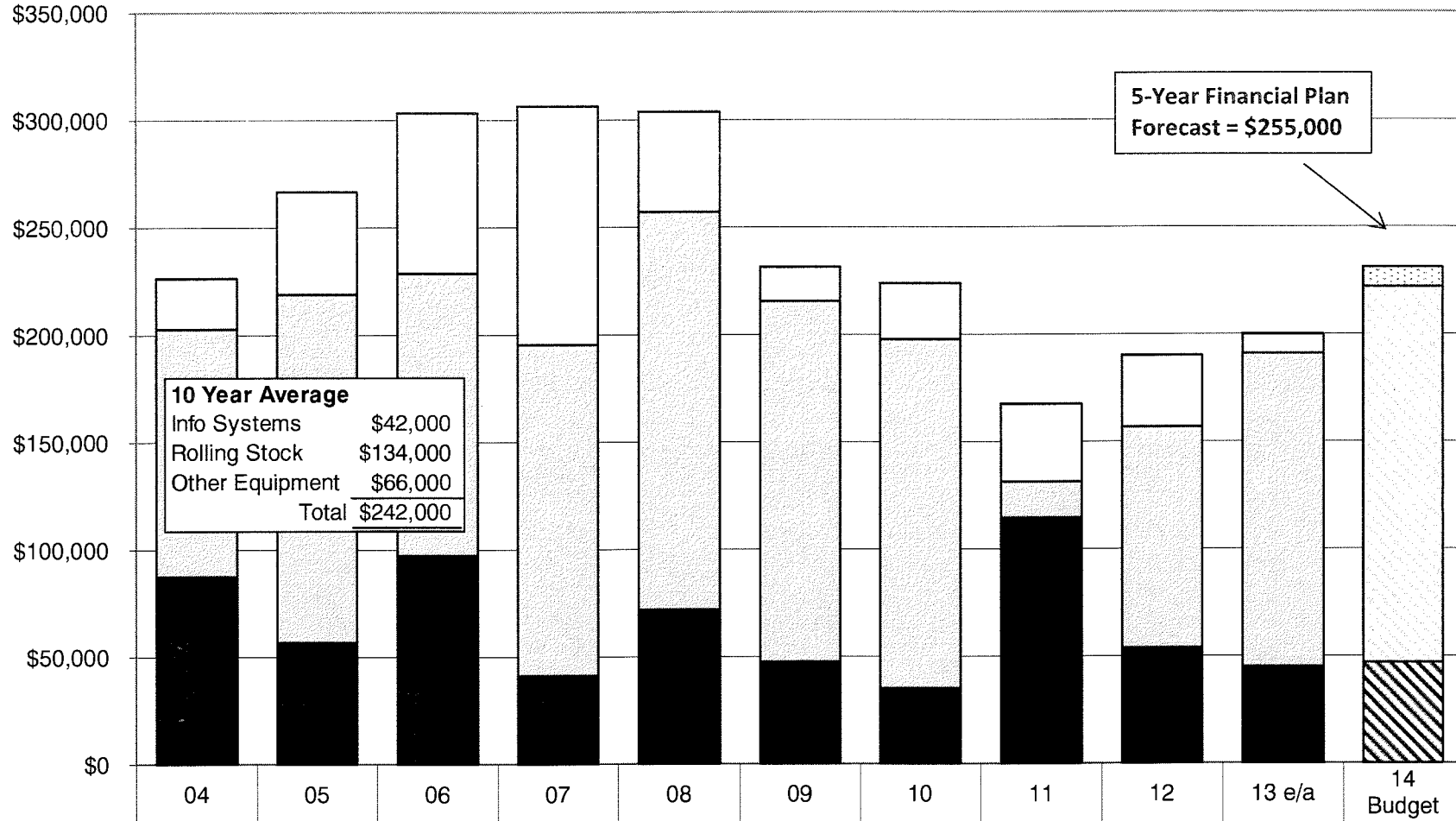
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		Proposed	Description
1 INFORMATION SYSTEMS			
a.	Server Software Upgrade	\$9,000	Upgrade last two Servers from 2003 to 2008 software. Software already purchased, cost is IT install time.
		\$9,000	
2 ADMINISTRATION			
a.	Phone System	\$35,000	Replace 10-year old digital phone system with Internet Protocol system that runs on District network.
		\$35,000	
3 ENGINEERING			
a.	Multi-function Wide-Carriage Copier (Used)	\$12,000	Parts no longer available for existing obsolete copier
		\$12,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
a.	¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '93 F250 4X4 with 137K miles (#29) that will be auctioned
b.	¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '94 GMC 1500 with 134K miles (#30) that will be auctioned
c.	Propane Powered 5,000 lb Capacity Forklift	\$35,000	Replace STP '97 Hyster with inadequate 2,500 lb lift capacity. Will be auctioned
d.	Hybrid 2WD Pickup	\$40,000	Replace '00 Dodge Dakota with 103K miles (#40) that will be auctioned
e.	Hybrid 2WD Pickup	\$40,000	Replace '02 Chev K1500 4X4 with 103K miles (#47) that will be auctioned
		\$175,000	
Total		\$231,000	

	Adopted Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14
RECAP			
Equipment	\$78,000	\$54,000	\$56,000
Rolling Stock	\$155,000	\$146,000	\$175,000
	\$233,000	\$200,000	\$231,000

History of Equipment Purchases



	04	05	06	07	08	09	10	11	12	13 e/a	14 Budget
□ Info Systems	\$23,440	\$47,650	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$9,000	\$9,000
□ Rolling Stock	\$115,407	\$162,234	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,000	\$175,000
■ Other Equipment	\$87,445	\$56,715	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$45,000	\$47,000
Total	\$226,292	\$266,599	\$303,138	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$200,000e	\$231,000

5-Year Vehicle and Equipment Replacement Plan

Updated 3/1/13

FY13/14	New Item Description	Replacement Item Description	Cost
1	HD 3/4 Ton 2wd pickup, Alt fuel, tool box, radio	#505 Ford F250 4x4	\$30,000
2	Forklift	#902C 1997 Hyster, Needs more lift capacity (STP)	\$35,000
3	Hybrid Pickup 2WD	#58 into pool and #40 2000 Dodge Dakota to auction	\$40,000
4	Hybrid Pickup 2WD	#59 into pool and #30 to auction	\$40,000
5	3/4 Ton 4X4 Pickup, Alt fuel, w/Tool Box, Radio	#29 1993 Ford F250 4X4	\$30,000
Total			\$175,000

Note: The 2 hybrids will replace 58, 59 and #30 & 40 to 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	#51 2003 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 2001Dodge Dakota pick-Up	\$25,000
5	HD 3/4 Ton 4x4 pickup, Alt fuel, radio, LED light	#506 Ford F250 4x4, bad fuel/engine	\$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	Bar	#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 Dump	\$125,000
2	1 Ton Flat Bed, Radio and Emergency Light	#19 1999 Ford F350	\$30,000
3	Light	#502 2002 Chevy 2500 4X4	\$30,000
Total			\$185,000

Note: Truck 19 & 52 be auctioned.

FY18/19	New Item Description	Replacement Item Description	Cost
1	1/2 Ton 4x4 with camper shell, Radio	#49 Dodge Dakota 4X4	\$35,000
2	Loader 4X4	Case Loader 4X4	\$65,000
3	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar		\$35,000
4	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar		\$35,000
Total			\$170,000

Note: 85, 36, 46 and 76 will go to auction.

16

MEMORANDUM

To: Board of Directors

May 17, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Second Review - Proposed FY14 & FY15 Novato Capital Improvement Projects Budget
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RECOMMENDED ACTION: Review and Provide Direction to Staff

FINANCIAL IMPACT: None at this time - \$7.7M FY14 & \$14.3M FY15 Gross Expenditure Budget Proposed for Consideration at June 18 Public Hearing

Presented for your second review is the proposed Capital Improvement Project (CIP) Budget for the Novato service area for both fiscal year 2013/14 (FY14) and 2014/15 (FY15). Since the Board's last review, the full amount of the Aqueduct Energy Efficiency Project (AEEP) to be expended by the District over the next two fiscal years, including the amount to be reimbursed by Caltrans, has been included in the proposed CIP budget. In addition, the timing of the project expenditures have been moved up (i.e., some of the FY16 expenditures have been moved to FY15). This adds \$10.3 million to the combined FY14 and FY15 AEEP gross expenditures, all of which will be funded by a combination of Bank of Marin loan monies or reimbursement by Caltrans. One additional minor change was incorporated: a \$25,000 reduction in the budgeted cost of the FY14 Stafford Lake aeration upgrade, reflecting that the project has commenced and some cost will be incurred in FY13. The net internally funded, or "pay-go" expenditure over the coming two fiscal years remains at \$6.8M, down \$25,000 from the Board's previous CIP budget review.

Below is a summary identifying the significant projects (\$500,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY14 project is incorporated into the detail listing attached.

Project	FY14	FY15
Aqueduct Energy Efficiency Project - Hwy 101 ¹	\$4,600,000	\$10,600,000
Atherton Recoat & Mixing System (5 MG)	700,000	1,000,000
Relocate School Road Pump Station	100,000	500,000
Other Projects	<u>2,293,000</u>	<u>2,170,000</u>
Gross Project Outlay	\$7,693,000	\$14,270,000
Less Loan & Caltrans Funding ¹	<u>(4,600,000)</u>	<u>(10,600,000)</u>
Net Project Outlay (internally funded)	<u>\$3,093,000</u>	<u>\$3,670,000</u>

¹ The Aqueduct Energy Efficiency Project is funded with a 3.5% Bank of Marin loan and with Caltrans contributions.

Novato's current 5-year CIP expenditure plan averages \$2.5 million annually in internally funded projects, up from \$2.1 million expended on average over the past 5 years. During February's 5-Year Financial Plan review staff discussed the need to increase Novato's average annual CIP outlay from \$2.0 million to \$2.5 million in response to the updated Master Plan finding that increased pipeline replacement work is required. However, in addition to increased pipeline replacement work, Novato's proposed CIP plan is front-loaded with the \$1.7 million Atherton Tank Recoating project, which pushes the average to \$3.4 million over the next two years, and which will require budgetary discipline in the out years to achieve the \$2.5 million average over the next five years.

A public hearing for final budget review and approval is scheduled for June 18, 2013.

Proposed Capital Improvement Projects

5/16/13

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		FY14 Budget	FY15 Budget	FY14 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
a.	Main/Pipeline Replacements			
1	So Novato Blvd - Rowland to Sunset (12" CI @ 1	\$100,000	\$200,000	1st year of 2-year project to replace Cast Iron Pipe at the end of its useful life.
2	Shields Ln 6" Cast Iron (6"@1,120')	\$225,000		Replace Cast Iron Pipe at end of its useful life.
3	Ashley Ct 2" Thinwall Plastic (6"@200')	\$40,000		Replace plastic that has suffered a number of recent failures.
4	Grant/4th 1" Galvanized Steel (6"@400')	\$100,000		Replace galvanized steel that has been prone to failure.
5	Other Pipeline Replacements (60+ years old)	\$35,000	\$300,000	As needed
		\$500,000	\$500,000	
b.	Main/Pipeline Additions			
1	Zone A Pressure Improvements - Ignacio Area	\$250,000		Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
2	San Mateo 24" Inlet/Outlet		\$440,000	
		\$250,000	\$440,000	
c.	Polybutylene Service Line Replacements			
1	Pacheco Valle (42 Services)	\$125,000		Ongoing Polybutylene service line replacement program
2	Replace PB in Sync w/City Paving (45 Srvcs)	\$135,000	\$90,000	PB service replacement coordinated with City Overlay Program
3	Atherton Oaks/Clay Ct (11 Srvcs)	\$33,000		Ongoing Polybutylene service line replacement program
4	Atherton Oaks/Summit Ln (20 Srvcs)	\$60,000		Ongoing Polybutylene service line replacement program
5	Other PB Replacements	\$47,000	\$310,000	Ongoing Polybutylene service line replacement program
		\$400,000	\$400,000	
d.	Relocations to Sync w/City & County CIP			
1	Other Relocations	\$80,000	\$80,000	Relocate facilities for as yet unidentified City/County Projects
		\$80,000	\$80,000	
e.	Aqueduct Replacements/Enhancements (Note 1)			
1	Energy Efficiency Proj-Hwy 101 Widening	\$4,600,000	\$10,600,000	North Marin Aqueduct upsizing/relocation
		<u>\$5,830,000</u>	<u>\$12,020,000</u>	

