



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 June 3, 2014– 7:30 p.m.  
 District Headquarters  
 999 Rush Creek Place  
 Novato, California

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Est. Time	Item	Subject
7:30 p.m.	<b>CALL TO ORDER</b>	
	1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> May 20, 2014
	2.	<b>GENERAL MANAGER'S REPORT</b>
	3.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	<b>STAFF/DIRECTORS REPORTS</b>
	<b>CONSENT CALENDAR</b>  The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	5.	<b>Consent – Approve</b> Response to Marin Grand Jury Implementation Review Committee
	6.	<b>Consent – Approve</b> Renew Agreement with Workers' Compensation Third-Party Administrator
	<b>ACTION CALENDAR</b>	
	7.	<b>Approve:</b> Additional Water Conservation Programs in Response to the 2014 Drought
	8.	<b>Approve:</b> Revised Resolution Setting Water Conservation Rebate Amounts <span style="float: right;"><b>Resolutions</b></span>
	9.	<b>Approve:</b> Employee Down Payment Assistance - 15 Gustafson Court
	10.	<b>Approve:</b> Purchase of FY15 Insurance
	11.	<b>Approve:</b> CalPERS Side Fund Pay Off
8:00 p.m.	<b>INFORMATION ITEMS</b>	
	12.	Proposed Permits for Discharges of Potable Water
	13.	Initial Review - FY15 West Marin Water and Oceana Marin Sewer Budgets
	14.	North Bay Water Reuse Authority Board Meeting – May 19, 2014

All times are approximate and for reference only.

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

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
	15.	NBWA Meeting – June 6, 2014
	16.	WAC/TAC Meeting – June 2, 2014
	17.	<b>MISCELLANEOUS</b> Disbursements Water Quality Alert Notifications Customer Letter praising Construction employees Press Release: Construction work on Pt. Reyes-Petaluma Road to Begin Early June for West Marin Pipeline In Loving Memory: George Grossi Baywork Status Report Novato Heights Property Owners Update Fire Station No. 64 Ground Breaking Ceremony  <u>News Articles:</u> Pipeline over the Richmond-San Rafael Bridge eyed for Marin water supply Meeting slated to discuss summer plans for Estuary Coast Guard housing, shuttering in Point Reyes, spurs interest in property Officials: Fire board appointment illegal Two Mendocino County water districts closer to merger Construction beginning on Pt. Reyes-Petaluma Road in early June
9:00 p.m.	18.	<b>ADJOURNMENT</b>

1

1 DRAFT  
2 NORTH MARIN WATER DISTRICT  
3 MINUTES OF REGULAR MEETING  
4 OF THE BOARD OF DIRECTORS  
5 May 20, 2014

6 **CALL TO ORDER**

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

12 Novato Residents Stan and Anna Dennison, Kelli Juan, Robert Koch, and Larry Heon,  
13 StoneTree Golf Course Employee Lance Waraku, District employees Robert Clark  
14 (Operations/Maintenance Superintendent), Tony Arendell (Construction/Maintenance  
15 Superintendent) and Pablo Ramudo (Water Quality Supervisor), were in the audience.

16 **MINUTES**

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

19 **PUBLIC HEARING**

20 ***Consider Proposed Increase in Water Rates for Novato Service Area and Resulting Revisions***  
21 ***to District Regulations 54, Water Rates***

22 Mr. Bentley informed the Board that the proposed commodity rate increase of 6.5% will  
23 generate \$810K in FY15. He stated that in addition to the letter sent to each customer, a notice of  
24 the public hearing notice was published in the May 14<sup>th</sup> issue of the Novato Advance and there were  
25 14 letters received from the public in response, 12 of them opposing the water rate increase, 1  
26 supportive and 1 from Indian Valley Golf Course regarding the proposed drought surcharge. He  
27 noted that today staff received a letter from StoneTree Golf Course regarding the rates for Recycled  
28 Water users.

29 Mr. Bentley displayed the District's financial dashboard that helps plan and analyze the rate  
30 increases that are needed and incorporate the proposed budget revenues and expenditures. He  
31 reviewed the District's five-year financial plan and reminded the Board of the District's goal to attain  
32 a cash reserve balance of 90% of annual operating expense. He informed the Board that the annual  
33 cost of water for the median customer in Novato is \$656, which includes a \$30 bi-monthly service  
34 charge. He stated that staff is proposing a 6.5% commodity rate increase with no increase in the bi-

1 monthly service charge, increasing the median customer's annual bill to \$686, an increase of \$2.50  
2 per month or 5% annually. Mr. Bentley stated that the District will achieve the reserve balance goal  
3 and could potentially surpass it ending the fiscal year with \$13.7M. Mr. Bentley projects sale of 3BG  
4 of water this fiscal year but expects to see that number diminish next fiscal year with the request for  
5 voluntary water use reduction and late rains.

6 Mr. Bentley provided the Board and public with a slideshow about the rate increase structure.  
7 He reiterated that the proposed commodity rate increase is 6.5%, with no increase to the bi-monthly  
8 service charge.

9 President Rodoni opened the public hearing at 7:49 p.m.

10 Kelli Juan, a Novato resident, expressed her concern about living in a multi-family dwelling  
11 unit and her frustration with having to pay for other customers water use that she has no control  
12 over. She stated that she conserves water and complained that she is is paying for water someone  
13 else is using.

14 Stan Dennison, a Novato resident, informed the Board that he has lived in Novato since  
15 before it became a city and said that he is very good at conserving and has taken all the appropriate  
16 measures to install new toilets, showerheads etc. He advised the Board that he is protesting the  
17 water rate increase and the drought surcharge and believes they are not necessary. He asked the  
18 Directors to look at the salary schedules and pensions of the employees and decrease those before  
19 asking for an increase in the water rates.

20 Bob Koch, a Novato resident, applauded the District for its efforts in keeping the District  
21 running. He stated that he believes that water is a precious commodity and with raising the rates  
22 maybe the water use abusers will finally take action and start to conserve. He asked the Board to  
23 assure him that he as a water conserver would not be penalized for not being able to conserve  
24 more.

25 Larry Heon, a Novato resident, expressed his concern about the end date of the proposed  
26 drought surcharge.

27 President Rodoni reminded the public that unless mandatory restrictions on water use are  
28 enacted pursuant to the Water Shortage Contingency Plan or the State forces mandatory cutbacks,  
29 there will be no drought surcharge enacted.

30 Mr. DeGabriele stated that whenever mandatory water use restrictions are removed the  
31 Board will be asked to remove the drought surcharge.

32 President Rodoni asked if any other members of the public would like to speak.

1 Mr. DeGabriele pointed out to the Board that staff received a letter from StoneTree Golf Club  
2 today and he advised the Board that he emailed Ann Mulroy and informed her that he would be  
3 happy to meet regarding the Recycled Water rates, and that recycled water customers do not pay  
4 the seasonal commodity rate applied to commercial/irrigation potable water users, and that  
5 StoneTree did not pay connection fees when they connected to the District.

6 Hearing no further public comment, President Rodoni closed the hearing at 8:10 p.m.

7 Director Baker stated that he was sympathetic to all of the public's concerns and stated that  
8 it was out of the District's hands. He noted that most of the District's water comes from the Russian  
9 River and the District is not trying to make a profit on water sales.

10 Director Fraites stated that he believes the District is frugal when it comes to purchasing  
11 equipment and capital improvements and that the District looks for ways to save money when they  
12 can. He stated that he doesn't like to raise the rates and he as a Novato resident has to pay for  
13 water as well, but when the cost of water goes up, the rates go up. He informed the public that the  
14 District is trying to maintain good service, good water and a safe place to work and the District needs  
15 the rate increase to survive.

16 Director Petterle thanked the public for coming and invited everyone to come to more  
17 meetings to see some of the context and see how the District is operated throughout the year. He  
18 asked Mr. Bentley about the seven other agencies that have lower water rates than the District.

19 Mr. Bentley stated that in the rate increase letter mailed to all of the customers there was a  
20 copy of the annual water rate survey. He stated that the seven water agencies listed below the  
21 District in the survey are primarily city operated and do not focus on water as attentively as a special  
22 district.

23 Director Schoonover stated that he is a Novato resident and his lawn is brown and he also  
24 stated that he was extremely proud of all of the District's employees and believes they deserve every  
25 nickel they earn.

26 President Rodoni stated that there has not been much development in Novato and because  
27 of that the District has not collected connection fees to help offset the rates. He informed the public  
28 that the District has reduced costs in departments across the board and that the District needs the  
29 rate increase to maintain the good quality and service that the public deserves. President Rodoni  
30 thanked the public for attending the meeting.

31 On motion of Director Fraites, seconded by Director Baker, and unanimously carried, the  
32 Board approved Resolution 14-9 entitled: "Resolution of the Board of Directors of North Marin Water

1 District Amending Regulation 54- Water Rates” amending Regulation 54 pertaining to Water Rates  
2 and Charges to reflect an increase averaging 5% for the typical residential customer in the Novato  
3 Service Area effective June 1, 2014.

4 ***Consider Proposed Drought Surcharge in Water Rates for Novato Service Area and Resulting***  
5 ***Revisions to District Regulations 54, Water Rates***

6 Mr. Bentley informed the Board that staff is proposing a drought surcharge of \$1.00/1,000  
7 gallons used when mandatory water use restrictions go into effect, with the exception that residential  
8 customers would pay the surcharge only on use over 300 gallons per day. He stated that it is not  
9 anticipated that the District will have mandatory water use restrictions this year. He informed the  
10 Board that the reason for adding the drought surcharge into Regulation 54 is because of two  
11 financial concerns: 1) the Sonoma County Water Agency’s liquidated damages charge, and 2) the  
12 revenue loss from reduced water sales. Mr. Bentley explained that the liquidated damages charge  
13 from Sonoma County Water Agency would be charged to all water contractors that use in excess  
14 the allocation pursuant to terms in the Restructure Agreement for Water Supply. He explained that  
15 the net revenue loss would be due to the conservation of the water. Mr. Bentley showed the Board  
16 and public several charts regarding the loss scenarios and the reduction of water use. He stated  
17 that the liquidated damages charge and the loss in revenue would cost the District \$1.1M. He  
18 advised the Board that staff tried to make it fair to the residential customers who are already  
19 conserving so the surcharge applies only to water use exceeding 300 gallons per day. He noted that  
20 a surcharge of \$1.00/1,000 gallons is projected to generate \$1.1M.

21 Mr. Bentley stated that staff is requesting the Board to put the drought surcharge into  
22 Regulation 54 to be used in future years should the District be subject to mandatory water use  
23 restrictions. He reiterated that it is not likely that Novato will have mandatory restrictions in 2014.

24 President Rodoni opened the public hearing for the Drought Surcharge at 8:44 p.m.

25 Mr. Dennison stated that he has already cut back to 150 gallons a day and asked how he  
26 was supposed to conserve more.

27 President Rodoni stated that if customers use under 300 gallons per day, the customer will  
28 not have to pay the surcharge and the District will implement the drought surcharge if mandatory  
29 water use restrictions are required. Mr. Dennison stated that he protested the surcharge.

30 Mr. DeGabriele advised the Board and the public that the point of the drought surcharge is to  
31 send a signal to the larger water users and to reduce water use. He advised that the public is able to

1 go to the District's website and see how much water they have used in the last two years and are  
2 able to use tools on the website to help determine how to reduce water consumption by 20%.

3 Ms. Juan again expressed her concern about paying a surcharge for something she is  
4 unable to control.

5 President Rodoni advised the public that the District does not expect to see the drought  
6 surcharge implemented this year.

7 President Rodoni seeing no further public comment closed the hearing at 8:52 p.m.

8 On motion of Director Schoonover, seconded by Director Petterle, and unanimously carried,  
9 the Board approved Resolution 14-10 entitled: "Resolution of the Board of Directors of North Marin  
10 Water District Amending Regulation 54- Drought Surcharge" amending Regulation 54 pertaining to  
11 Water Rates and Charges to add a Drought Surcharge provision, applicable to the Novato Service  
12 Area.

13 President Rodoni thanked the customers for coming to the Board meeting tonight and the  
14 customers left the meeting.

15 **GENERAL MANAGER'S REPORT**

16 Local Coastal Commission Meeting

17 Mr. DeGabriele informed the Board that on Thursday he attended the Local Coastal  
18 Commission meeting in Inverness and missed the opportunity to speak but did have a chance to  
19 speak with staff regarding the District's desired amendments to the local coastal plan.

20 Native Plant Tour

21 Mr. DeGabriele attended the Sonoma Marin Saving Water Partnership Native Plant Tour on  
22 Saturday and said it was well attended and well done. He noted that the North Marin location had  
23 the largest attendance.

24 Rohnert Park Groundwater Management Plan Update

25 Mr. DeGabriele advised the Board that he is planning on attending the community forum in  
26 Rohnert Park regarding the Groundwater Management Plan.

27 Marin LAFCO

28 Mr. DeGabriele advised the Board that he will be attending the Marin Conservation League  
29 meeting on Marin LAFCO's study of water supply and demand. He stated that the Marin LAFCO  
30 municipal service review will look at the water supply as a whole in Marin County.

31



1 **OPEN TIME**

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

4 **STAFF/DIRECTORS REPORTS**

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

7 Director Baker informed the Board that he attended the Native Garden Tour as well and was  
8 very impressed how well attended the tour was especially in Novato.

9 **MONTHLY PROGRESS REPORT**

10 Mr. DeGabriele provided the Board with the April Monthly Progress Report. He stated that  
11 water production in Novato during April was down 26% compared to April 2013 and was down 17%  
12 in West Marin. He informed the Board that there has been 12.7" of rain through April and that at the  
13 end of April Stafford Lake was at 63% capacity. Mr. DeGabriele stated that on the Russian River,  
14 Lake Mendocino is at 46% capacity, while Lake Sonoma holds ample water supply at 75% capacity.

15 Mr. DeGabriele advised the Board that staff has worked over 324 days without a lost time  
16 accident or injury and that customer complaints were up significantly compared to last April, due to  
17 water quality complaints, consumer leaks and meter replacements.

18 Mr. Bentley provided the Board with the Monthly Report of Investments showing that the  
19 District holds \$17.5M in reserves and that in April the reserves hit the 90% of budgeted operating  
20 expense goal the District is trying to achieve. He stated that the portfolio is earning 0.35% in interest.

21 **CONSENT CALENDAR**

22 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,  
23 the following item was approved on the Consent Calendar:

24 **NOVATO THEATER PROJECT**

25 The Novato Theater Non-Profit Organization has requested a Resolution of Support from the  
26 Water District for their continued efforts to rebuild the Novato Theater. This resolution is an  
27 indication of community support and comes with no financial cost to the District.

28 The Board adopted Resolution 14-11 entitled: "A Resolution of the Board of Directors of  
29 North Marin Water District Supporting Downtown Novato Project."

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1 **ACTION CALENDAR**

2 **NOTICE OF COMPLETION FOR THE AEEP/B3 TREE REMOVAL PROJECT – THE**  
3 **PROFESSIONAL TREE CARE COMPANY**

4 Mr. McIntyre requested that the Board authorize the General Manager to file a Notice of  
5 Completion for the Aqueduct Energy Efficiency B3 Tree Removal Project with The Professional Tree  
6 Care Company. He stated that this project was done in advance of the major AEEP project work to  
7 cut down the trees before the bird nesting period began. Mr. McIntyre stated that with the original  
8 contract and change orders requested, the total amount for the project was approximately \$42K and  
9 that 95% of the cost will be reimbursed from Caltrans.

10 Director Fraites asked if staff was making sure the mitigation was occurring and Mr. McIntyre  
11 responded that Caltrans was responsible for the mitigation.

12 On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the  
13 Board authorized the General Manager to execute and file a Notice of Completion for the AEEP/B3  
14 Tree Removal Project.

15 **INFORMATION ITEMS**

16 **THIRD QUARTER FY 13/14 – WATER QUALITY REPORT**

17 Pablo Ramudo, Water Quality Supervisor, provided the Board with the Third Quarter Water  
18 Quality Progress Report. He informed the Board that Stafford Lake was not used as a source of  
19 drinking water but the water quality looks good and there were only two algae species detected in  
20 the quarter. He advised the Board that a contract has been executed with Michael McGuire to help  
21 develop a taste and odor control strategy and be able to treat the Stafford Lake water at any time.  
22 Mr. Ramudo advised the Board that Novato's Distribution System had no positive coliform samples  
23 this quarter and that the chlorine residual concentrations were good throughout the system. He  
24 informed the Board that in Point Reyes the raw water quality was good throughout the quarter and  
25 there were no salinity intrusions. He noted that the disinfection by-products have been kept lower  
26 because of the sprayers in the tanks. Mr. Ramudo advised the Board that there was no iron and  
27 manganese detected in the treated water from the Point Reyes Treatment Plant.

28 Director Baker asked about sprayer system for the tanks in Point Reyes. Mr. Ramudo stated  
29 that staff has put an aeration system in the tanks that takes water from the bottom of the tank to the  
30 top and the disinfection by-products are then volatilized into the air and vented through the top of the  
31 tank.

1 President Rodoni asked about the method of notifying customers about the salinity intrusion.  
2 Mr. Ramudo stated that the District publishes a notification in the Point Reyes Light when sodium  
3 concentrations in finished water exceed 50mg/l.

4 Mr. Ramudo stated that the Gallagher Well Project is expected to mitigate the salinity  
5 intrusion problem in West Marin.

6 Director Baker asked when the Gallagher Well Project will start. Mr. McIntyre stated that the  
7 District is in the submittal review stage and staff should have a schedule prepared in the next 3  
8 weeks. He noted that the project is scheduled to be substantially completed in early October.

9 Mr. DeGabriele stated that there are still permits required to put the water into the system  
10 once the project has been completed.

11 **SECOND REVIEW – PROPOSED FY 2014/15 NOVATO WATER EQUIPMENT BUDGET**

12 Mr. Bentley advised the Board since the April 15th review, that no dollar changes have been  
13 made to the proposed FY15 Equipment Budget, although an evaluation of appropriate replacement  
14 vehicles for the Honda Civic Hybrids is ongoing.

15 Mr. Bentley informed the Board that a public hearing and approval of the Equipment Budget  
16 is scheduled for June 17, 2014.

17 **SECOND REVIEW – PROPOSED FY 15 & 16 NOVATO CAPITAL IMPROVEMENT PROJECTS**  
18 **BUDGET**

19 Mr. Bentley informed the Board that there were minor changes to the FY 15 & 16 Novato  
20 Capital Improvement Projects Budget including: \$30,000 increase to the Stafford Treatment Plant  
21 Transmission Line Evaluation, \$45,000 reduction to the Shields Lane Cast Iron Replacement project  
22 as more of the project will be completed in FY14, \$15,000 increase in FY15 Crest Pump Station  
23 Design/Construction work.

24 Director Baker asked about the Dam Concrete Apron Repair. Mr. McIntyre stated that it is  
25 ongoing patch repairs in different areas where the concrete is cracked. He stated that staff is trying  
26 to do the repairs as an on-going maintenance program.

27 Director Baker asked how often the dam is inspected. Mr. McIntyre stated annually.

28 Mr. Bentley informed the Board that a public hearing and approval of the Capital  
29 Improvement Projects Budget is scheduled for June 17, 2014.