Proposed Capital Improvement Projects

5/16/13

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	FY14 Budget	FY15 Budget	FY14 Project Description
2. SYSTEM IMPROVEMENTS			
a. RTU Upgrades	\$10,000	\$10,000	Replace aging and unreliable RTUs
b. Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Install flushing taps at dead-end zone valves to improve water quality
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 laterals for corrosion protection
e. Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
f. Sampling Stations (6 biennially)		\$50,000	
g. Inaccurate Meter Replacement	\$10,000		Replacement of inaccurate meters based on recommendations in the FY06 meter testing study.
h. Facilities Security Enhancements		\$25,000	
i. Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000	\$30,000	Replace DCVs with above grade RPP devices
j. Tank Access Hatch/Level Alarms (10 Sites)	\$35,000	\$35,000	Enhance tank security by adding remote alarm notification of unauthorized entry.
	<u>\$340,000</u>	<u>\$355,000</u>	

3. BUILDING, YARD, STP. IMPROVEMENTS

a. Administration Building			
1 Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiry.
2 Admin Office/Lab/Yard Remodel Plan	\$50,000		Move from conceptual to preliminary design phase.
	\$200,000	\$0	
b. Corp. Yard/Warehouse/Construction Office			
1 SMART Crossing Upgrade (Golden Gate PI)	\$58,000		Shared Cost with Golden Gate Transit.
	\$58,000	\$0	
c. Stafford Treatment Plant			
1 Watershed Erosion Control	\$25,000	\$25,000	STRAW Project (\$9K) & Dairy Nutrient Control
2 Dam Concrete Apron Repair		\$50,000	
3 Start-up Flushing Connection	\$225,000		To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water.
4 Lake Aeration Upgrade	\$25,000		Injection of diffused air into lake for improved water quality.
5 STP Emergency Power Generator		\$120,000	
	<u>\$275,000</u>	<u>\$195,000</u>	
	<u>\$533,000</u>	<u>\$195,000</u>	

Proposed Capital Improvement Projects

5/16/13

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	FY14 Budget	FY15 Budget	FY14 Project Description
4. STORAGE TANKS/PUMP STATIONS			
a. Tank Construction			
1 New Half Moon Tank Property Site Acquisition		\$200,000	
	\$0	\$200,000	
b. Tank Rehabilitation			
1 Atherton Recoat & Mixing System (5 MG)	\$700,000	\$1,000,000	1st of 2-year tank recoat project
	\$700,000	\$1,000,000	
c. Lynwood P.S. Motor Control Center	\$190,000		Move motor controls above-ground.
d. Relocate School Road/Crest P.S. (Design/Constru	\$100,000	\$500,000	Design phase of Crest zone pump station.
	<u>\$990,000</u>	<u>\$1,700,000</u>	
GROSS PROJECT OUTLAY			
	<u>\$7,693,000</u>	<u>\$14,270,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. AEEP - Hwy 101 Widening	(\$4,600,000)	(\$10,600,000)	Bank Loan & Caltrans Reimbursement
NET (INTERNALLY FUNDED) PROJECT OUTLAY			
	<u>\$3,093,000</u>	<u>\$3,670,000</u>	
Total Number of Projects	30	21	

Note 1 - Aqueduct Energy Efficiency Project funded by \$7M bank loan & \$8.8M in Caltrans reimbursement.

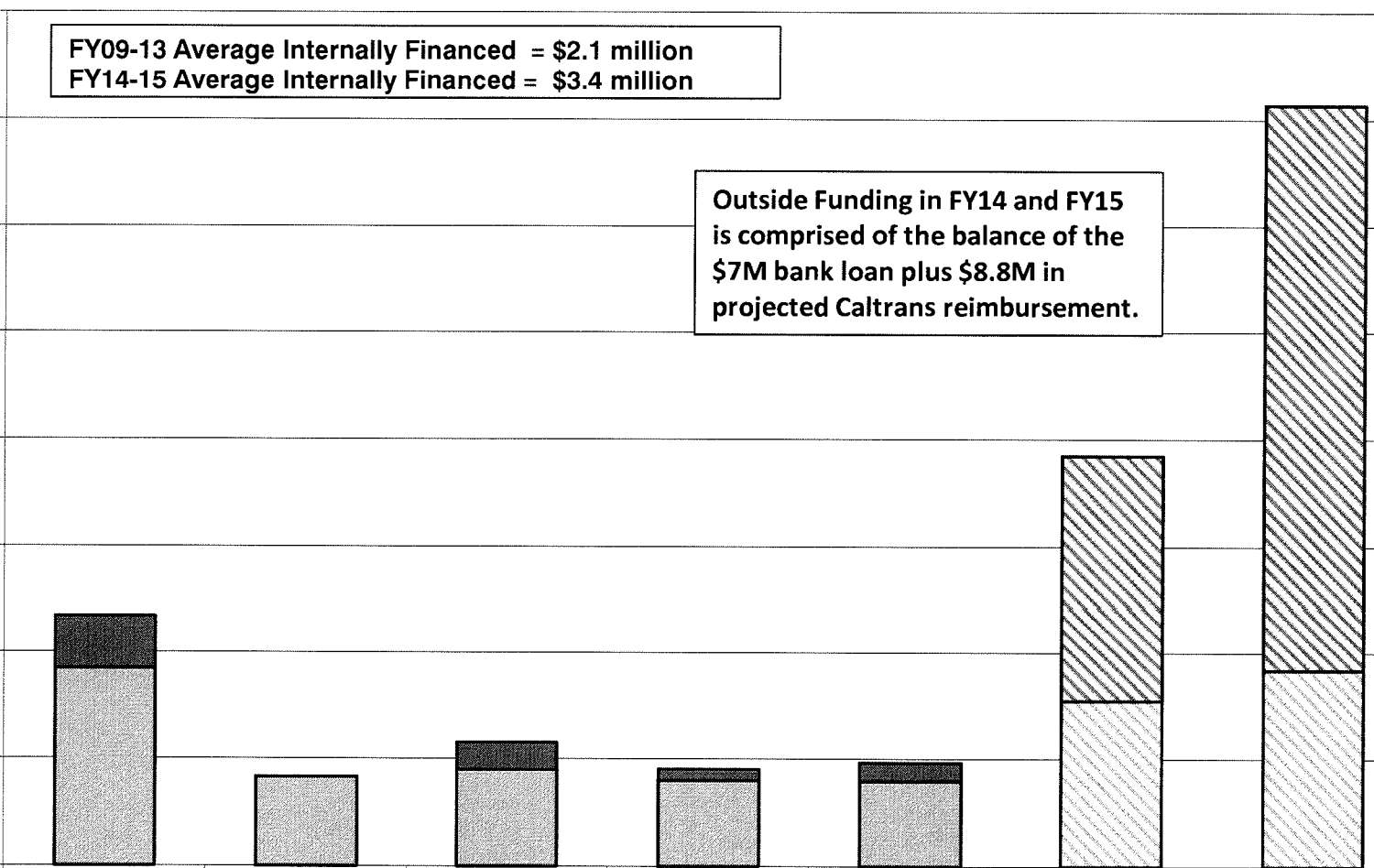
Novato Water Capital Improvement Project Expenditures

Thousands

\$16,000
\$14,000
\$12,000
\$10,000
\$8,000
\$6,000
\$4,000
\$2,000
\$0

FY09-13 Average Internally Financed = \$2.1 million
FY14-15 Average Internally Financed = \$3.4 million

Outside Funding in FY14 and FY15 is comprised of the balance of the \$7M bank loan plus \$8.8M in projected Caltrans reimbursement.



	09	10	11	12	13 e/a	14 Budget	15 Budget
Outside Funding	\$990	\$0	\$500	\$215	\$350	\$4,600	\$10,600
Internally Financed	\$3,690	\$1,654	\$1,796	\$1,592	\$1,577	\$3,093	\$3,670
Total	\$4,680	\$1,654	\$2,297	\$1,807	\$1,927	\$7,693	\$14,270

17

MEMORANDUM

To: Board of Directors

May 17, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Second Review - FY 2013/14 Proposed Novato Operations Budget

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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$20.3 Million Spending Plan Proposed for June 18 Public Hearing

Changes Since the Last Review

Proposed Novato Operating Budget expenditures decreased by \$5,000 since the Board's review at the last meeting. Recognition of the \$200,000 Caltrans contribution toward expenditures on the Aqueduct Energy Efficiency Project was incorporated into the budget. Finally, a \$725,000 increase in the current year's projected outlay for the Recycled Water System Expansion will require an additional advance of that amount from the Novato System to the Recycled System this fiscal year. The additional advance will be repaid to Novato Water next fiscal year once Recycled Water Expansion loan and grant monies are received. Accordingly, the net surplus (cash increase) now budgeted for next fiscal year has increased by \$930,000 (\$5,000 + \$200,000 + \$725,000), to \$1,375,000.

Budget Summary

The fiscal year 2013/14 (FY14) budget proposed herein projects a net "bottom line" cash surplus of \$1,375,000. A rate increase of 11% is factored into the budget effective June 1, 2013. The 11% increase adds \$1.6 million to budgeted revenue during FY14.

The \$1,375,000 budgeted surplus compares to a FY 2012/13 (FY13) budgeted surplus of \$940,000 and projected FY13 actual surplus of \$1.6 million. Projected FY13 water sales volume of 2.9 billion gallons exceeds the 2.7BG budgeted volume, and projected expenditure of only 50% of the FY13 CIP budget, both contributed to the additional FY13 surplus.

FY14 water sales volume is again conservatively budgeted at 2.7BG. Water consumption remains 20% below the pre-recession level, and remains on par with consumption last seen in the early 1980s.

Looking simply at operating revenue (water sales) less operating expenditures, the FY14 budget projects an operating net income of \$2.25 million, which is comparable to this year's estimated actual operating net income, and an increase of almost \$1 million from the current year budget. Total budgeted outlay, at \$20.3 million, is up 17% from the \$17.4 million budgeted for the current fiscal year.

Water Sales - Water sales volume of 2.7BG is 7% below the current fiscal year estimated actual and 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 20% increase in the fixed service charge and an 8% 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 \$25 bimonthly to \$30 bimonthly (\$2.50 per month).

Operating Expenditures are projected to increase 4% (\$512,000) from the FY13 budget and are up 4% from the FY13 estimated actual operating expense. Increased cost for labor and increased purchases of materials, services and supplies are the primary cause of the increase.

Staffing - The proposed budget includes a staffing level of 50.5 full-time equivalent (FTE) employees, down 1.0 FTE (2%) from the current year budget. Two Administration Department employees retired during the current fiscal year (they were budgeted as one FTE because of their planned mid-year retirement), and have not been replaced. Temporary staffing has been increased by 570 hours (11%), to 5,830 hours. The current staffing level of 50.5 FTE is down 8.6 FTE (15%) from the level adopted in the FY08 budget.

<u>FTE Staffing</u>	<u>FY14</u>	<u>FY13</u>
Administration	6.8	7.6
Customer Accounting	6.0	6.2
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>50.5</u>	<u>51.5</u>

The General Manager notes that the FY14 staffing ratio of 2.3 FTE per 1,000 customers is the lowest in at least 25 years. A reorganization of the Operations and Construction departments in 1999 reduced field staffing from 27.2 FTE to 26 FTE and included 12 FTE

Construction, 8 FTE Maintenance and 6 FTE Operators. The combined total of these departments is now 24 FTE and Construction staffing, at 10 FTE for the past three fiscal years, is down 20%. The GM and Construction and Operations Superintendents are looking again at appropriate field staffing and the next version of this budget may indicate some adjustment needed.

For budgeting purposes, a 3% cost-of-living salary increase has been factored into the budget effective October 1, 2013, as well as a 1.6% salary increase to offset the negotiated requirement that employees pay an additional 1.6% of salary toward their retirement benefit. The COLA and CalPERS offset adjustments would increase total salaries by \$140,000, pushing up the total overheaded cost of payroll by \$192,000 (2.9%).

The District's average CalPERS retirement contribution rate will decrease 1.7% (to 25.2%) from the amount budgeted last year as employees pay a larger share of the retirement obligation, saving \$116,000 in payroll expense. The CalPERS Board is scheduled to approve 2014 group health insurance rates in late June. For budgeting purposes, a 10% increase in group health insurance rates effective January 1, 2014 is assumed, which is the average rate of increase over the past 10 years, and which would increase budgeted labor cost by \$37,000. The cost for first dollar worker's compensation insurance came in at a whopping \$312,000, which is double the premium amount proposed by Travelers in 2011 when the District moved back to self-insuring this risk. While the District intends to continue self-insuring this coverage, the market value of workers' compensation insurance will be used to provide a more accurate calculation of savings (or loss) accrued through self-insuring this coverage. The increase in budgeted labor cost arising from the higher workers' compensation cost is offset by the increased gain budgeted for self-insuring, leaving the bottom line unchanged.

Total budgeted operating expenditures are up \$512,000 compared to the adopted FY13 budget. An analysis of the significant differences between the FY13 budget and the proposed FY14 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY13 Budget	FY14 % Change
Labor & Benefits	\$326,000	6%
Materials, Services & Supplies	220,000	8%
Purchased Water Cost	30,000	1%
Depreciation	30,000	1%
Vehicle Expense	17,000	8%
Distributed G&A	-111,000	16%
Net Increase	<u>\$512,000</u>	<u>4%</u>

This budget draft will be fine-tuned in conjunction with preparation of the West Marin Budgets and will be presented for additional review and approval at the June 18 public hearing.

Proposed
BUDGET

Additional Review

Novato
Operating Budget
FISCAL YEAR
2013-14

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
PROPOSED 2013/14 OPERATING BUDGET

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

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	<i>Proposed Budget 2013/14</i>	<i>Estimated Actual 2012/13</i>	<i>Adopted Budget 2012/13</i>
OPERATING INCOME			
1 Water Sales	\$16,498,000	\$15,763,000	\$15,150,000
2 Wheeling & Misc Service Charges	564,000	761,000	443,000
3 Total Operating Income	\$17,062,000	\$16,524,000	\$15,593,000
OPERATING EXPENDITURES			
4 Source of Supply	\$4,505,000	\$4,907,000	\$4,461,000
5 Pumping	342,000	297,000	337,000
6 Operations	612,000	613,000	523,000
7 Water Treatment	1,850,000	1,731,000	1,732,000
8 Transmission & Distribution	2,674,000	2,166,000	2,536,000
9 Consumer Accounting	538,000	528,000	542,000
10 Water Conservation	416,000	246,000	400,000
11 General Administration	1,485,000	1,347,000	1,409,000
12 Depreciation Expense	2,390,000	2,350,000	2,360,000
13 Total Operating Expenditures	\$14,812,000	\$14,185,000	\$14,300,000
14 NET OPERATING INCOME (LOSS)	\$2,250,000	\$2,339,000	\$1,293,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$150,000	\$212,000	\$60,000
16 Interest Expense	(550,000)	(577,000)	(582,000)
17 Other Misc Revenue/(Expense)	109,000	139,000	113,000
18 Total Non-Operating Income/(Expense)	(\$291,000)	(\$226,000)	(\$409,000)
19 NET INCOME/(LOSS)	\$1,959,000	\$2,113,000	\$884,000
OTHER SOURCES/(USES) OF CASH			
20 Add Depreciation Expense	\$2,390,000	\$2,350,000	\$2,360,000
21 Connection Fees	860,000	614,000	860,000
22 Caltrans AEEP Reimbursement	2,200,000	0	0
23 Capital Equipment Expenditures	(231,000)	(200,000)	(233,000)
24 Capital Improvement Projects	(7,693,000)	(1,577,000)	(3,107,000)
25 Debt Principal Payments	(1,099,000)	(1,072,000)	(1,069,000)
26 Loan (To)/Repayment From RWS	3,525,000	(238,000)	1,712,000
27 Connection Fee Transfer to RWS	(536,000)	(419,000)	(467,000)
28 Total Other Sources/(Uses)	(\$584,000)	(\$542,000)	\$56,000
29 CASH INCREASE/(DECREASE)	\$1,375,000	\$1,571,000	\$940,000

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2013/14

	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
STATISTICS								
1 Active Meters	20,550	20,500	20,550	20,490	20,464	20,438	20,416	20,366
2 Avg Commodity Rate/1,000 Gal (Net)	\$4.58	\$4.25	\$4.31	\$4.05	\$3.82			
3 Potable Consumption (BG)	2.70	2.95	2.70	2.82	2.79	2.87	3.29	3.29
OPERATING INCOME								
4 Water Sales	\$16,650,000	\$15,900,000	\$15,150,000	\$14,220,429	\$12,727,649	\$11,251,832	\$11,067,484	\$10,384,740
5 Bill Adjustments	(152,000)	(137,000)	0	(58,770)	(66,248)			
6 Sales to MMWD	0	0	0	0	0	0	351,154	0
7 Wheeling Charges-MMWD	322,000	535,000	252,000	58,802	53,662	67,180	75,090	76,588
8 SCWA Water Conservation Reimb	0	0	0	0	0	21,450	0	359,748
9 Miscellaneous Service Revenue	242,000	226,000	191,000	197,752	145,787	140,796	145,663	161,238
10 TOTAL OPERATING INCOME	\$17,062,000	\$16,524,000	\$15,593,000	\$14,418,213	\$12,860,850	\$11,481,258	\$11,639,391	\$10,982,314
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$15,000	\$8,000	\$15,000	\$9,064	\$8,965	\$2,007	\$2,120	\$2,391
12 Operating Expense - Source	7,000	5,000	11,000	11,488	5,927	5,745	4,702	3,109
13 Maintenance/Monitoring of Dam	43,000	34,000	28,000	25,716	8,290	8,741	7,583	6,078
14 Maintenance of Lake & Intakes	16,000	19,000	16,000	10,377	8,619	8,072	7,990	3,063
15 Maintenance of Watershed	41,000	27,000	39,000	8,188	2,152	7,352	28,126	9,177
16 Water Purchased for Resale to MMWD	0	0	0	0	0	0	171,447	0
17 Water Quality Surveillance	13,000	14,000	12,000	16,385	12,377	13,138	8,448	9,272
18 Contract Water - SCWA	4,370,000	4,800,000	4,340,000	5,047,469	3,790,789	3,441,147	3,728,052	3,738,218
19 TOTAL SOURCE OF SUPPLY	\$4,505,000	\$4,907,000	\$4,461,000	\$5,128,687	\$3,837,119	\$3,486,202	\$3,958,468	\$3,771,308
PUMPING								
20 Operating Expense	\$5,000	\$0	\$7,000	\$0	\$641	\$8,367	\$8,567	\$13,333
21 Maintenance of Structures/Grounds	39,000	29,000	37,000	29,042	17,153	18,600	23,080	15,909
22 Maintenance of Pumping Equipment	74,000	43,000	62,000	50,797	17,354	10,751	8,807	61,907
23 Electric Power - Pumping	224,000	225,000	231,000	204,927	233,222	200,318	249,190	227,916
24 TOTAL PUMPING	\$342,000	\$297,000	\$337,000	\$284,766	\$268,370	\$238,036	\$289,644	\$319,065
OPERATIONS								
25 Supervision & Engineering	\$195,000	\$189,000	\$143,000	\$185,838	\$185,361	\$176,082	\$168,202	\$188,926
26 Operating Expense	231,000	271,000	199,000	255,272	191,713	212,126	235,230	127,350
27 Maintenance Expense	91,000	96,000	92,000	105,545	94,633	84,121	89,775	112,461
28 Telemetry Equipment/Controls Maint	74,000	39,000	68,000	67,936	83,047	67,051	39,201	37,610
29 Leased Line Expense	21,000	18,000	21,000	18,930	20,841	20,547	20,342	19,601
30 TOTAL OPERATIONS	\$612,000	\$613,000	\$523,000	\$633,521	\$575,595	\$559,927	\$552,750	\$485,948

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2013/14

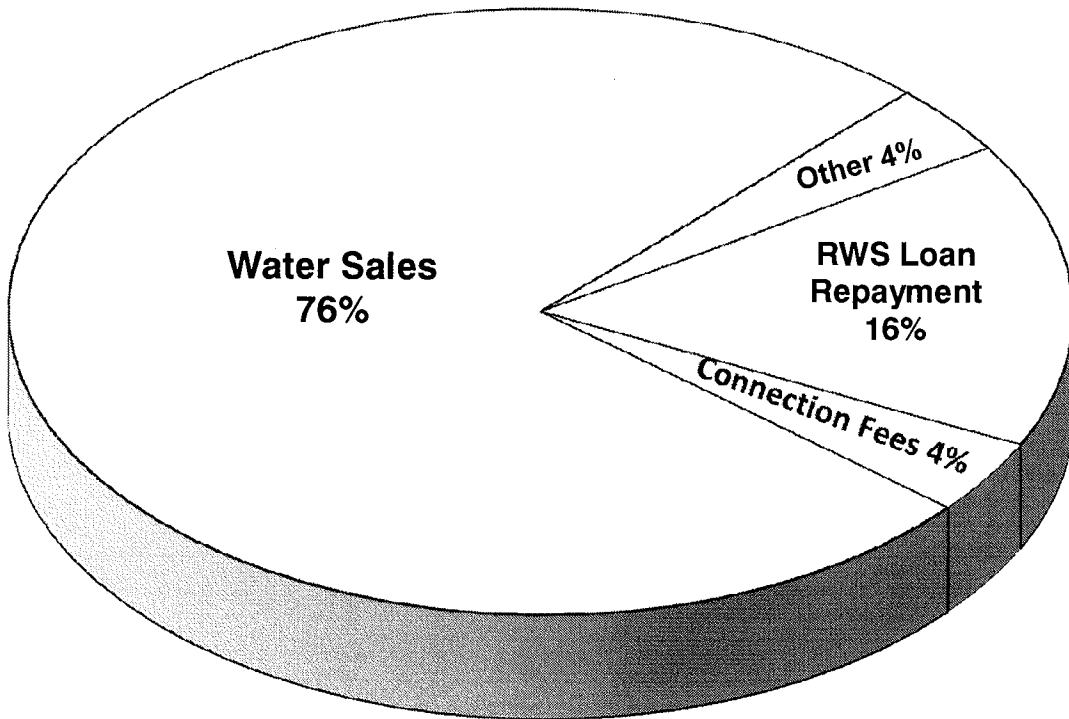
	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08	
WATER TREATMENT									
31	Supervision & Engineering	\$117,000	\$113,000	\$69,000	\$100,916	\$121,459	\$122,312	\$113,175	\$99,218
32	Operating Expense	273,000	285,000	273,000	206,957	320,882	365,305	247,309	357,877
33	Purification Chemicals	425,000	342,000	425,000	253,797	464,140	415,486	293,888	221,597
34	Sludge Disposal	88,000	102,000	83,000	100,861	84,618	69,209	40,163	49,299
35	Maintenance of Structures/Grounds	80,000	49,000	82,000	82,839	71,772	83,411	115,686	91,550
36	Purification Equipment Maintenance	151,000	149,000	132,000	136,782	105,217	157,642	204,217	203,622
37	Electric Power - Treatment	109,000	109,000	108,000	114,184	128,913	129,930	99,184	113,732
38	Laboratory Expense (net)	607,000	582,000	560,000	568,124	517,044	495,239	479,970	398,173
39	TOTAL WATER TREATMENT	\$1,850,000	\$1,731,000	\$1,732,000	\$1,564,460	\$1,814,045	\$1,838,534	\$1,593,592	\$1,535,068
TRANSMISSION & DISTRIBUTION									
40	Supervision & Engineering	\$518,000	\$416,000	\$490,000	\$423,813	\$466,110	\$528,659	\$560,968	\$524,345
41	Maps & Records	129,000	105,000	131,000	96,058	74,154	98,187	74,786	105,509
42	Operation of T&D System	420,000	461,000	411,000	478,959	422,375	448,650	420,639	439,348
43	Storage Facilities Expense	172,000	86,000	155,000	140,564	158,247	164,316	149,759	129,944
44	Maintenance of Valves & Regulators	236,000	130,000	256,000	132,239	190,866	190,255	131,094	107,354
45	Maintenance of Mains	138,000	86,000	154,000	49,922	146,814	102,633	108,752	143,525
46	Backflow Prevention Program	128,000	100,000	88,000	84,714	124,121	93,754	86,630	108,835
47	Maintenance of Copper Services	202,000	147,000	202,000	190,698	164,388	199,807	211,630	181,161
48	Maintenance of PB Service Lines	456,000	510,000	377,000	443,509	347,802	263,714	250,024	287,813
49	Maintenance of Meters	155,000	83,000	158,000	135,900	146,170	143,691	148,112	135,370
50	Detector Check Assembly Maint	58,000	8,000	54,000	38,361	36,509	41,557	30,488	26,483
51	Maintenance of Hydrants	62,000	34,000	60,000	33,980	50,354	77,038	62,794	74,700
52	TOTAL TRANSMISSION & DISTRIB	\$2,674,000	\$2,166,000	\$2,536,000	\$2,248,717	\$2,327,910	\$2,352,261	\$2,235,676	\$2,264,387
CONSUMER ACCOUNTING									
53	Meter Reading & Collection	\$181,000	\$179,000	\$167,000	\$170,589	\$142,581	\$142,956	\$140,851	\$132,653
54	Billing & Accounting	248,000	250,000	270,000	282,702	282,046	260,428	236,740	225,062
55	Contract Billing	19,000	18,000	19,000	18,231	18,285	18,590	18,504	18,513
56	Postage & Supplies	67,000	63,000	67,000	63,359	70,347	64,698	58,062	51,960
57	Uncollectible Accounts	23,000	23,000	28,000	26,685	32,723	35,190	28,022	13,507
58	Office Equipment Expense	15,000	9,000	6,000	8,690	9,835	5,048	14,471	14,585
59	Distributed to Other Operations	(15,000)	(14,000)	(15,000)	(15,726)	(15,762)	(15,694)	(15,147)	(14,205)
60	TOTAL CONSUMER ACCOUNTING	\$538,000	\$528,000	\$542,000	\$554,530	\$540,055	\$511,216	\$481,503	\$442,075