30 **SECOND REVIEW – FY 2014/15 PROPOSED NOVATO OPERATIONS BUDGET**

31 Mr. Bentley advised the Board that the Novato Operations Budget expenditures have  
32 increased by \$27,000 since the Board's initial review at the last meeting. He stated that this draft

1 includes promotions for three employees in the Operations/Maintenance Department, and the  
2 addition of 6 hours per week for two Senior Accountants, bringing them both to full-time status. Mr.  
3 Bentley stated that the budget projects a net "bottom line" cash deficit of \$5.1M, of which 80% will be  
4 covered by the Bank of Marin loan reserve for the Aqueduct Energy Efficiency Project.

5 Mr. Bentley informed the Board that a public hearing and approval of Novato Operations  
6 Budget is scheduled for June 17, 2014.

7 **SECOND REVIEW – FY 2014/15 PROPOSED NOVATO RECYCLED WATER OPERATIONS**  
8 **BUDGET**

9 Mr. Bentley informed the Board that there were minor changes made to the Novato  
10 Recycled Water Operations Budget of \$15,000, for labor charges, reduction in budgeted chemical  
11 expenses, reduction in Transmission and Distribution Materials and an increase in projected interest  
12 revenue.

13 Mr. Bentley informed the Board that a public hearing and approval of the Novato Recycled  
14 Water Operations Budget is scheduled for June 17, 2014.

15 **GALLAGHER WELL AND PIPELINE PROJECT – STREAMBED ALTERATION NOTIFICATION**

16 Mr. DeGabriele reminded the Board that at the last meeting he informed the Board he had  
17 requested PES Environmental Inc. to prepare a Streambed Alteration Notification to formally  
18 document the operational measures to monitor stream flow and Gallagher Well operation. He noted  
19 that the cost for the notification is \$4,750 and an additional \$5,000 will be needed to obtain the  
20 Streambed Alteration Agreement from the California Department of Fish and Wildlife.

21 **MISCELLANEOUS**

22 The Board received the following miscellaneous items: Disbursements, NBWRA Agenda –  
23 May 19, 2014, Leadership Novato Class of 2014, 1964: Fluoridation election called off, and Baby  
24 Emmy's Grandpa.

25 The Board received the following news articles: Close to Home: Avoiding a water nightmare,  
26 Mendocino County supervisors decline support of Millview water right, Mendocino Co. supervisors  
27 OK letter in support of PV diversion, and Novato Sanitary board taps new member.

28 The Board also received the following miscellaneous item at the Board meeting: Customer  
29 protest letters regarding the proposed rate increase.

30 Director Petterle stated that the article about President Rodoni was great. Director  
31 Schoonover congratulated Katie Young on her graduation from Leadership Novato.

1 **CLOSED SESSION**

2 President Rodoni adjourned the Board into closed session at 9:18p.m. in accordance with  
3 Government Code Section 54956.0 Paragraph (3) of Subdivision (d) Conference with Legal Counsel  
4 – Anticipated Litigation – Significant Exposure to Litigation – One Potential Case.

5 **OPEN SESSION**

6 Upon returning to regular session at 9:32 p.m., President Rodoni reported that the Board  
7 had considered entering into a Tolling Agreement with Disney Construction with respect to potential  
8 claims connected with the work performed by Disney on the District Recycled Water Expansion –  
9 South Service Area Phase 1B Project.

10 On motion of Director Petterle, seconded by Director Baker and unanimously carried, the  
11 Board authorized the General Manager to execute the Tolling Agreement.

12 **ADJOURNMENT**

13 President Rodoni adjourned the meeting at 9:34 p.m.

14 Submitted by

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Katie Young  
District Secretary

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**5**

MEMORANDUM

To: Board of Directors

May 30, 2014

From: David L. Bentley, Auditor-Controller 

Subj: Response to Marin County Civil Grand Jury Implementation Review Committee  
t:\acl\word\grand jury\2013 cover memo.docx

**RECOMMENDED ACTION: Approve**

**FINANCIAL IMPACT: None**

A new committee of the Marin County Civil Grand Jury has been formed to assess the follow-through of respondents to prior Civil Grand Jury reports. North Marin received a letter from the Implementation Review Committee by email on Sunday, May 18, requesting a response by May 30. Staff replied that a response would be forthcoming upon Board approval at their June 3 meeting.

The committee's request pertains to the District's July 13, 2013 response to the Civil Grand Jury Report entitled *Marin's Healthcare Retirement Benefits: The Money Isn't There*.

A draft response to the Implementation Review Committee follows for your review and comment.

**RECOMMENDATION:**

Approve response to the Marin County Civil Grand Jury Implementation Review Committee.

Approved by GM LD

Date 5/30/2014

**DRAFT**

June 4, 2014

Ms. Mary Jean Boyden  
Member, Implementation Review Committee  
Marin Chapter of the CA Grand Jurors Association  
PO Box 2474  
San Rafael, CA 94913

Re: Follow up to NMWD's response to the 2012-2013 Marin Civil Grand Jury Report, *Marin's Retirement Health Care Benefits: The Money Isn't There*

Dear Ms. Boyden:

Thank you for your letter of May 15, 2014, following up a North Marin Water District response to Recommendation 5 of the above referenced report. Perhaps the Implementation Review Committee has confused North Marin's response with that of another agency. North Marin's response was not: "Requires further analysis." North Marin's response to Recommendation 5, as stated in our letter of July 13, 2013, to Richard Treadgold, Foreperson, was as follows:

R5. Require active employees to make a contribution towards the cost of their retiree health care benefit.

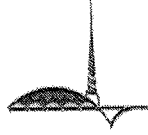
**The North Marin Water District can propose that active employees make a contribution toward the cost of their retiree health care benefit when compensation is next negotiated upon expiration of the current memorandum of understanding.**

Sincerely,

Chris DeGabriele  
General Manager

Encl: copy of July 13, 2013 letter to the Marin County Civil Grand Jury

t:\ac\word\grand jury\follow up re 2013 rpt re marin's retirement health care benefits.docx



**Implementation Review Committee  
Marin Chapter  
California Grand Jurors Association**

May 15, 2014

Dennis J. Rodoni, President, Board of Directors  
Chris DeGabriele, General Manager  
North Marin Water District  
P. O. Box 146  
Novato CA 94945

Re: Grand Jury Report, *Marin's Retirement Health Care Benefits: The Money Isn't There*

Dear Mr. Rodoni and Mr. DeGabriele,

A number of jurors from the 2012-2013 Grand Jury have created a new committee within the Marin Chapter of the California Grand Jurors Association (MCCGJA) entitled the "Implementation Review Committee" (IRC). The IRC proposes to assess the publicly available responses to each of last year's Marin County Civil Grand Jury reports to determine whether they have met the state statute requirements, and whether respondents have implemented those recommendations agreed upon. We are writing to you as Marin County residents, and members of the IRC to follow up on the NMWD's responses to the 2012-2013 Marin County Civil Grand Jury report, *Marin's Retirement Health Care Benefits: The Money Isn't There*.

Please provide us with specific updates on your responses to Grand Jury recommendation #5 including what has been accomplished in the 11 months following report publication. An outline of this recommendation is on the following page.

For your convenience, a copy of this request is being sent both by email and by regular mail. We would appreciate your response by email to the email address below. If you prefer, make your response via regular mail. In either case, we ask for your reply by May 30, 2014.

Thank you for bringing this information up to date.

Sincerely,

Mary Jean Boyden  
Member, IRC-MCCGJA  
Email: MJBoyden@comcast.net  
Mail: MCCGJA/IRC  
P O Box 4274  
San Rafael, CA 94913

**Marin Grand Jury Report: *Marin's Retirement Health Care Benefits: The Money Isn't There***

**North Marin Water District**

**SUMMARY OF RECOMMENDATIONS, RESPONSES, AND CLARIFICATIONS NEEDED**

**Report Recommendation #5:** Require active employees to make a contribution towards the cost of their retiree health care benefits.

**Response:** Requires further analysis

**Clarification Needed:** Is there a plan to implement this action?

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**NORTH MARIN  
WATER DISTRICT**

753

July 17, 2013

999 Rush Creek Place  
P.O. Box 146  
Novato, CA 94948

**PHONE**  
415.897.4133

**FAX**  
415.892.8043

**EMAIL**  
info@nmwd.com

**WEB**  
www.nmwd.com

Richard Treadgold, Foreperson  
Marin County Civil Grand Jury  
3501 Civic Center Drive, Room 275  
San Rafael, CA 94903

Re: Marin's Retirement Health Care Benefits: The Money Isn't There

Dear Mr. Treadgold:

The North Marin Water District commends the Marin County Civil Grand Jury for its time and effort in compiling, reviewing and summarizing the information presented on this important subject. Actuarial science is complex and technical, yet the Civil Grand Jury report has effectively distilled this complicated information into findings and recommendations that are clear and insightful.

Following are the District's responses to the ten findings and six recommendations in the referenced report that NMWD was invited to respond to.

F1. We find that many of Marin's local governments and special districts are failing to pre-fund future costs for retired employees by making investments to cover promised benefits for active employees. This jeopardizes the certainty that retiree health care benefits promised to current employees will be paid.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved. The Civil Grand Jury Report is in error as regards NMWD. Exhibit 6 of said report shows NMWD's funded percent as zero. In fact, at June 30, 2013, NMWD's cash reserve, designated by its Board of Directors to fund its retiree health benefit liability, equaled 101% of its accrued liability, as calculated in its GASB 45 actuarial valuation dated June 7, 2013. The Civil Grand Jury Report apparently erroneously considers only funds deposited into an irrevocable trust as being available to pay for promised benefits. NMWD has not deposited its designated reserve into an irrevocable trust, and believes such an investment at this time is not in the best interests of its customers.**

F2. The failure of the majority of entities studied in this investigation to begin an investment program to provide a portion of the needed funds to pay for retiree health care benefits leads to generation shifting of the payment responsibility. Thus it appears to be, at the least unethical, and even a breach of fiduciary responsibility.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved.**

- F3. The extreme 30-year amortization period used by most entities minimizes the annual cost of funding the liability gap and further defers to future generations the compensation owed to present employees who provide services to present taxpayers and customers. Shorter amortization periods should be required for reasons of equity and to ensure that the promised benefits will be provided.