NOVATO WATER OPERATING BUDGET DETAIL

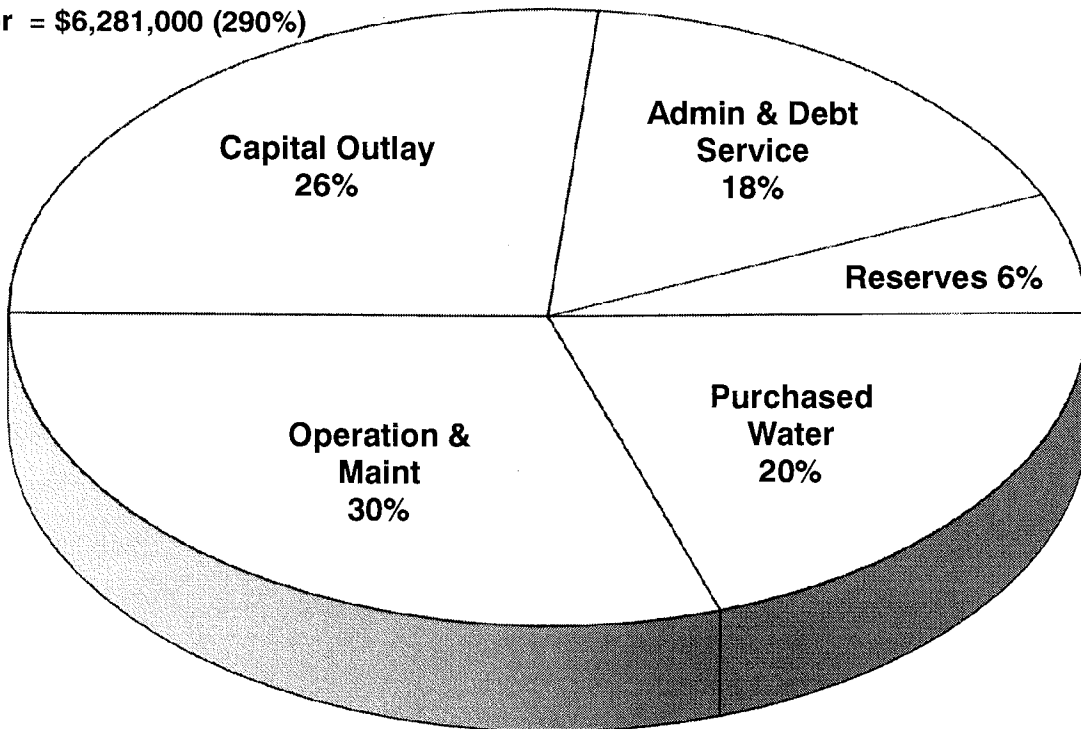
Fiscal Year 2013/14

	Proposed Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
WATER CONSERVATION								
61 Residential	\$314,000	\$213,000	\$298,000	\$213,883	\$338,093	\$438,668	\$438,588	\$457,600
62 Commercial	25,000	1,000	25,000	1,414	15,423	2,707	28,344	9,415
63 Public Outreach/Information	50,000	19,000	50,000	41,251	19,047	26,548	20,679	27,483
64 Large Landscape	27,000	13,000	27,000	13,780	10,337	10,695	19,649	26,120
TOTAL WATER CONSERVATION	\$416,000	\$246,000	\$400,000	\$270,328	\$382,900	\$478,618	\$507,260	\$520,618
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$13,000	\$15,000	\$15,000	\$15,100	\$16,200	\$15,000	\$14,600
66 Legal Fees	11,000	7,000	11,000	7,098	8,572	59,818	9,933	7,824
67 Auditing Services	21,000	21,000	21,000	28,900	27,800	31,100	30,000	22,000
68 Human Resources	32,000	25,000	31,000	21,860	32,112	33,080	31,848	26,923
69 Consulting Services/Studies	112,000	55,000	44,000	34,731				
70 General Office Salaries	1,195,000	1,223,000	1,196,000	1,252,684	1,177,170	1,166,410	1,125,232	1,020,823
71 Office Supplies	58,000	27,000	50,000	22,743	38,870	47,363	56,621	32,193
72 Employee Events	10,000	8,000	8,000	5,931	4,469	11,366	3,881	4,585
73 Other Administrative Expense	18,000	20,000	16,000	17,254	17,414	20,090	21,313	20,246
74 Election Cost	73,000	0	0	250	0	250	0	51,262
75 Dues & Subscriptions	51,000	50,000	50,000	49,260	47,775	49,208	42,004	40,738
76 Vehicle Expense	8,000	8,000	8,000	8,118	8,112	8,112	8,112	8,193
77 Meetings, Conf & Training	174,000	112,000	154,000	97,626	101,472	114,985	112,985	107,411
78 Telephone, Water, Gas & Electricity	26,000	33,000	31,000	26,172	29,012	27,203	29,595	30,018
79 Building & Grounds Maintenance	47,000	45,000	34,000	36,438	35,902	53,907	44,268	47,389
80 Office Equipment Expense	99,000	84,000	87,000	89,291	74,325	85,550	91,052	78,962
81 Insurance Premiums & Claims	98,000	77,000	101,000	113,556	118,451	117,023	132,928	198,297
82 Retiree Medical Benefits	157,000	170,000	172,000	160,725	147,084	138,105	182,220	182,003
83 G&A Applied to Construction Projects	(346,000)	(365,000)	(331,000)	(327,881)	(269,439)	(153,213)	(224,590)	(212,502)
84 G&A Distributed to Other Operations	(109,000)	(79,000)	(89,000)	(101,630)	(104,515)	(100,811)	(92,969)	(86,742)
85 Expensed Improvement Projects	0	0	0	0	122,785	1,220,617	1,277,995	959,475
86 Expensed Equipment Purchases	0	0	0	3,383	29,993	31,266	34,204	8,531
87 (Gain)/Loss on Overhead Charges	(265,000)	(187,000)	(200,000)	(297,783)	(172,628)	(214,770)	(157,888)	(277,413)
TOTAL GENERAL & ADMINISTRATION	\$1,485,000	\$1,347,000	\$1,409,000	\$1,263,726	\$1,489,836	\$2,762,859	\$2,773,744	\$2,284,816
88 Depreciation Expense	\$2,390,000	\$2,350,000	\$2,360,000	\$2,372,380	\$2,309,166	\$2,312,339	\$2,087,598	\$1,530,000
89 TOTAL OPERATING EXPENSE	\$14,812,000	\$14,185,000	\$14,300,000	\$14,321,115	\$13,544,996	\$14,539,992	\$14,480,235	\$13,153,285
90 NET OPERATING INCOME/(LOSS)	\$2,250,000	\$2,339,000	\$1,293,000	\$97,098	(\$684,146)	(\$3,058,734)	(\$2,840,844)	(\$2,170,971)

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2013-14
SOURCE OF FUNDS = \$21,706,000**



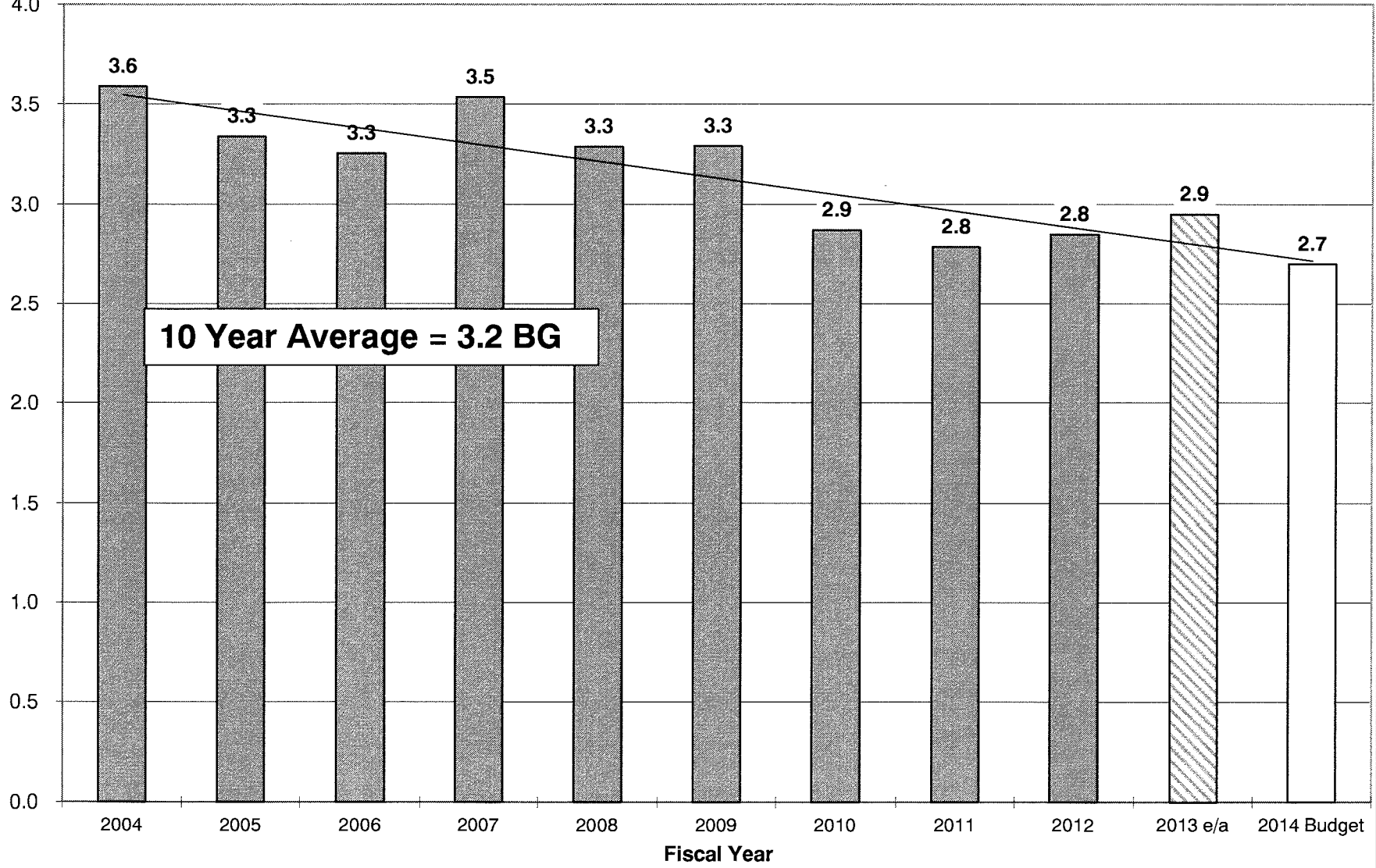
Labor = \$6,281,000 (290%)