**The North Marin Water District has no expertise in actuarial science and therefore cannot comment on whether 30 years is an appropriate amortization period to fund retiree health care obligations. NMWD has fully funded its retiree health care accrued liability, and is on a path to fully fund its actuarial liability within the next 5-10 years, depending on the rate of return earned on the reserve funds designated to amortize this liability.**

- F4. By capping retiree health care benefits, the City of San Rafael has reasonable certainty as to what those costs are. Other entities studied here that promise to pay for future retiree health care with uncertain and likely rapidly increasing costs are accepting an unknown and potentially very costly risk.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved. NMWD has capped its retiree health care obligation for its Medicare eligible retirees.**

- F5. Because a few Marin County cities and other entities studied provide very limited benefits yet still appear able to meet community service needs, and because providing such benefits is increasingly rare in the private sector, such benefits appear to be unnecessary for attracting and retaining employees. Accordingly, for active and newly hired employees, the benefits should be trimmed and costs should be shared between the employees and their employer.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved. The cost of health insurance provided to NMWD retirees is capped, and any cost in excess of the cap is paid by the retiree.**

- F6. Marin entities using "Pay-Go" funding are paying only the current year health care benefits of those already retired. This ignores the reasonably known rising costs to cover future retirees who are already heading for retirement. Some actuarial valuation reports the Grand Jury studied provide those future "Pay-Go" estimates year-by-year, so they should be readily available from the actuary's valuations. Estimates of those annual costs for each of the next 10 years should be provided to the public so that those who will incur the costs can know those costs.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved. NMWD's GASB 45 actuarial valuation report does not include estimates of the annual cost of retiree health insurance for the next 10 years. It does include estimates for selected future years, primarily in 5-year increments, and is posted on the District's website.**

- F7. Employers studied for this report should include an age-60, or even later, date for retiree health care benefits to commence in future negotiations with employees and their representatives.

**The North Marin Water District has not reviewed the financial position of other local government agencies or special districts in Marin and has no knowledge of the benefits that have been promised or funding levels achieved. NMWD contracts with CalPERS for both retirement and group health care benefits. The California Government Code (Public Employees' Medical and Hospital Care Act) allows CalPERS members to retire as early as age 50, and entitles CalPERS annuitants to lifetime health care insurance coverage subsidized by the agency from which the annuitant retired.**

- F8. The results of retiree health care actuarial cost analyses are summarized if at all only in obscure notes to annual financial statements. The public is entitled to more readily accessible explanation of these costs because the public will bear those costs.

**The North Marin Water District has not reviewed the annual financial statements of other local government agencies or special districts in Marin and has no knowledge as to the obscurity of notes in their financial statements pertaining to their retiree health care actuarial cost analyses. NMWD's Comprehensive Annual Financial Report, which is posted on its website, includes over two full pages of notes pertaining to its Post Employment Benefits, presented in accordance with Generally Accepting Accounting Principles as promulgated by the Government Accounting Standards Board. In addition, NMWD's GASB 45 Actuarial Valuation is posted on its website.**

- F9. There is a wide range of retiree health care benefits offered among the entities studied in this investigation. No clear explanation for the range from minimal to extremely generous is readily available. Those entities that are promising relatively generous benefits should provide clear justifications to their citizens and customers.

**The North Marin Water District is not aware of the range of retiree health care benefits offered among the other local government agencies or special districts in Marin, nor to what extent entities promising relatively generous benefits have provided clear justifications to their citizens and customers. NMWD invites input from the public whenever its Board considers and votes on any compensation or benefit package items, and this is always done in open session at noticed publicly held meetings.**

- F10. Most of the entities the Grand Jury investigated are using fairly reasonable discount rates of 4% - 5% per year to bring back to today in actuarial valuations the future annual costs of retiree health care benefits. However, some are using higher and highly questionable rate assumptions that are not justified by the investments (if any) that they have made to grow and fund the future benefits. The result is to understate the total funding needed today and in future years, to pay for those future benefits.



**The North Marin Water District is not aware of the discount rate used by other local government agencies or special districts in Marin in calculating their retiree health care benefit liability, nor does NMWD hold any expertise in actuarial science. Therefore, the District is not able to determine what discount rate is appropriate. NMWD's GASB 45 actuarial valuation dated June 7, 2013, used a discount rate of 4%.**

- R1. Begin setting aside in separate investment accounts, if it is not already doing so, each year's funds for amortizing its retiree health care benefits' UAAL, in addition to its "Pay-Go" funding of those benefits for present retirees.

**The North Marin Water District set aside \$2.55 million in August of 2003 into a designated account to fund its retiree health care benefit liability. In 2010, the District began adding \$1,500 per employee annually into the fund. Consequently, the most recent GASB 45 calculated accrued liability is now 101% funded, and the most recent GASB 45 calculated actuarial liability is now 75% funded.**

- R2. Begin a program to lower the amortization period for funding its retiree health care benefits UAAL from as much as 30 years presently, to approach (within 10 years), the commonly used 17-year amortization period for retiree pension funding.

**The North Marin Water District's Retiree Health Care Actuarial Liability will be fully funded within the next 5 to 10 years, depending upon the rate of return earned on the funds designated to amortize this liability.**

- R3. Negotiate caps on the amounts it commits to pay existing and new employees for retiree health care benefits.

**The North Marin Water District's December 2012 labor agreement includes a provision increasing the retiree health care contribution rate for all existing and new employees. The District's Medicare eligible retirees pay the full amount of any health care insurance cost increases.**

- R4. Negotiate a higher retirement age than the currently applicable age for the commencement of retiree health care benefits.

**The North Marin Water District contracts with CalPERS for both retirement and group health care benefits. The California Government Code (Public Employees' Medical and Hospital Care Act) allows CalPERS members to retire as early as age 50, and entitles CalPERS annuitants to lifetime health care insurance coverage subsidized by the agency from which the annuitant retired.**

- R5. Require active employees to make a contribution towards the cost of their retiree health care benefit.

**The North Marin Water District can propose that active employees make a contribution toward the cost of their retiree health care benefit when compensation is next negotiated upon expiration of the current memorandum of understanding.**

- R6. Place a link on its website to provide the latest actuarial valuation of its AAL, its UAAL, its consequent percent funded, its discount rate (annual percentage)

used to determine these values, and a projection of outlays ("Pay-Go") for retiree health care benefits for each of the current and subsequent 10 years.

**The North Marin Water District has posted its latest GASB 45 actuarial valuation on its website, which report includes the discount rate used to determine the liability, and includes a projection of its "pay-go" for selected future years, primarily in 5-year increments.**

Sincerely,



Chris DeGabriele  
General Manager

- c: The Honorable Judge James Ritchie, Marin County Superior Court  
Steve Kinsey, Supervisor, Marin County Board of Supervisors  
Judy Arnold, Supervisor, Marin County Board of Supervisors

RESPONSE TO GRAND JURY REPORT FORM

Report Title: *Marin's Retirement Health Care Benefits: The Money Isn't There*

Report Date: May 22, 2013

Public Release Date: June 3, 2013

Response by: North Marin Water District

FINDINGS

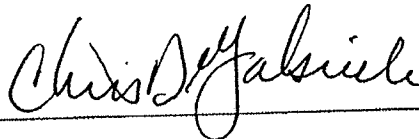
- I (we) agree with the findings numbered: \_\_\_\_\_
- I (we) disagree wholly or partially with the findings numbered: 1-10  
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered 1, 2, 3, 6 have been implemented.  
(Attach a summary describing the implemented actions.)
- Recommendations numbered 5 have not yet been implemented, but will be implemented in the future.  
(Attach a timeframe for the implementation.)
- Recommendations numbered \_\_\_\_\_ require further analysis.  
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered 4 will not be implemented because they are not warranted or are not reasonable.  
(Attach an explanation.)

Date: 7/17/13

Signed: \_\_\_\_\_



Number of pages attached 5

6

MEMORANDUM

To: Board of Directors

May 30, 2014

From: David L. Bentley, Auditor-Controller

Subj: Renew Agreement with Workers' Compensation Third-Party Administrator

t:\acl\word\personnel\wctpa renewal 2014.docx

**RECOMMENDED ACTION: Approve**

**FINANCIAL IMPACT: \$36,000**

Three years ago the District returned to self-insuring its workers' compensation liability, and employed Athens Administrators of Concord, CA to provide third-party administration (TPA) claims service for \$1,000 per month for a three-year period. That agreement expires June 30, 2014. Athens has served the District for a total of seven years, from FY05 through FY08, and again from FY12 through the current fiscal year. Over this period Athens has consistently provided good service, and has agreed to renew at the same rate for another three years.

Athens also provides TPA service to Novato Fire Protection District.

**RECOMMENDATION:**

Authorize the Auditor-Controller to renew the TPA agreement with Athens Administrators for a three-year period for a flat fee of \$1,000 per month.

Approved by GM CO  
Date 5/30/2014

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## MEMORANDUM

Item #7

To: Board of Directors

May 30, 2014

From: Ryan Grisso, Water Conservation Coordinator *RG*

Subject: Additional Water Conservation Programs in Response to the 2014 Drought

W:\Memos to Board\Additional Water Conservation Programs for Drought 2014.doc

**RECOMMENDED ACTION:** 1) Approve Sheet Mulching Pilot Program; and  
2) Approve Hot Water Recirculation Rebate Pilot Program.

**FINANCIAL IMPACT:** \$12,000 (Included in proposed FY 20014/2015 Water Conservation Budget.)

New pilot water conservation programs have been developed in response to the 2014 Drought including: 1) a sheet mulching pilot program (Sheet Mulching Pilot Program); and 2) a hot water recirculation system rebate pilot program (Hot Water Recirculation Rebate Pilot Program).

1) Sheet Mulching Pilot Program: Waste Management (operating at Redwood Landfill) approached NMWD with a program that would offer customers the materials needed to convert lawn area to low water use landscaping using sheet mulching. Sheet mulching is a technique where cardboard is rolled over an existing lawn, followed by a layer of compost and topped off with a thick layer of mulch. Waste Management is facilitating this program through a local landscape material company who would deliver the necessary materials directly to the participating customers. The base package would include enough material to cover 600 square feet of lawn (750 square foot roll of cardboard, four yards of compost and six yards of mulch). The program would be administered similar to the Cash for Grass program with a pre-inspection of the existing lawn and pre-qualification prior to delivery of the materials with a post inspection when completed. Staff is negotiating the details with the Waste Management contractor on whether this package can be offered directly to customers by NMWD or if it will be rebated through the Cash for Grass program. Staff is recommending that the Board authorize the General Manager (or designated staff) to implement the Sheet Mulching Pilot Program and negotiate the final pilot program details with Waste Management and their affiliated landscape materials contractor for an amount not to exceed \$8,000.

2) Hot Water Recirculation Rebate Pilot Program: Hot water recirculation systems consist of a small pump that works in conjunction with existing hot water plumbing systems to more quickly provide hot water to plumbing fixtures (showerhead, or bathroom faucet) most distant from the hot water heater. Unheated water left in the line is recirculated back to the hot water heater as opposed to running down the drain, thereby saving water. Installation of the hot water recirculation system is estimated to save around 3,500 gallons per year. Staff is proposing the Hot Water Recirculation System Pilot Program which would offer a \$75 rebate for up to 50 customers to install qualified hot water recirculation systems. Staff is recommending the Board to authorize the General Manager to implement the Hot Water Recirculation System Rebate Pilot Program (Estimated total rebate cost of \$4,000).

RECOMMENDATION

- 1) Board approve and authorize General Manager to implement the Sheet Mulching Pilot Program and/or to negotiate and execute an agreement for the Sheet Mulching Pilot Program for an amount not to exceed \$8,000.
- 2) Board approve and authorize the General Manager to implement the Hot Water Recirculation System Rebate Pilot Program.



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## MEMORANDUM

To: Board of Directors  
From: Ryan Grisso, Water Conservation Coordinator *RG*  
Subject: Revised Resolutions Setting Water Conservation Rebate Amounts  
W:\Memos to Board\Resolution for Rebate Amounts 060314.doc

May 30, 2014

**RECOMMENDED ACTION:** Approve revised Resolutions 06-01 and 06-02

**FINANCIAL IMPACT:** None at this time

In an effort to increase water conservation program offerings to customers during the 2014 drought, staff is requesting the re-initiation of the swimming pool cover rebate and establishment of a second level toilet rebate for those qualified Ultra High Efficiency Toilets (UHET) that use 1.1 gallons per flush (GPF) or less. Revisions have been made to Resolution 06-01 and 06-02 (shown in highlight/strikeout format) to reflect these programs and are attached for your review and approval.

The pool cover rebate was previously initiated in the 2007 drought but tabled in 2012. Bringing the swimming pool cover rebate back during the current drought should help incentivize customers to cover their pools when not in use.

The toilet rebate changes are being requested to offer customers a greater incentive for purchasing UHETs that are more water use efficient than the current State of California required 1.28 GPF High Efficiency Toilet (HET). Staff is proposing continuing to rebate those 1.28 GPF HETs at \$100/toilet through the end of the calendar year, with a second level rebate at \$150/toilet for UHETs that flush even less (1.1 GPF or less). These 1.1 GPF or less UHETs are produced by many companies and there are limited models available at local plumbing stores. The higher rebate level is expected to help with market transformation resulting in more UHET models available in the future. Sonoma County Water Agency produces a qualified toilet list of these models and has agreed to help us adapt that list with our logo and rebate information.

The Board is recommended to approve revised Resolutions 06-01 and 06-02.

RECOMMENDATION

Board approve proposed changes to Resolution 06-01 and Resolution 06-02, as noted in Attachments 1 and 2.

**REVISED RESOLUTION 06-01**  
**OF THE NORTH MARIN WATER DISTRICT**  
**BOARD OF DIRECTORS**  
**SETTING WATER CONSERVATION REBATE AMOUNTS**  
**FOR NOVATO SERVICE AREA**

---

BE IT RESOLVED by the Board of Directors of North Marin Water District that following rebate amounts are available to customers of the Novato Service Area of the North Marin Water District effective July 1, ~~2012~~2014:

- Residential High Efficiency Toilet (HET) rebate amount to be set at up to \$100 for District approved HETs (1.28gpf or less) and \$150 for District approved Ultra High Efficiency Toilets (1.1gpf or less).
- Commercial High Efficiency Toilet (HET) rebate amount to be set at up to \$100for District approved HETs(1.28gpf or less) and \$150 for District approved Ultra High Efficiency Toilets (1.1gpf or less).
- High Efficiency washing machine rebate set at up to \$50.
- Residential and Commercial Weather-Based Irrigation Controller (Smart Control) rebate amount to be set at \$100 or \$30 per active station up to \$1,200 on qualified controller purchase. Rebate amount not-to-exceed cost of controller.
- Landscape Water Efficient Rebates shall cover up to 50% of the actual cost of District specified items up to a maximum of \$100 for residential customers and up to a maximum of \$1,000 for non-residential customers.
- Cash for Grass Rebates (in accordance with Regulation 15, Section H) are available at the rate of up to \$50 per 100 square feet of formal lawn area(s) removed and replaced with eligible replacement plant materials but shall not exceed the following values:
  - Singe family detached residences and duplexes, each dwelling unit - \$400
  - Townhouses, condominiums, triplexes and fourplexes, each dwelling unit - \$100
  - Apartments (5 unites or more), each dwelling unit - \$50
  - Senior citizen unit or second unit with kitchen, each unit - \$40
- Pool Cover Rebate shall cover 25%of the actual cost of a District qualified covers up to \$50.

\* \* \* \* \*

Date Approved: January 17, 2006  
Date of Revision: June 20, 2006  
Date of Revision: July 15, 2008  
Date of Revision: December 1, 2009  
Date of Revision: June 21, 2011

w:\resolutions\res 06-01 toilet rebate novato rev 14 draft.doc\\nmwdsrv1\water-conservation\resolutions\res-06-01-toilet-rebate-novato rev-12-draft.doc

Date of Revision: June 19, 2012

Date of Revision: June 6, 2014

\*\*\*\*\*

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the ~~49th~~ 6th day of June, ~~2012~~ 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

---

Katie Young, District Secretary  
North Marin Water District

**REVISED RESOLUTION 06- 02**  
**OF THE NORTH MARIN WATER DISTRICT**  
**BOARD OF DIRECTORS**  
**SETTING WATER CONSERVATION REBATE AMOUNTS**  
**FOR WEST MARIN SERVICE AREA**

---

BE IT RESOLVED by the Board of Directors of North Marin Water District that following rebate amounts are available to customers of the West Marin Service Area of the North Marin Water District effective July 1, ~~2012~~2014:

- Residential High Efficiency Toilet (HET) rebate amount to be set at up to \$100 for District approved HETs(1.28gpf or less) and \$150 for District approved Ultra High Efficiency Toilets (1.1gpf or less).
- Commercial High Efficiency Toilet (HET) rebate amount to be set at up to \$100 for District approved HETs(1.28gpf or less) and \$150 for District approved Ultra High Efficiency Toilets (1.1gpf or less).
- High Efficiency washing machine rebate set at up to \$50.
- Residential and Commercial Weather-Based Irrigation Controller (Smart Control) rebate amount to be set at \$100 or \$30 per active station up to \$1,200 on qualified controller purchase. Rebate amount not-to-exceed cost of controller.
- Landscape Water Efficient Rebates shall cover up to 50% of the actual cost of District specified items up to a maximum of \$100 for residential customers and up to a maximum of \$500 for non-residential customers.
- Cash for Grass Rebates (in accordance with Regulation 15, Section H) are available at the rate of up to \$50 per 100 square feet of formal lawn area(s) removed and replaced with eligible replacement plant materials but shall not exceed the following values:
  - Single family detached residences and duplexes, each dwelling unit - \$400
  - Townhouses, condominiums, triplexes and fourplexes, each dwelling unit - \$100
  - Apartments (5 unites or more), each dwelling unit - \$50
  - Senior citizen unit or second unit with kitchen, each unit - \$40
- Pool Cover Rebate shall cover 25%of the actual cost of a District qualified covers up to \$50.

\* \* \* \* \*

Date Approved: January 17, 2006  
Date of Revision: July 27, 2006  
Date of Revision: July 15, 2008  
Date of Revision: December 1, 2009  
Date of Revision: June 21, 2011  
Date of Revision: June 19, 2012  
Date of Revision: June 6, 2014

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on ~~the 19th~~ the 6th day of June ~~2012~~ 2014 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAINED:

---

Katie Young, District Secretary  
North Marin Water District

(SEAL)

9

## MEMORANDUM

To: Board of Directors

May 30, 2014

From: David L. Bentley, Auditor-Controller 

Subj: Employee Down Payment Assistance - 15 Gustafson Court

\\gm\agreements\emp housing\baccol\bod memo re concept.docx

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$100,000 Loan to Employee Repaid Through Payroll Deduction**

The District acquired the first deed of trust on the single-family residence at 15 Gustafson Court in December 2013. After performing some minor cleanup, the home was rented to a couple who both work for the District. The couple recently married and thereby are entitled to the cash benefit afforded employees who have duplicate medical coverage. They have expressed interest in owning the home, but lack the down-payment necessary to purchase the property.