USE OF FUNDS = \$21,706,000

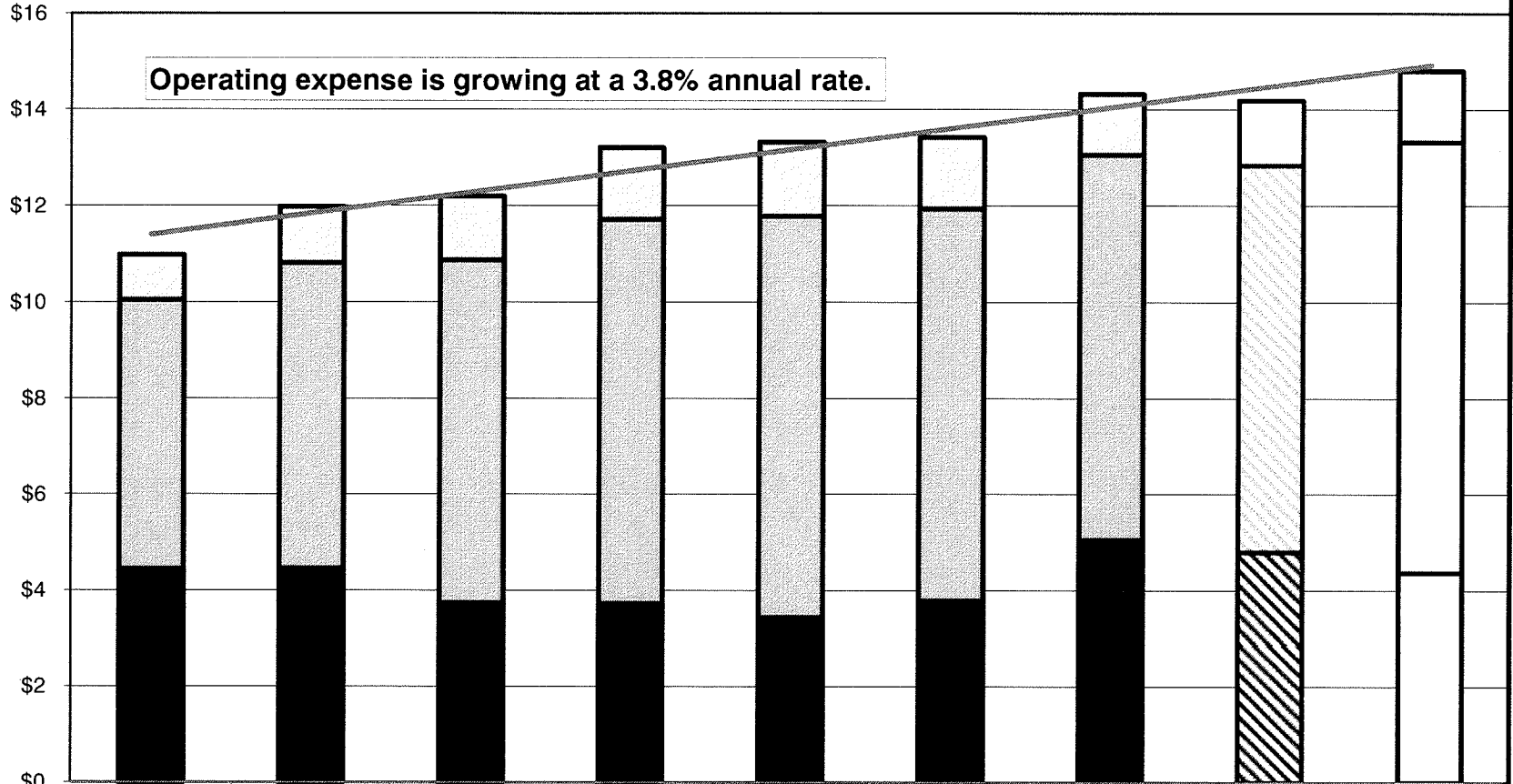
Novato Water Billed Consumption 10 Year History

Billion
Gal
4.0



Million \$

Novato Water Operating Expense History




	06	07	08	09	10	11	12	13 e/a	14 Budget
Admin	\$0.9	\$1.2	\$1.3	\$1.5	\$1.5	\$1.5	\$1.3	\$1.3	\$1.5
O&M	\$5.6	\$6.4	\$7.1	\$8.0	\$8.3	\$8.1	\$8.0	\$8.0	\$9.0
Purch Wtr	\$4.4	\$4.5	\$3.7	\$3.7	\$3.4	\$3.8	\$5.0	\$4.8	\$4.4
Total	\$11.0	\$12.0	\$12.2	\$13.2	\$13.3	\$13.4	\$14.3	\$14.2	\$14.8

Fiscal Year

18

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Second Review – FY 2013/14 Novato Recycled Water System Budget
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May 17, 2013

RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** \$4.8 Million FY14 Expenditure Plan**Changes Since the Last Review**

A \$725,000 increase in this year's projected outlay for the Recycled Water System Expansion will require an additional advance in that same amount from the Novato Potable System this fiscal year, with a corresponding increase in repayment to the Novato Potable System next fiscal year once Recycled Water expansion loan and grant monies are received. A \$4,000 decrease in expenses was also incorporated. Accordingly, the net surplus (cash increase) now budgeted for next fiscal year has decreased by \$721,000 (\$725,000 - \$4,000), to \$95,000.

Budget Detail

The FY 2013/14 (FY14) Recycled Water System (RWS) budget projects demand of 130MG next fiscal year (see chart of historical water use attached), double the current year estimated actual, as 28 new accounts are projected to begin drawing recycled water. Consistent with the potable water rate increase, an 8% commodity rate increase and a 20% fixed service charge increase will be effective June 1, 2013. These increases will add \$53,000 to annual revenue.

Operating expenses (excluding depreciation) are budgeted to increase 56% (\$118,000) from the existing FY14 budget due to a higher purchased water cost as sale of recycled water doubles. The budget projects purchase of 89MG (\$114,000) of tertiary treated water from Novato Sanitary District and 41MG (\$68,000) from Las Gallinas Valley Sanitary District at \$1,400/MG. The Deer Island Treatment Plant will serve as a backup facility.

Seventy-three percent of the proposed \$4.8 million expenditure plan is reimbursement to Novato Water for money borrowed to complete the North & South Service Areas Expansion. The \$14.3 million expansion project is funded by Federal and State grant funds (25%), a 20-year 2.6% SRF loan (69%), and an \$850,000 (6%) District contribution.

After fully repaying Novato Water, the proposed FY14 RWS budget projects ending the

fiscal year with a cash surplus of \$95,000. However, to reiterate our discussion at the last meeting, there are too many unknowns in this initial year of operation with new customers and the new NSD and LGVSD treatment plants to make financial projections with any degree of certainty.

As with the Novato budget, staff will continue to fine-tune the RWS budget and return it for final review and approval at the June 18 public hearing.

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	<i>Proposed Budget 2013/14</i>	<i>Estimated Actual 2012/13</i>	<i>Adopted Budget 2012/13</i>	
OPERATING INCOME				
1	Recycled Water Sales	\$577,000	\$265,000	\$255,000
2	Bimonthly Service Charge	10,000	7,000	6,000
3	Total Operating Income	\$587,000	\$272,000	\$261,000
OPERATING EXPENDITURES				
4	Purchased Water - NSD	\$114,000	\$11,000	\$41,000
5	Purchased Water - LGVSD	68,000	10,000	18,000
6	Pumping	2,000	0	2,000
7	Operations	37,000	63,000	22,000
8	Water Treatment	50,000	62,000	81,000
9	Transmission & Distribution	30,000	38,000	27,000
10	General Administration	26,000	16,000	18,000
11	Depreciation	280,000	164,000	165,000
12	Total Operating Expenditures	\$607,000	\$364,000	\$374,000
13	NET OPERATING INCOME (LOSS)	(\$20,000)	(\$92,000)	(\$113,000)
NON-OPERATING INCOME/(EXPENSE)				
14	Interest Revenue	\$0	\$0	\$0
15	Stone Tree Golf Interest Payments	54,000	59,000	59,000
16	Interest Exp - Advance from Novato	(37,000)	(221,000)	0
17	RWF SRF Loan Interest Expense	(73,000)	(82,000)	(82,000)
18	RW Expansion SRF Loan Interest Exp	(248,000)	(72,000)	(120,000)
19	Total Non-Operating Income/(Expense)	(\$304,000)	(\$316,000)	(\$143,000)
20	NET INCOME/(LOSS)	(\$324,000)	(\$408,000)	(\$256,000)
OTHER SOURCES/(USES) OF FUNDS				
21	Add Depreciation Expense	\$280,000	\$164,000	\$165,000
22	Fed Grant/SRF Loan - RWS Expansion	3,497,000	6,111,000	6,860,000
23	Connection Fees Trsf'd from Novato	536,000	419,000	467,000
24	Stone Tree Golf Principal Repayment	197,000	192,000	192,000
25	Capital Improvement Projects	(200,000)	(6,525,000)	(5,525,000)
26	RWF SRF Loan Principal Payments	(200,000)	(191,000)	(191,000)
27	SRF Expansion Loan Principal Payments	(166,000)	0	0
28	Loan From/(Repayment to) Novato	(3,525,000)	238,000	(1,712,000)
29	Total Other Souces/(Uses)	\$419,000	\$408,000	\$256,000
30	NET SURPLUS/(DEFICIT)	\$95,000	\$0	\$0

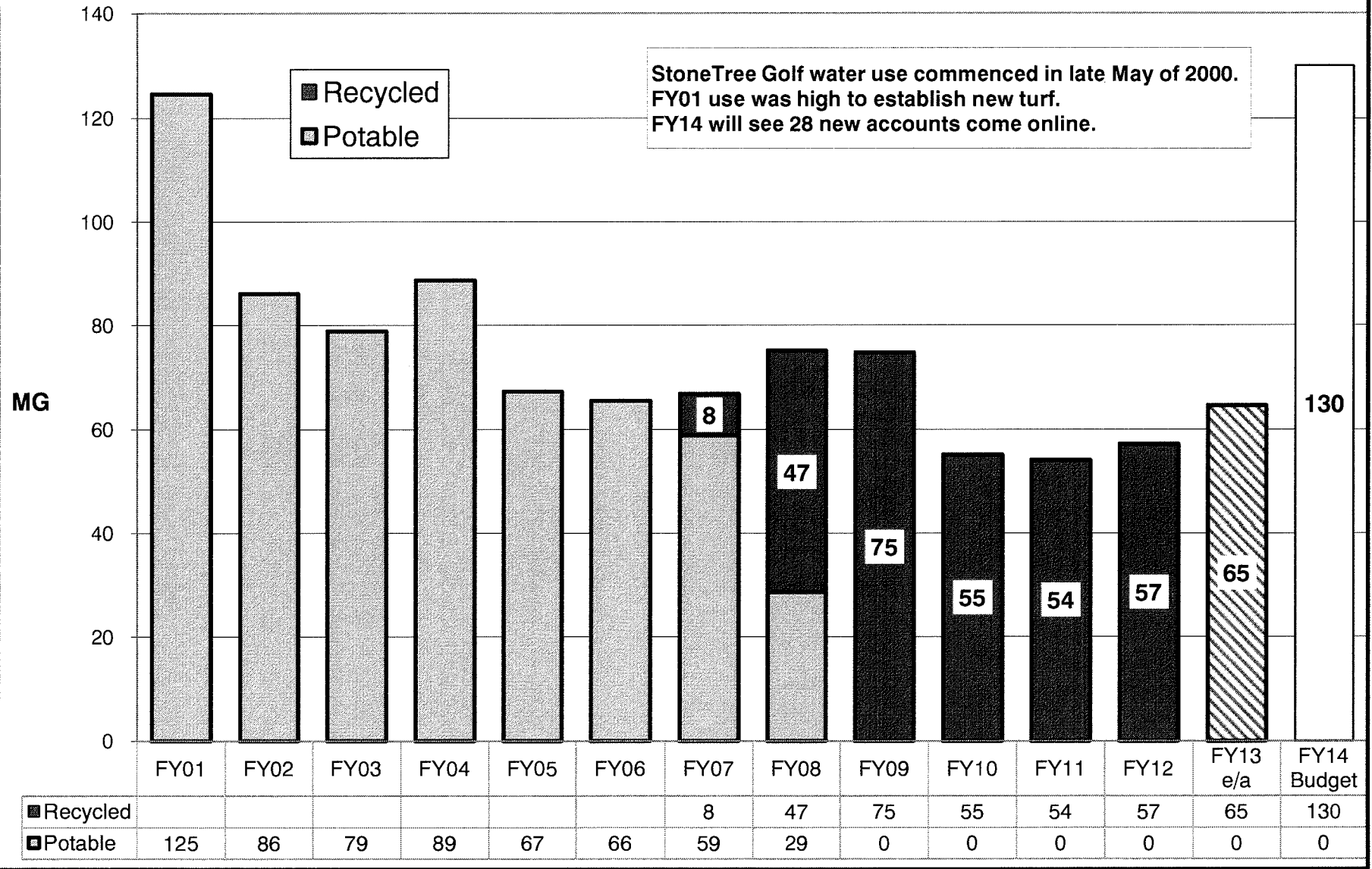
Proposed Capital Improvement Projects

5/16/13

t:\ac\excel\budget\14\5 yr cip fy14.xlsx\5 yr ip

	FY13 Budget	FY13 Est Actual	FY14 Budget	FY15 Budget	FY16 Budget	FY17	FY18
5. RECYCLED WATER (Note 2)							
a. NBWRA Grant Program Administration	\$325,000	\$325,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
b. Expansion to North Area	\$1,000,000	\$1,200,000					
c. Expansion to South Area	\$4,200,000	\$5,000,000	\$100,000				
d. Expansion to Central Area						\$500,000	\$4,500,000
e. Other Recycled Water Expenditures				\$100,000	\$100,000	\$100,000	\$100,000
	<u>\$5,525,000</u>	<u>\$6,525,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$700,000</u>	<u>\$4,700,000</u>

Recycled Water Use History



19

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subject: Board Review of District Policies
t:\hr\policies\bod policies\policy review 2013\bod memo 051713.doc

May 17, 2013

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Attached for your review are the following District Policies:

- Policy Number 37 – Outside Employment Policy
- Policy Number 38 – Use of NMWD Meeting Room Policy/Conditions of Use
- Policy Number 39 – Grand Jury Response
- Policy Number 40 – NMWD Computer Use Policy
- Policy Number 20- Purchased – Winter Safety Jackets

Proposed changes to these policies as recommended by staff are shown in highlight/strikeout format. Should the Board desire to amend these policies, staff will return the policy on a future agenda for Board consideration.