Staff proposes to make a payroll advance to the couple in the form of a \$100,000 loan put into escrow for purchase of the home. The couple would then take out a first mortgage on the home, thereby acquiring it from the District. An appraiser would be employed to determine the current market value. The loan would be repaid to the District, with interest, through payroll deduction, in semi-monthly amounts equivalent to the duplicate medical benefit cash payment. We calculate that the District would be fully reimbursed in 6-7 years. To secure the District loan, a second deed of trust would be recorded against the title to the property.

The two employees, an Electrical-Mechanical Technician and a Chemist II, have 16 and 9 years of tenure, respectively, with the District.

**RECOMMENDATION:**

Authorize staff to work with legal counsel and employ an appraiser to work out the details of the proposed payroll advance and sale of the home, and report back to the Board.



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## MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Purchase of FY15 Insurance  
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May 30, 2014

**RECOMMENDED ACTION:** Approve

**FINANCIAL IMPACT:** \$132,256 to be included in FY2014/15 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 for the past two years; and, 3) ABD Insurance of San Mateo. For the third 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 called prior to the deadline and reported they could not present a competitive proposal. ABD presented a proposal for general liability coverage only, but that proposal excludes coverage for dam, subsidence, eminent domain and inverse condemnation liability, which is unacceptable.

The recommended purchase package presented for your consideration herein, incorporates for the first time Cyber Liability insurance, and reflects a cost increase of \$11,103 (9%) from the current year premium.

**PROPOSAL SUMMARY**

Insurance Proposal	FY13/14	FY14/15	% Δ
Property	\$38,246	\$50,753	33% <sup>1</sup>
Liability <sup>2</sup>	\$33,631	\$22,552	-33%
Excess Workers' Comp	\$49,276	\$50,707	3%
Cyber Liability	-	\$8,244	-
	\$121,153	\$132,256	9%

**MARKETING RECAP**

Gallagher approached four carriers to underwrite the property and liability coverage. Argonaut's aggressive renewal pricing resulted in all three of the other carriers declining to make a proposal. Both SST & ABD found the carriers they approached either could not be competitive, or the carriers had already been approached by Gallagher. Gallagher approached

<sup>1</sup> The Argonaut underwriter explained that the company has moved to a new "rating model", so that while the total property and liability package premium increased a modest 1.7%, the individual components changed significantly.

<sup>2</sup> Amounts shown are NMWD's net cost after MCWCFCD's contribution (\$13,650 in FY14 & FY15).

four carriers for Excess Workers' Compensation coverage. None could compete with the incumbent's pricing. Eight carriers were approached by Gallagher to obtain proposals for 1st dollar (e.g., no deductible) workers' compensation coverage. 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. One 1st dollar workers' compensation insurance proposal was obtained.

**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.) increased 5.8% from the prior year, to \$57.4 million.

<u>2013-14 Actual</u>					
<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Property	\$54,226,000	\$25,000	\$38,246	\$0.71
<u>2014-15 Proposal</u>					
<b>Argonaut</b>	<b>Property</b>	<b>\$57,370,000</b>	<b>\$25,000</b>	<b>\$50,753</b>	<b>\$0.88</b> ⇐

**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 increased 16% from the prior year to \$520,000.

<u>2013-14 Actual</u>					
<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Auto PD	\$450,000	\$3,000	Included	-
<u>2014-15 Proposal</u>					
<b>Argonaut</b>	<b>Auto PD</b>	<b>\$520,000</b>	<b>\$3,000</b>	<b>Included</b>	<b>-</b> ⇐

**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>2013-14 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$1,000,000	\$25,000	Included
<u>2014-15 Proposal</u>			
<b>Argonaut</b>	<b>\$1,000,000</b>	<b>\$25,000</b>	<b>Included</b> ⇐

**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 next \$9 million, rendering total coverage of \$10 million. Under Argonaut's proposed policy, MCFCWCD's share of the cost remains at \$13,650 next fiscal year for the \$5 million in additional coverage required under the agreement.

<u>2013-14 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Argonaut	\$10,000,000	\$1,000,000	\$33,631 <sup>3</sup>
<u>2014-15 Proposal</u>			
<b>Argonaut</b>	<b>\$10,000,000</b>	<b>\$1,000,000</b>	<b>\$22,552<sup>4</sup></b> ⇐

<sup>3</sup> Net cost shown. FY14 total premium is \$47,281. MCFCWCD paid \$13,650 for the incremental \$5M coverage.

<sup>4</sup> Net cost shown. FY15 total premium is \$36,202. MCFCWCD will pay \$13,650 for the incremental \$5M coverage.

**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.

2013-14 Actual

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

**2014-15 Proposal**

<b>Argonaut</b>	<b>\$500,000</b>	<b>\$10,000</b>	<b>Included</b>	↩
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**EXCESS WORKERS' COMPENSATION INSURANCE**

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 \$61,300. The District has incurred only three minor claims this fiscal year-to-date and has paid out less than \$900 in claims cost. This \$62,200 cost (\$61,300 + \$900) compares to Chartis' FY14 proposal for 1st dollar workers' comp coverage of \$312,000. Based on the District's very moderate injury record, Alaska National Insurance Company visited the District, interviewed several employees, inspected the facilities, and proposed a FY15 1st dollar coverage policy at a cost of \$204,000. Staff recommends the District continue to self-insure its Workers' Compensation liability. The New York Marine and General Insurance Company proposal for Excess Workers' Compensation coverage for FY15 increased 2.9%, to \$50,707.

2013-14 Actual

<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
NY Marine	Statutory (unlimited)	\$750,000	\$49,276

**2014-15 Proposal**

<b>NY Marine</b>	<b>Statutory (unlimited)</b>	<b>\$750,000</b>	<b>\$50,707</b>	↩
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**CYBER LIABILITY INSURANCE**

Last year at this time staff advised the Board that the Computer Fraud coverage provided under the Argonaut Crime Policy does not protect the District in all the areas of digital vulnerability. The existing Computer Fraud policy insures the District against money/securities loss. A Cyber Liability policy covers sensitive or personally identifiable information (such as social security numbers, credit card numbers, etc.) and covers District losses and third-party claims.

A major benefit of Cyber Liability insurance is coverage for the costs associated with notification & data breach response. The amount of sensitive information being stored and transmitted electronically increases annually. The District holds a significant volume of private customer and employee information. In addition to hacking, theft or loss of laptops, flash drives or smart phones can render any business vulnerable to a data breach. There are substantial financial costs involved in finding and remedying a breach, including the cost of notifying customers, now legally mandated in California, as well as possible fines and legal expenses. A data breach would harm to the District's reputation and could interrupt its ability to render bills. A Cyber Liability policy provides funds to employ experts to mitigate losses. Related to this, included in the FY15 operating budget is money for a Cyber Liability expert to audit the District to make recommendations to address areas of vulnerability.

Proposals from two carriers for Cyber Liability coverage were received, with multiple options for various levels of coverage and self-insured retention. The proposal from Illinois Union offers broader coverage than the Lloyds policy, and is therefore the recommended policy.

<u>2013-14 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
None			
<u>2014-15 Proposal</u>			
Syndicate at Lloyds	\$1,000,000	\$50,000	\$8,055
Illinois Union	\$1,000,000	\$25,000	\$8,244
Syndicate at Lloyds	\$1,000,000	\$10,000	\$8,531
Syndicate at Lloyds	\$2,000,000	\$50,000	\$10,020
Syndicate at Lloyds	\$2,000,000	\$10,000	\$10,614



Last year's insurance purchase totaled \$121,153.

**STAFF RECOMMENDATION:**

<u>TYPE</u>	<u>CARRIER</u>	<u>RATING</u>	<u>COVERAGE</u>	<u>PREMIUM</u>
Property	Argonaut	A XII	\$57,890,000	\$50,753
Liability	Argonaut	A XII	\$10,000,000	\$22,552 <sup>3</sup>
Excess Worker's Comp	NY Marine	A IX	Unlimited	\$50,707
Cyber Liability	Illinois Union	A++ XV	\$1,000,000	\$8,244
				<u>\$132,256</u>

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## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: CalPERS Side Fund Pay Off  
\\aclword\personnel\pers\side fund.docx

May 30, 2014

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: Potential Savings of \$800,000**

At the Board's January workshop Staff broached the subject of paying off the District's \$2.1 million CalPERS Side Fund liability. The Board expressed interest in using District reserves to pay off the liability, once the District's reserve posture improved, thereby saving the 7.5% interest charge that CalPERS levies on this liability. Since the workshop the District's cash balance has increased \$1.4 million, owing to both receipt of recycled water grant and loan funds, and execution of the Interconnection Agreement triggering a \$747,000 payment from Marin Municipal as their initial contribution toward the Aqueduct Energy Efficiency Project (AEEP). This has allowed the District to increase its cash reserve to \$17.6 million, equivalent to 90% of annual operating expense. The District's reserve balance is now adequate to extinguish the Side Fund liability, and Staff recommends the Board authorize staff to pay-off this debt.

**Background**

In 2003, when NMWD was included in a CalPERS risk pool of agencies with less than 100 employees, a "Side Fund" was created by CalPERS to account for the difference between the funded status of the pool and the funded status of NMWD's plan. The District is amortizing its CalPERS Side Fund (which, at June 30, 2012, was \$2.2M of the District's \$6.9M unfunded pension liability) as a component (5.456% of next fiscal year's payroll) of its existing semi-monthly employer contribution, on a schedule to be paid off in 2025. The CalPERS 7.5% interest charge on the debt will total \$998,000 over the next eleven years. One option for the District is to continue to pay down the Side Fund to CalPERS at 7.5% interest.

Several agencies, including the City of Novato, have borrowed money at a lower interest rate to pay-off their CalPERS Side Fund debt, replacing the payments to CalPERS with a lower cost debt service. Option 2 would be for the District to borrow money to pay off the Side Fund liability.

In July 2012 Brandis Tallman, a Bay Area financial advisory and underwriting firm, analyzed the District's side-fund amortization schedule and the savings available by refinancing same with private debt. The District paid \$226,000 to amortize its Side Fund liability in FY13. The amount will increase to \$322,000 in FY25, when the Side Fund liability is fully amortized.

Brandis Tallman proposed that the District issue \$2.25M in debt (\$50K is financing cost) with a repayment schedule structured similar to the escalating CalPERS amortization schedule. The interest rate proposed, including financing fees, was 5.2%, which they report would allow an average annual savings of \$22,000 (\$245,000 total). The interest charge would total \$701,000, as compared to \$998,000 under the existing CalPERS amortization schedule.

Option 3 would be to finance the Side Fund with a loan from Bank of Marin. At the same 3.54% "all-in" rate as the AEEP loan, this option would result in total interest charge of \$466,000, generating a savings of \$532,000.

Staff recommends that, rather than taking on new debt, to instead extinguish the Side Fund liability using existing money in the District treasury, Option 4. This would extinguish the District's semi-monthly Side Fund payment obligation to CalPERS with cash on hand. The "cost" of this option would be the interest earnings foregone on the \$2.1 million sent to CalPERS. Under this option there is no certainty regarding the foregone earnings interest cost. Using the historical LAIF rate over the past 11 years (2.02% on average), mirrored in reverse (i.e., ramping up at the same rate it came down), the interest earnings foregone would be \$83,000, which would generate a total savings of \$915,000 (\$998,000 - \$83,000). For sensitivity analysis, adding 1% to the 11-year historical average increases the interest revenue foregone to \$166,000 (savings of \$832,000), and adding 2% increases the interest foregone to \$250,000 (\$748,000 savings).

For the past several years the District's outside auditor, Paul Kaymark, has been prompting staff to refinance this 7.5% liability. Due to the uncertainty surrounding the State of California's finances and the potential political impact on CalPERS, staff has resisted Kaymark's recommendation, and instead urged that the District take a wait and see approach before committing the District to additional debt. With the California economy now on the mend, and District reserves stronger, Staff believes that Kaymark's recommendation is now appropriate, but rather than incurring additional debt, simply pay-off the Side Fund liability from existing reserves.

### **Financial Plan Impact**

The District's 5-year Financial Plan includes a goal to attain a reserve balance equal to 90% of annual operating expenditures. The updated financial plan presented at the District's May 20 public hearing showed that the Novato potable water system surpassed the 90% goal in April of this fiscal year. Then next year, when the \$5 million remaining balance of the Bank of Marin Loan funds are expended to pay for the AEEP, the reserve balance will fall below 90%, but each year thereafter the reserve balance will increase. From the Auditor-Controller's

perspective, the key is not necessarily to attain a specific reserve balance, but rather to set rates that provide a reserve balance increasing annually toward the goal, with the 90% goal serving simply as a maximum target to aim for.

After water sales volume bottomed-out in FY10 at 2.75 BG, the District incorporated a financial plan projection of 2.7 BG annually, which is conservative, and is appropriate. Surpassing this volume each year since has allowed the District to exceed its budgeted cash increase goal annually. To add further assurance, commencing in 2014 the financial plan now incorporates a projection of zero connection fee revenue. Together, the conservative sales volume and connection fee assumptions provide confidence that the annual 5% increases now incorporated into the financial plan overstate the actual increases that will be required to maintain an increasing reserve balance.

In summary, Staff does not see that extinguishing the CalPERS Side Fund liability will magnify a future rate increase. On the contrary, over the next eleven years the reduced CalPERS contribution resulting from extinguishing the Side Fund liability will serve to moderate future water rate increases.

#### Side Fund Financing Cost Summary

Option	Rate	Interest Cost	Savings
1. CalPERS	7.5% Fixed	\$998,000	\$0
2. Bond Financing	5.2% Fixed	\$701,000	\$297,000
3. Bank of Marin	3.54% Fixed	\$466,000	\$532,000
4. District	Variable (Est 2-4%)	\$83,000-\$250,000	\$748,000-\$915,000

#### **RECOMMENDATION**

Authorize Staff to fully extinguish the District's CalPERS Side Fund liability by implementing Option 4, paying \$2,073,701 to CalPERS by June 30, 2014, thereby reducing the semi-monthly CalPERS contribution each year through FY25.



**California Public Employees' Retirement System**  
**Actuarial Office**  
 P.O. Box 942709  
 Sacramento, CA 94229-2709  
 TTY: (916) 795-3240  
 (888) 225-7377 phone • (916) 795-2744 fax  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

March 11, 2014  
 CalPERS ID: 5016908593  
 Employer Name: NORTH MARIN WATER DISTRICT  
 Rate Plan: MISCELLANEOUS PLAN

Re: Lump Sum Payment to reduce 2014-2015 and later employer contribution rates

Dear Requestor:

As requested, July 1, 2014 employer contribution rate information on your lump sum payment follows.

**If you are aware of others interested in this information, please inform them.**

The information is based on the most recent annual valuation and assumes payment by *June 30, 2014* and no further contractual or financing changes taking effect before June 30, 2015. The Side Fund resulting from risk pooling valued at **\$2,073,701** (including any adjustments due to plan amendments, vouchers, golden handshakes, or financing changes) as of June 30, 2014, will be reduced or eliminated by a lump sum payment in the amount of **\$2,073,701**. Any later adjustments due to plan amendments, vouchers, golden handshakes, etc. could increase or reestablish the negative side fund.

The change in your 2014/2015 employer contribution rate after you make the proposed lump sum payment is displayed in the "Change to Total Employer Rate" line below. There will be no change to your 2013/2014 rate.

Valuation as of June 30, 2012	Pre-Payment	Post-Payment
Projected 6/30/14 Side Fund (SF)	<b>(\$2,073,701)</b>	
Proposed Lump Sum Pmt by 6/30/14	<b>\$2,073,701</b>	<b>\$2,073,701</b>
Revised projected 6/30/2014 SF		<b>\$0</b>
<b>2014-2015 Employer Contribution Rate</b>		
Risk Pool's Net Employer Normal Cost	8.896%	8.896%
Risk Pool's Payment on Amortization Bases	6.239%	6.239%
Surcharges for Class 1 Benefits	0.566%	0.566%
Phase out of Normal Cost Difference	0.000%	0.000%
Amortization of Side Fund	5.456%	0.000%
<b>Total Employer Contribution Rate</b>	<b>21.157%</b>	<b>15.701%</b>
Amortization Period	<b>11 years</b>	<b>N/A</b>
Change to Total Employer Contribution Rate		<b>(5.456%)</b>


To initiate this change, the enclosed Lump Sum Payment Request must be completed and returned to the Fiscal Services Division with a wire transfer or a check by June 30, 2014. A copy should be sent to us.

If you have questions, please call (888) CalPERS (225-7377).

BARBARA J. WARE, FSA, MAAA  
 Enrolled Actuary  
 Senior Pension Actuary, CalPERS

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MEMORANDUM

To: Board of Directors  
From: Pablo Ramudo, Water Quality Supervisor   
Subject: Proposed Permits for Discharges of Potable Water  
p:\lab\wq supv\2014\memo to board re proposed potable discharge permit.doc

May 30, 2014

**RECOMMENDED ACTION:** Information only.  
**FINANCIAL IMPACT:** None at this time

**Proposed Permits for Potable Water Discharges**

There are two permits regulating the discharge of potable water by public water systems being proposed at this time, one by the State Water Resources Control Board and another by the San Francisco Bay Regional Water Quality Control Board. Both authorities have been holding stakeholder meetings over the past few months and intend to adopt permits by the fall of this year. Currently most discharges are exempt from monitoring and reporting requirements pursuant to compliance with the permit for Storm Water Discharges from Municipal Separate Storm Sewer Systems (MS4 Permit) held by the county of Marin.

The new permits would cover many activities in which we undertake for operation and maintenance of the distribution system, such as our annual flushing program, intentional draining of tanks for maintenance or due to possible contamination or poor water quality. The permits would also regulate all unplanned discharges such as main breaks, tank overflows, and fire hydrant breaks; as well as planned activities for source water and capital improvements such as backfeeding Stafford Lake and discharging chlorinated water from the disinfection of new water mains.

Although neither of the proposed permits has been finalized, there are many provisions that are likely to be included in a final draft:

1. Best Management Practices Plan

2. Numeric limits for chlorine applicable to discharges located less than 300 feet from a receiving water body.
3. Effluent monitoring of discharges within 300 feet of receiving water and greater than 15,000 gallons.
4. An Action Level for turbidity applicable to discharges from trench dewatering and well operations.
5. Erosion Control Plan required for planned large discharges
6. Unplanned Discharges would not require effluent monitoring when it would be unsafe or infeasible. However an explanation of conditions would have to be included in a report of the discharge.

There would be some significant changes to our operations by the proposed regulations, the most obvious are:

1. Determining which discharge points are within 300 feet of a receiving water.
2. Updating our Best Management Practices Plan to address all types of discharges and sediment and erosion control.
3. Acquiring new equipment for dechlorination of large planned discharges.
4. Monitoring for chlorine and turbidity when appropriate.

We will continue to engage with the regulatory authorities as much as possible to make any new requirements as practical as possible to comply with while meeting their objectives.

There were two recent unplanned discharges in the Novato System that are examples of discharges that will be covered when the new permits are adopted. Neither of these two incidents would have had significant changes to our response under the new regulations. The following are descriptions of each of the incidents.

### **Tank Overflow at Lower Wildhorse Tank**

On May 22<sup>nd</sup> a communications failure at lower Wildhorse tank did not allow the pump station to receive the elevation signal from the tank and it continued to pump past the overflow level of the tank. The tank began to overflow at approximately 5:15 p.m. and ran for approximately 5 hours spilling 168,000 gallons. The pump station was shut down manually by the operator as soon as the overflow was discovered. The water from this tank is discharged onto land adjacent to the tank and travels approximately 900 feet over land until it reaches a seasonal tributary of Vineyard Creek. Water travelled down the dry creek bed for an additional mile and a half before entering Vineyard Creek. There are portions of Vineyard Creek that still contain water and support small populations of steelhead trout and fingerlings.