NORTH MARIN WATER DISTRICT

POLICY: OUTSIDE EMPLOYMENT POLICY
POLICY NUMBER: 37

Original Date: February 22, 2006
Revision Adopted:

It is the responsibility of the District employee to ensure that any secondary employment does not adversely impact job performance with the District. Each District employee will, during hours of duty as a District employee, devote full time, attention, and efforts to District employment.

Acceptable Conditions

Any employee may engage in employment outside of the District as long as it is not inconsistent, incompatible, in conflict with, or harmful to duties as a District Employee, including, but not limited to, regular duties, scheduled overtime and on-call responsibilities, or with the duties, functions, or responsibilities of the District.

Conflict Of Interest

The following categories of outside employment are determined to be inconsistent with, incompatible to, or in conflict with the duties of District employment. The examples in this section are provided for illustrative purposes only and do not constitute an ~~exclusive-exhaustive~~ listing of prohibited conduct. An employee's outside employment, activity, or enterprise is prohibited if:

- It involves the use of District time, facilities, equipment, supplies, customer information or the prestige, influence or position occupied in the employee's District employment; or
- It involves receipt or acceptance by the employee of any money or gratuities from anyone other than the District, for the performance of work that the employee is required or expected to perform in the regular course of District employment, such as:
 - an employee who ~~does~~ performs construction work for the District is hired by a contractor or individual to perform similar work which may be physically or financially related to the work performed for the construction to District customers; or
- It involves the performance of work outside of the District which may be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement of any other employee of the District, such as:
 - an employee who reviews landscape designs for compliance with conservation guidelines ~~could~~ can not also work for the a developer, working within the District service territory;
 - an employee ~~could~~ can not assist in the preparation of a bid for a contractor who is bidding on a District contract,
 - an employee ~~could~~ can not receive payment from a neighborhood association to prepare a petition to upgrade the level of water service in their area; or
- It involves time demands which adversely affect performance of duties as a District employee; or
- It involves the performance of work related to the interest of another entity or organization which is harmful to, or in competition with, District interests, operations, influences, business transactions, or contracts, such as;

acting as a technical consultant for an agency competing for the same water rights as the District.

- It involves being an owner and/or managing the activities of an outside business that contracts with the District.

**Disclosure -
Employee
Responsibilities**

It is the employee's responsibility to notify the District before engaging in any outside employment activities using the form at t:\hr\forms\outsideemploymentnotification.doc. The employee shall provide information to his/her immediate supervisor concerning his/her outside employment activity, including, but not limited to, the identity of the person and type of activities for which outside services are performed, duration of such activities, and times and hours when such activities are performed. The employee must be able to demonstrate that outside employment is not in conflict with the duties, functions, or responsibilities of employment with the District. Additionally, the District has the right as primary employer to request information of an employee if it ~~is believed~~ believes that the employee has a conflict with outside employment.

Failure of an employee to disclose information about outside employment as set forth above will result in disciplinary action that may include termination of District employment.

**Notice of
Approval/
Disapproval**

The employee will be given written notice if it is determined that the outside employment, activity, or enterprise is inconsistent, incompatible, in conflict with, or harmful to duties as a District employee or with the duties, functions, or responsibilities of the District. The notice will advise the employee that failure to terminate outside employment within 30 days will result in disciplinary action that may include termination of District employment.

Appeal

District disapproval of outside employment may be appealed in accordance with the District's Grievance Procedure or the procedure set forth in the applicable Memorandum of Understanding for represented employees.

Authority

State Government Code Sections 1126, 1128, and 1129

Adopted by the District Board of Directors February 21, 2006

Date

**CERTIFICATE OF RECEIPT OF
OUTSIDE EMPLOYMENT POLICY**

I, _____, hereby certify that
the District has provided me with a copy of the Outside Employment Policy.

Date

Employee Signature

Revisions:

NORTH MARIN WATER DISTRICT

POLICY: USE OF NMWD MEETING ROOM POLICY / CONDITIONS OF USE

POLICY NUMBER: 38

Original Date: 1992

Revision Adopted: March 20, 2007

Qualifications/Groups Eligible

Non-profit organizations located within one of NMWD's Improvement Districts service territory are eligible to use NMWD's meeting room. Deposits and charges must be paid before an application will be considered. Applications are subject to approval by North Marin Water District's Board of Directors. All deposits and charges are refundable if the application is not approved by the District Board.

Service of Food and Beverages

Food and beverages may be brought in. Use of the sink is permitted. Appliances and utensils must be provided by the organization. No cooking will be permitted but a plug in coffee (or hot water) pot may be used. No alcoholic beverages are permitted.

Clean up

After use the organization is responsible to return the room to the condition in which it was found. District cost incurred in cleaning the meeting room after use by the organization will be deducted from the deposit, and an additional deposit will be required.

Capacity of Meeting Room

Seating is available for 20. The maximum allowable capacity is 48.

Deposit and Charges

Cleaning/Key Deposit - \$50-100 - refundable upon return of key and satisfactory condition of the room as determined by the District. The key must not be duplicated.

User Charge - \$5 per meeting - not refundable.

Liability Insurance Charge - to be determined on a case-by-case basis. Liability insurance is required and is available at reasonable cost through the District. Premiums are based upon the group size and the frequency of events. The liability insurance premium is not refundable. Government agencies may provide liability coverage naming the District as additional insured. Acceptance of such government agency coverage is at the discretion of the District and will be reviewed on a case-by-case basis.

Hold Harmless/Indemnity Agreement

The applicant agrees to be responsible for any and all loss, accidents, injury or damage to persons or property which result from use of the NMWD meeting room. The applicant shall defend and indemnify North Marin Water District and save it harmless in every way from claims, suits, or actions at law arising from damage or injury to persons or property that may be occasioned in any way because of this agreement use of the NMWD meeting room.

Cancellations

The cleaning/key deposit will be returned upon cancellation. The liability insurance premium and the user charge are non-refundable.

No Smoking Policy

Smoking is not allowed within the building or within 20 feet from any open door, window or intake ventilation duct.

Animals

Animals, reptiles or birds are not allowed on the premises except for service animals.

Revisions: 1992, 03/07

NORTH MARIN WATER DISTRICT

POLICY: GRAND JURY REPORT RESPONSE
POLICY NUMBER: 39

Original Date: June 20, 2006
Revision Adopted:

The North Marin Water District Board of Directors shall, if time allows, consider responses to the Marin County Civil Grand Jury reports on the Action Calendar of the public meeting agendas and to provide opportunity for public discussion in compliance with Penal Code Section 933 and the Ralph M. Brown Act.

Revisions:

NORTH MARIN WATER DISTRICT

POLICY: NMWD COMPUTER USE POLICY
POLICY NUMBER: 40

Original Date: May 1, 2007
Revision Adopted:

I. PURPOSE

This policy governs the use of computers by North Marin Water District (NMWD or District) employees to ensure appropriate use and District compliance with all legal requirements pertaining to computer use, acquisition and installation.

II. SCOPE

This policy applies to computers and all documents and data contained in or recoverable either electronically or in hard copy from such tools, used by NMWD.

This policy applies to all computers provided by NMWD and includes computers, computer peripherals, software, laptops, palmtops, tablets, smart phones, storage media, electronic mail (e-mail), voice mail, internet access, ~~World Wide Web access~~, online information services, and any other type of computerized electronic equipment, as well as computers used on NMWD's property for NMWD's business purposes.

III. POLICY

NMWD's computers may only be used for its business purposes, except for incidental use during an employee's unpaid lunch period and before or after work as set forth below. It is the policy of NMWD to provide computers to District employees as necessary to adequately perform their assigned duties. During work hours, except during an employee's unpaid lunch period, these computers may not be used for personal purposes or any other purposes unrelated to NMWD's business. Personal use of District computers during the regular work day is prohibited. Employees may make incidental use of their District computer for personal reasons before or after their regular work day. Employees shall have no expectation that the information they convey, create, file or store on NMWD computers, whether during or outside of work hours, will be confidential or private. At no time shall NMWD property including computers be used for commercial purposes outside the scope of NMWD business.

NMWD reserves the right to monitor, copy and/or retrieve the computer files, e-mail, voice mail, or any type of electronic file of any employee, without notice, for purposes, including, but not limited to; obtaining business-related information; investigating violations of this or any other NMWD policy, including, theft, disclosure of confidential business or proprietary information, using the

NORTH MARIN WATER DISTRICT

system for personal reasons during work hours, or for monitoring work flow or productivity.

Activity reports will be generated from time to time and will include detailed information concerning computer use by NMWD employees.

IV. USE OF COMPUTERS

A. Computer Software

All software installation on the file server or Personal Computer hard drives will be coordinated through the ~~I.S. staff~~Auditor-Controller (the A.C.). No District software will be copied for use outside of the District, unless it is legal to do so, and coordinated through ~~I.S. staff~~the A.C. All software that resides on any of NMWD's computers must be licensed to NMWD. Employees' personal software programs may be installed on NMWD's computers only after receiving advanced approval from the ~~I.S. staff~~the A.C. Employees understand that data, files, messages and information on NMWD's computers, servers, or voice mail may be subject to disclosure, either as "public records" or pursuant to discovery in litigation.

B. Online Information Service Use

Use of online information services, such as the Internet ~~and the World Wide Web~~, shall be accessed on NMWD computers only through the internet service provided by NMWD. Personal access to online information is permitted on a limited and incidental basis only during an employee's unpaid lunch period and before or after an employee's regular work day. Personal access to any internet content of a sexual nature is strictly prohibited. All software on the Internet should be considered copyrighted work. Therefore, employees are prohibited from downloading or modifying any such software without the permission of ~~I.S. staff~~the A.C. and the copyright holder. External connections to NMWD's internal network are not permitted unless expressly authorized by the Department Head and ~~I.S. staff~~the A.C.

C. E-mail

Electronic mail addressed to, generated by, or received on NMWD's computers or servers is the property of the NMWD. When using District e-mail, the employee is acting as a representative of NMWD, and should act accordingly so as not to damage the reputation of The District. Confidential financial or customer data should not be sent via e-mail. Employee medical, personal, or financial information must never be divulged by e-mail or other tools and storage media. Incidental personal use of the District's email system is permitted but should be kept to a minimum, comply with all other provisions of this policy and not include any personal broadcast emails. The standard for a minimal amount of messages will be established at the discretion of the Department Head or supervisor.

NORTH MARIN WATER DISTRICT

D. Information Retrieval

Information or files deleted by an end-user from electronic media may not be permanently deleted from the system. Employees understand that it is possible to recover end user deleted computer files, deleted e-mail, deleted voice mail messages, or any other deleted digital data at any time.

E. Virus Protection

NMWD computers have virus protection software installed; however, no virus protection software package will detect every possible virus. Employees should assume that any media from outside the District (diskettes, CD's, zip disks, Internet E-mail attachments, files downloaded from the web, etc.) could contain a virus. Unsolicited files should be extremely suspect. Do not open any file with which you have any concern or suspicion. Report immediately to ~~I.S. staff~~ the A.C. any detected virus or abnormal computer activity after receiving any media from outside the District.

F. Passwords

The District requires passwords to access computer based systems. These passwords, with a login ID, represent a specific individual to the system for security purposes. No employee should attempt to login as another individual. Passwords should be complex enough so that they cannot be easily duplicated. A combination of numbers, letters, and characters is recommended. Passwords must not be shared or compromised. If you suspect your password has been compromised, contact the A.C.I.S. staff for instructions on how to change your password immediately.

G. Use During Public Meetings

During District Board meetings or public committee meetings the computers will be used solely to access the District meeting materials for the current or previous meetings. Pursuant to the Ralph M. Brown Act, the use of technology hardware, including cell phones, smart phones, tablets, notebooks, computers, and other similar devices, by District staff to access the internet, receive or send phone calls, texts, emails or other types of electronic communication, during a public meeting, is not permitted.

V. ALLOWABLE USES OF COMPUTERS

Allowable uses of computers for NMWD's business purposes include the following:

- A. Facilitating performance of job functions;
- B. Facilitating communication of information within NMWD;
- C. Coordinating meetings of individuals, locations and resources of the NMWD;

NORTH MARIN WATER DISTRICT

D. Communicating with outside organizations as required in order to perform assigned job duties.

VI. PROHIBITED USES OF NMWD's COMPUTERS

Prohibited uses of NMWD computers include, but are not limited to, the following:

- A. Using the computer systems for any unlawful purpose, such as in violation of copyright or patent rights or for criminal purposes;
- B. Transmitting confidential financial or customer data or confidential personnel or medical information concerning other NMWD employees;
- C. Displaying, downloading or transmitting material, images, messages or cartoons that are sexually explicit or that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their race, national origin, sex, sexual orientation, age, disability, religious or political beliefs;
- D. Displaying, downloading or transmitting messages or images that are threatening, derogatory, defamatory, obscene or otherwise inappropriate;
- E. Soliciting others for commercial or personal financial gain (including chain letters, sale of personal property, etc), political or religious lobbying, outside organizations, or other not job-related matters;
- F. Intentionally disrupting network traffic or crashing the network and connected systems (for example, sabotaging, intentionally introducing a computer virus);
- G. Accessing or attempting to access others' accounts or files without authorization and with no substantial business purpose;
- H. Vandalizing the data of another user;
- I. Forging electronic mail messages;
- J. Wasting system resources (for example, downloading unneeded files or images, "spamming" e-mail, and storing unneeded files);
- K. Using computers inappropriately, in a way deemed by NMWD to violate the intended purpose of this computer use policy.

VII. VIOLATIONS OF POLICY

Violations of this policy will be reviewed on a case-by-case basis and may result in disciplinary action, pursuant to the District's personnel policies.

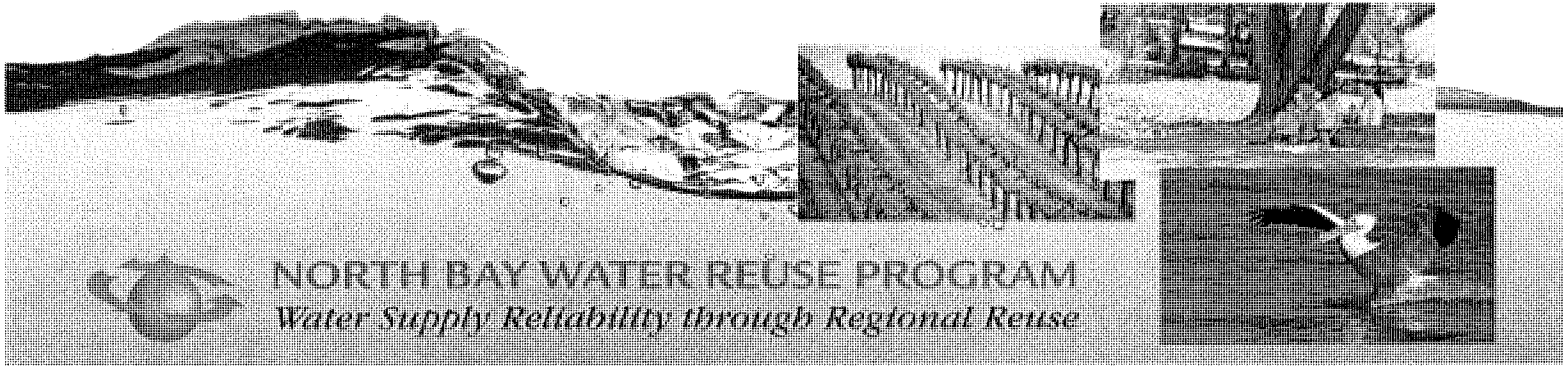
NORTH MARIN WATER DISTRICT
NMWD Computer Use Policy Acknowledgment

I acknowledge that I have received a copy of the NMWD Computer Use Policy.

I agree to abide by the conditions set forth therein.

Employee Signature / Date

20



BOARD OF DIRECTORS MEETING

AGENDA

**Monday, May 20, 2013
9:30 A.M.**

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

- 1. Call to Order (1 minute)**
- 2. Roll Call (1 minutes)**
- 3. Public Comment (3 minutes)**
(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)
- 4. Introductions (2 minutes)**
- 5. Board Meeting Minutes of April 15, 2013 (2 minutes)**
(The Board will consider approving the minutes from the April 15, 2013 Board meeting.)
- 6. Report from the Program Manager (2 minutes)**
6.a Consultant Progress Reports
(The Board will review the Report from the Program Manager and Consultant Progress Reports.)
- 7. Financial Report for the Period Ending April 30, 2013 (3 minutes)**
(The Board will review the financial report for the period ending April 30, 2013.)

Action
Pages 3 - 5

Information
Pages 6 - 13

Information
Pages 14 - 20

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

- Information** **8. Third Revised Memorandum of Understanding Approval Process - Status Report (2 minutes)**
Page 21 (The Board will be updated on the status of the Third Amended Memorandum of Understanding approval by the member agencies.)
- Information** **9. Request for Statements of Qualifications / Request for Proposals Process - Status Report (2 minutes)**
Pages 22 - 23 (The Board will be updated on the status of the Request for Qualifications / Request for Proposals process.)
- Information** **10. Phase 1 Projects Report (2 minutes)**
Page 24 (The Board will be updated on the status Phase 1 Projects.)
- Information** **11. Program Development – Federal Advocacy Update (3 minutes)**
 (The Board will be updated on the status of Program Development – Federal Advocacy.)
- Information** **12. State Advocacy Update (3 minutes)**
Pages 25 - 37 (The Board will be updated on the status of State Advocacy and legislation.)
- Information** **13. Outreach Program Update (3 minutes)**
 (The Board will be updated on the Outreach Program.)
- Pages 38 – 48** **14. Workshop #2 – North Bay Water Reuse Program Phase 2 Scoping Study (2 hours)**
- Overview of member agency meetings and potential projects
 - Path forward to formulating and screening alternatives
- 15. Adjournment (1 minute)**

Next Board Meeting
Monday, August 19, 2013, 9:30 A. M.

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

21

DISBURSEMENTS - DATED MAY 9, 2013

Date Prepared: 5/7/13

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 4/30/13	\$115,415.47
EFT*	US Bank	Federal & FICA Taxes PPE 4/30/13	48,450.83
EFT*	State of California	State Tax & SDI PPE 4/30/13	8,484.26
1	Able Tire & Brake	Tires (6) ('03 Vac Trailer-\$365 & '02 Intl Dump-\$1,787), Balance & Alignment (\$90) ('99 F550)	2,272.06
2	Agrichem Services	Refund Security Deposit on Hyd Meter Less Final Bill	1,083.84
3	AT&T	Telephone Charges: Leased Lines (\$604) & Voice (\$140)	744.17
4	Automation Direct	RTU Parts for PRTP Replacement Project	2,484.00
5	Backflow Distributors	Backflow Repair Kits (2)	131.23
6	BlackPoint Tree Service	Trim Tree Branches over Inverness Park Tank Power Panel	1,450.00
7	Bold & Polisner	March Legal Services: Construction Agreement (\$37), Gustafson Ct Acquisition (\$499), MMWD Intertie Agreement (\$254), NBWRA Grant Outreach (\$35), Open Space Policy (\$56) & RW Exp So Phase 1B (\$814)	1,694.50
8	Business Card	Internet Payment Fee (\$146), Glass Pipettes (Lab) (\$70) & Water Distrib Exam Review Course (Roberto) (\$110)	325.59
9	Calif Depart of Public Health	D2 Certification for Kent LeBrun (4/13-3/15) (Budget \$0)	80.00
10	Caltrans	Feb-Mar 2013 AEEP Betterments	4,654.64
11	CDW-Government	Printer (\$324) (LeBrun) & Spare Monitor (\$150)	473.71
12		Vision Reimbursement	78.00
13	Costco Wholesale	Paper Plates, Forks, Coffee & Sugar	60.59

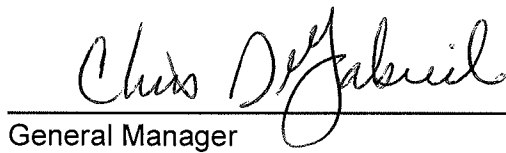
Seq	Payable To	For	Amount
14	Cummings Trucking	Rock (150 yds) (\$5,172) & Sand (64 yds) (\$3,312)	8,483.96
15	F.N. Cuthbert	Pressure Gauges for Testing Equipment, Tanks & Pump Stations (30)	631.00
16	DeGabriele, Chris	Exp Reimb: April Mileage	313.57
17	Fisher Scientific	Purple Bromocresol Water (Lab)	38.29
18	Golden Gate Petroleum	Gasoline (\$3.83/gal) & Diesel (\$3.88/gal)	4,957.51
19	Hayford, George	Novato "Toilet Rebate" Program	200.00
20	Hopkins Technical Products	Chemical Pump for Chlorinating & Disinfecting Water Lines (Const)	1,332.09
21		Cafeteria Plan: Uninsured Medical Reimbursement	527.70
22	Marin Landscape Materials	Sand (18 yds) (\$883), Concrete (11 yds) (\$654) & Weed Barrier	1,552.84
23	MCC Control Systems	Programming Modification for STP (Balance Remaining on Contract \$5,225)	1,195.00
24	McLellan, WK	Pavement Grinding (Sunset Pwy) (4' X 400' X 8")	5,378.00
25	Drew McIntyre	Exp Reimb: February through April Mileage	287.59
26	Mitchell, Russ & Associates	Fireman's Fund Irrigation Design Consulting Work (\$3,500) & Change Order #2: Onsite Retrofit Design Work (\$9,640)	13,140.00
27	Pace Supply	Corp Stops (17)	519.15
28	PERS Retirement System	Pension Contribution PPE 4/30/13	46,222.62
29	PG&E	Power: Bldgs/Yard (\$257), Pumping \$27) & Treatment (\$26)	310.34
30	Pini Hardware	Lifting Hooks (2), Sawblades (\$39), Pipe, Fittings, Couplings (11) (\$98), Tees (2), Staples, Hardware, Drywall Supplies (\$33) (Office Ceiling), Electrical Conduit, Joint Compound, Buckets & Lids (5 ea) (\$41), Hand Truck (\$36), Spackle, Jigsaw Set (6 pc), Jig Saw Blades (2), Conduit Fittings, Repair Parts for Pump @ STP, Door Bell Chime (Apartment), Conduit Elbow, Nipples, Elbow, Locks (3) & Shovels (8) (\$271)	755.21

Seq	Payable To	For	Amount
31	PVS Minibulk	Sodium Hypochlorite (798 gal)	1,231.09
32	Ramani, Hari	Novato "Washer Rebate" Program	50.00
33	Sequoia Safety Supply	Brief Relief Urine Bags (200) (\$444) & Safety Gloves (400)	477.38
34	Siemens Industry	Water Level Transmitter (RW South Service Area)	1,201.58
35	Syar Industries Inc	Asphalt (12 tons)	1,499.66
36	United Rentals	Ratchet Plate, Flange, Filters (2) (\$66) & Spark Plug	145.08
37	Univar	Ferric Chloride (18,061 lbs)	6,870.51
38	Verizon California	Telephone Charges: Leased Lines	879.82
		TOTAL DISBURSEMENTS	<u>879.82</u> <u>\$286,082.88</u>

The foregoing payroll and accounts payable vouchers totaling \$286,082.88 are hereby approved and authorized for payment.


Auditor-Controller

5/6/13
Date


General Manager

5/7/2013
Date

DISBURSEMENTS - DATED MAY 16, 2013

Date Prepared: 5/14/13

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

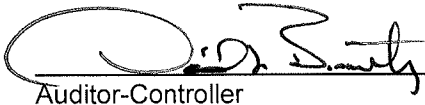
Seq	Payable To	For	Amount
*EFT	State of California	Unemployment Insurance Claim (Crump) (1/1/13-3/31/13)	\$912.00
1	AT&T	Telephone Charges: Voice Lines (\$187); Data Lines (\$30)	217.30
2	Automation Direct	RTU Interface Panel Programming	129.00
3	Backflow Distributors	Backflow Tester Repairs	294.67
4	Bay Area Barricade Service	Broom Heads (6)	94.84
5	Bundesen, Gerald	Retiree Exp Reimb (May Monthly Health Ins)	884.31
6	Butti, Lou	Retiree Exp Reimb (May Monthly Health Ins)	884.31
7	California Water Service	Mar-April Water Service (O.M.) (O CCF)	135.63
8	California State Disbursement	Wage Assignment Order (2)	1,143.00
9	Calpico	Copper Sleeves for Welding (100)	54.50
10	CED of Santa Rosa	Breaker for Air Compressor (STP)	879.82
11	DeBernard, John & Mary	Novato "Washer Rebate" Program	50.00
12	Diggs, James	Retiree Exp Reimb (May Monthly Health Ins)	884.31
13	Digital Prints & Imaging	Velum Paper (Lab)	130.07
14	Duncan, Leslie	Novato "Washer Rebate" Program	50.00
15	Electrical Supply of Santa Rosa	RTU Fused Terminals (25)	379.75
16	Fisher Scientific	Pipettes (400) (\$107) & Membranes (20)	217.21
17	Flaxman, Jessica	Novato "Washer Rebate" Program	50.00
18	Gammon, Gregory	Novato "Washer Rebate" Program	50.00
19	Groeniger	Meter Boxes (12) (\$451), Bushings (3), Caps (2), Couplings (4) & Pressure Reg Valve (\$93)	586.93

Seq	Payable To	For	Amount
20	Hall Dump Truck Service	Remove Dirt Spoils from District Yard (444 yards)	10,846.00
21	Harrington Industrial Plastics	Filters & Air Lines for STP	211.50
22	Hertz Equipment Rental	Rental of 2 Message Boards (Sunset Parkway) (3/26/13-4/12/13)	2,616.52
23	Invarion	Software License Renewal Fee for Traffic Control Plan Program (6/14/13-6/14/14) (Budget \$375)	375.00
24	Journey Ford/Lincoln	Tail Light ('10 F150)	101.11
25	Kelly-Moore Paint	Paint (3 gal, 1 qt)	74.81
26	Lincoln Life	Deferred Compensation PPE 5/15/13	10,192.06
27	Marin County Recorder	January & February Copies of Official Records	42.00
28	Matchette, Tim	Retiree Exp Reimb (May Monthly Health Ins)	282.55
29	McLellan, WK	Misc Paving (Novato Area) (618 S.F.)	4,644.44
30	Nationwide Retirement Solution	Deferred Compensation PPE 5/15/13	1,025.00
31	North Marin Auto Parts	Marker Lights, Brackets ('06 Hose Reel Trailer), White Paint, Strobe Light (\$103), Grease Guns (2) Grease (5), Oil Filters (4), Air Filter (3) (\$89), Motor Oil (19 qts) (\$79), Hose for Air Brake, Wiper Blades (\$49), Air Hose (6'), Fuses (2), Fuse Holder, Battery Wire, Cable Ends ('08 F350), Drill & Tap	576.36
32	North Bay Gas	Gas for Mig Weld Shield (\$125), Nitrogen (\$458) (STP) & April Cylinder Rental (\$105)	687.60
33	North Marin Water District	NMWD Employee Association Dues 3/30/13-4/30/13	690.00
34	Northwest General Eng	Refund Security Deposit on Hyd Meter Less Final Bill	698.46
35	Novato Builders Supply	Flashing, Sheet Rock (Apt Drain Repair), Lumber (\$53) & Concrete Nails (4 lbs)	82.47

Seq	Payable To	For	Amount
36	Pace Supply	Corp Stops (3) (\$115), Hydrant Bury (2) (\$630), Service Saddles (5) (\$230), Hydrants (3) (\$3,765), Couplings (10) (\$153) & Non-Detectable Tape (3 rolls) (\$75)	4,969.02
37	Patocchi, Paul	West Marin "Washer Rebate" Program	50.00
38	NMWD Petty Cash	Petty Cash Reimbursement	113.00
39	Roberts, Renee	Retiree Exp Reimb (May Monthly Health Ins)	282.55
40	Ronsheimer, R.G.	Novato "Washer Rebate" Program	50.00
41	Scott Technology Group	Quarterly Maintenance on Engineering Copier (1/16/13-4/15/13)	555.26
42	Sebastopol Bearing & Hydraulic	Water Pump Filter (\$33) & Safety Pins (4)	39.58
43	Sequoia Safety Supply	Sunscreen Toilettes (100) (\$65) & Ibuprofen (100)	68.44
44	Shirrell Consulting Services	Apr Dental Expense	4,531.40
45	Soiland	Asphalt Recycling Fee	20.00
46	Sonoma Landscape Materials	Concrete (30 60lb bags)	113.66
47	United Rentals	Replacement Cut-Off Saw	1,036.22
48	United Parcel Service	Delivery Services: Sent Notice of Cessation for RW South Phs 1B & Weights for Calibration	88.08
49	US Bank	April Safekeeping Fee-Treasury Securities	29.75
50	Verizon California	Telephone Charges: Leased Lines	88.00
51	Verizon Wireless	Cellular Charges: Data (\$71) & Airtime (\$130)	201.60
52	VWR International	Chlorine Test Kit	448.14
53	Wildcat Engineering	Perform Onsite Retrofits for the Recycled Water North & South Projects (Balance Remaining on Contract \$198,250)	30,642.49
54	Winzer	Grinding Discs (20)	173.30
56		Cafeteria Plan: Childcare Reimbursement	1,874.97
57	Zenith Instant Printing	Business Cards (DeGabriele, Rodoni, Grisso & Clark) (500 ea)	180.94
		TOTAL DISBURSEMENTS	<u>85,817.93</u>

Seq Payable To For Amount

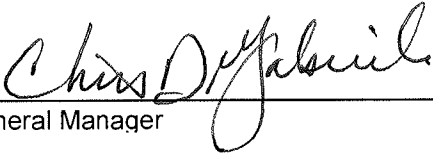
The foregoing payroll and accounts payable vouchers totaling \$85,817.93 are hereby approved and authorized for payment.



Auditor-Controller

5/14/13

Date



General Manager

5/14/2013

Date

MEMORANDUM

To: File
From: Chris DeGabriele, General Manager 
Subject: Fluoridation Advisory Committee Meeting #1
t:\gm\fluoridation\fluoridation advisory committee #1.doc

May 15, 2013

Agenda Attached

1. Welcome and Committee Member Introduction

A roster of the Fluoridation Advisory Committee (FAC) Members was distributed (Attachment 1). It is predominately comprised of dental/medical/healthcare/community representatives (the water providers are surrounded).

2. Discussion of Board Objectives for FAC

Dr. Silver advised that the committee is charged to provide the Sonoma County Board of Supervisors advice on oral health, to review the Engineering Feasibility Study on fluoridation and develop a recommendation (including developing a financial plan), and provide a venue for community outreach. The report is to be issued in the Fall of 2013 to the Department of Health Services and a minority opinion can be included.

In reviewing the summary of actions taken by the Board of Supervisors at their February 26, 2013 meeting, the Board directed staff to convene an advisory committee to provide guidance on the fluoridation assessments, planning an implementation process. The advisory committee should include multiple points of view, and the Department of Health Services should include financial modeling and investigate funding sources.

The committee discussion requested to address community concerns which will undoubtedly be raised since the issue of fluoridation is very controversial.

3. Selection of Chair

Joe Sandersfeld, representing St. Joseph's Health, was identified as the Chair for

4. Rules and Procedures

Surlene Grant from the Center for Collaborative Policy is facilitating the meetings and distributed ground rules and procedures for the committee (Attachment 4). She explained that the committee would be driven by consensus, using an agreement

gradient. Should consensus not be achievable and action be necessary, a vote can be taken.

5. Review of Stakeholder Concerns and Issues

Surlene Grant also reviewed a summary of the committee members concerns compiled by her from interviews held prior to the meeting (Attachment 5).

6. Overview of Water Fluoridation in Sonoma County

Dr. Silver made a long presentation on dental health in Sonoma County. My impression is that there are plenty of statistics, not all local, plenty of citations which I'm not familiar with, and plenty of acronyms which most in the room were familiar, but not me (Attachment 6).

8. Public Comment

One person from the public made comments.

9. Next Step: Schedule Meeting

The next meeting is scheduled for June 25th, with additional meetings scheduled September 24th and November 19th.

Summary: My initial impression is that we're surrounded by public health, dental and medical professionals. That the decision will be made, not based on local dental health information but information available in the public domain from a variety of sources. I ask many questions to try and become better informed and receive responses that are delivered with the up-most authority, yet I have no idea with regard to their applicability, accuracy or validity. In essence, I'm a fish out of water participating on this committee. My perception is that I will be a skunk at the picnic.

BOD MWR/File

DATE: May 14, 2013
TO: LAFCO Members
Marin County Independent Special Districts
FROM: Peter Banning, Executive Officer
Candice Bozzard, Clerk to the Commission
RE: Result of Election by Ballot
Selection of Special District Member

RECEIVED

MAY 17 2013

North Marin Water District

There are 30 independent special districts eligible to cast ballots for special district seats on LAFCO. The LAFCO office received 21 ballots within the 60-day selection period ending May 6, 2013. According to the adopted policy, special district members' election requires a majority of votes cast and a majority of special districts (16 votes). Since no candidate received a majority of "First Choice" votes the "instant runoff" or ranked-choice voting process provided in the adopted policy and procedure was required to determine the outcome.

Mr. Craig K. Murray of the Las Gallinas Valley Sanitary District has been selected to serve as special district member of LAFCO for the term ending in May 2017 based on the following results:

Final Count

- Craig Murray, Las Gallinas Valley Sanitary District - 19
- Lew Kious, Almonte Sanitary District - 16
- Jack Baker, North Marin Water District - 15
- Richard Snyder, Sanitary District #5 - 11

Ballots were received from the following special districts:

- Almonte Sanitary District
- Alto Sanitary District
- Bel Marin Keys Community Services District
- Bolinas Community Public Utilities District
- Bolinas Fire Protection District
- Homestead Valley Sanitary District

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

Marin Local Agency Formation Commission

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

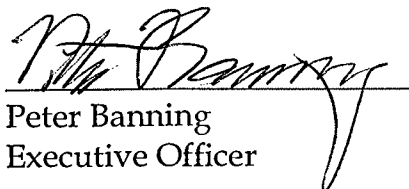
(ballots received, continued)

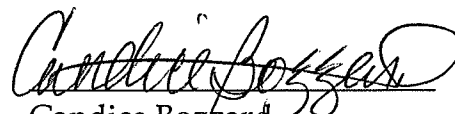
Inverness Public Utility District
Kentfield Fire Protection District
Las Gallinas Valley Sanitary District
Marin Municipal Water District
Marin Resource Conservation District
Muir Beach Community Services District
North Marin Water District
Novato Sanitary District
Richardson Bay Sanitary District
Sanitary District #5
Sausalito-Marín City Community Services District
Southern Marin Fire Protection District
Tamalpais Community Services District
Tiburon Fire Protection District
Tamales Village Community Services District

The following independent special districts did not submit ballots to the LAFCO office:

Marin Health Care District
Marin City Community Services District
Marinwood Community Services District
Novato Fire Protection District
Sanitary District #1 (Ross Valley)
Sleepy Hollow Fire Protection District
Stinson Beach Fire Protection District
Stinson Beach Water District
Strawberry Recreation District

Respectfully submitted,


Peter Banning
Executive Officer


Candice Bozzard
Clerk to the Commission

22