In the days following the overflow we received calls and email correspondence from the Marin County Storm Water program, San Francisco Regional Water Quality Control Board, and Marin County Waste Management after a resident whose house backs up to vineyard creek reported turbid water. A report of the incident and discharge has been requested by the Regional Board.

### **Main Break on Maestro Road at Wilson Avenue**

Three days later, on May 25<sup>th</sup> at 9:00 am a main break occurred on Maestro Road near the intersection with Wilson Avenue. Crews brought the break under control quickly and finished the repair at approximately 2:30 pm. A portion of the distribution system adjacent to the broken main was dewatered affecting 27 customers. Once water service was restored and the main flushed, samples were taken from 2 locations to confirm continued and adequate disinfection. At that time a Water Quality Alert notice (attached) was hand delivered to each of the 27 customers' residences. A second set of samples was collected the next day. After results from both sets of samples were negative for coliform bacteria a Cancellation of Water Quality Alert notice was hand delivered to the 27 customers' residences.

During the 4.5 hours duration of the discharge from the broken main approximately 200,000 gallons were lost and entered the nearby creek bed which was approximately 25 feet from the break. Ascorbic acid tablets were brought to the site of the break as soon as possible and placed in the flow of water entering the creek to remove chlorine from the water and protect aquatic life downstream.



## **Recovery and Mitigation**

In both recent unplanned discharges described above, NMWD personnel responded quickly to bring the discharges under control, and where possible, using best management practices for dechlorination to mitigate any potential damage resulting from these discharges.

In order to keep our storage tanks from over filling Staff has developed a project to install overflow sensors that are independent of the tank level sensors. This plan was developed to back up the control process that the existing tank level sensors provide for pump operation and Operator control. The recent overflow situation was rooted in the failure of a control circuit. When these new overflow sensors are installed and connected back to the main operations control system, this overflow issue will be avoided. Staff is currently on track to have the Center Road and Wild Horse tanks overflow and access alarms completed by the end of June and another 10 tanks are planned for this retrofit in the next fiscal year capital improvement projects.

To address the operator of follow up on alarms require a review of all alarms at shift transitions to ensure there has not been something overlooked.

We will be developing best management practices to address sediments and silt that may wash into creeks and water bodies from main breaks, like those we use to address dechlorination during breaks and flushing activities. This will most likely mean that crews will carry sediment fabric and other tools which they will deploy at points of discharge while simultaneously bringing discharges under control.

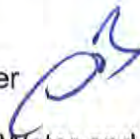
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MEMORANDUM

To: Board of Directors

May 30, 2014

From: David L. Bentley, Auditor-Controller



Subj: Initial Review – FY15 West Marin Water and Oceana Marin Sewer Budgets  
t:\acl\word\budget\wm\15\wm15 initial review.docx

**RECOMMENDED ACTION:** Initial Review & Provide Direction to Staff

**FINANCIAL IMPACT:** None at this time. Upon adoption, the FY15 Budgets would see:

West Marin Water System Rate Increase .....	\$41,000
West Marin Water System Drought Surcharge .....	\$43,000
West Marin Water System Expenditure Plan .....	\$2,196,000
Oceana Marin Sewer System Rate Increase .....	\$8,000
Oceana Marin Sewer System Expenditure Plan .....	\$315,000

Following for your initial review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for FY 2014/15 (FY15). Proposed for the West Marin Water System customers is a rate increase averaging 5%. Proposed for the Oceana Marin Sewer System is a 5% rate increase.

**INCREASE PROPOSAL DETAIL**

**Water Rates**

Consistent with the increase adopted for Novato customers, a 5% increase for the typical residential customer is recommended, comprised of a 7% commodity rate increase and no increase in the bimonthly service charge, which stands at \$30 bimonthly for the typical customer with a 5/8" meter (with the exception that Paradise Ranch Estates customers pay \$46 as their service charge includes the cost of amortizing the \$14,000 annual revenue bond debt service applicable exclusively to customers residing within the PRE subdivision). The proposed West Marin Water increase would total \$31 annually (\$2.58 per month) for the typical residential customer (see Rate Increase Analysis on page 6).

A letter was mailed to each West Marin Water customer on May 9, 2014 advising of the proposed rate increase and extending an invitation to attend the public hearing and/or exercise the right to protest the proposed increase (see page 10).

If enacted, the proposed increase will generate \$41,000 in additional revenue next fiscal year.

Commodity Rate Increase	\$41,000
Bimonthly Service Charge Increase	0
Total	<u>\$41,000</u>

The proposed budget also includes \$43,000 in drought surcharge revenue generated between July 1 and November 1 due to the anticipated enactment of a 25% mandatory water use restriction.

Annual 5% increases are included in the 5-year financial plan for FY16 and beyond (see page 4) to help pay for \$1.25 million in water treatment plant improvements. In addition, the District can no longer defer replacement of the 25,000 gallon redwood tank that was destroyed in the Mount Vision fire. An 82,000 gallon concrete replacement tank is estimated to cost \$500,000, and approximately \$500,000 needed to complete the water treatment and PRE storage projects will need to be borrowed and repaid with interest.

### **Sewer Rates**

The system held a cash balance of \$304,000 at April 30, 2014. The Five-Year Financial Plan includes a \$350,000 project to clean and line the settling and treatment ponds in FY19. A 5% (\$3/month) increase is proposed for FY15, which will generate an additional \$8,000 per year. Annual 5% increases are included in the 5-year financial plan (\$3 per month) for FY16 and beyond to help pay for the pond relining project.

An increase in the Sewer Service Charge, which is collected on the Property Tax roll, must be adopted by ordinance, which requires readings at two Board meetings and publication twice. A summary of the ordinance will be published in the Point Reyes Light on June 5 and June 19, and customers have been invited to attend the June 24 meeting in Point Reyes Station. The ordinance summary is included on page 20.

### **Connection Fees**

West Marin Water and Oceana Marin Sewer connection fees were last increased in August 2009. The West Marin Water increase was phased over two years. One new connection is budgeted for both West Marin Water and Oceana Marin Sewer next fiscal year. Staff anticipates reviewing the West Marin Water connection fee calculation again following approval of the Master Plan Updates for each district.

## **BUDGETED SYSTEM IMPROVEMENT PROJECTS**

Significant Improvement Projects budgeted for the coming year, from page 1 of the budget package, include:

### **Water**

- \$1,286,000 to complete installation of 5,200 feet of 12-inch pipeline along the Pt. Reyes-Petaluma Road between NMWD's Gallagher Well and the existing transmission line near Downey Well. This project will help address periodic salinity intrusion at the Coast Guard wells.
- \$100,000 to complete modification of the Olema Pump Station to prevent flooding of facilities by Olema Creek and to upgrade its SCADA remote terminal unit.
- \$120,000 to upsize 900 feet of 4-inch pipeline to 8-inch from Bear Valley Tanks to Fox Dr/McCarthy Ct to improve water delivery and fire flow to the Bear Valley Service Area.

### **Sewer**

- \$40,000 to rebuild the disposal field fence that has been damaged by cattle. This project also includes replacement of damaged valve boxes.
- \$15,000 to relocate the pond power connection as requested by Estero Mutual (Oceana Marin Water Company) to remove NMWD's power feed from their service box.

### **Future Projects**

The West Marin Water System Five-Year Financial Plan shows the \$500,000 PRE Tank 4A replacement will commence in FY16. The \$1.25 million upgrade of the treatment plant is scheduled for FY17.

For Oceana Marin Sewer, \$15,000 in continued work on infiltration repair is forecast each year into the future. \$100,000 is included, commencing in FY16, for design and installation of an 8th disposal trench. Finally, \$350,000 is included for lining the settling and treatment ponds in FY19.

## **WEST MARIN WATER SYSTEM OPERATING BUDGET**

You will note from page 3 of the budget that the proposed West Marin Water System Budget projects a cash deficit next fiscal year of \$8,000. The proposed budget projects one new service to be added to the system each year into the future, in line with the slow growth we have seen recently. A history of West Marin Water system growth is shown graphically on page 7.

FY15 water sales volume is budgeted to decrease 11% compared with the current year estimated actual. The West Marin system is projected to consume 70 million gallons (MG) next year, compared to 79 million gallons estimated for the current fiscal year, due to the anticipated enactment of mandatory 25% water use restrictions. The forecast assumes water sales volume will remain flat thereafter at 75MG as conservation programs (including water rate increases) continue to induce more efficient use of water. Historical consumption data is shown on page 8.

Operating expenditures, before depreciation, are budgeted to increase 12% from the FY14 adopted budget, an increase of \$89,000, and fall 2%, (\$10,000) from the current year estimated actual. The proposed budget includes \$35,000 for purchase of 200 acre-feet of water from Marin Municipal between July 1 and November 1 to maintain adequate flow in Lagunitas Creek, an additional \$18,000 in water conservation expense due to anticipated enactment mandatory water use restrictions, an additional \$5,000 is included for cathodic protection and a \$5,000 increase in the flushing program budget is also included. A graphical history of operating expenditures is shown on page 9. The 2014 update of the Coastal Area Annual Water Cost Comparison (page 14) shows that, even with the proposed rate increase, the water cost for NMWD's West Marin customers remains below that paid by the customers of the other seven coastal agencies surveyed.

### **OCEANA MARIN SEWER OPERATING BUDGET**

The proposed Oceana Marin Sewer budget shown on page 15 includes a \$3/month (5% - to \$68/month) increase in the sewer service charge. One new connection is budgeted for next fiscal year, which is Oceana Marin's average over the past five years, as shown in the chart on page 18. Next year's budget projects operating expenditures, before depreciation, to increase 17% from the current year budget, and 27% from the current year estimated actual. Termination of the agreement with Phillips and Associates to provide for Operation and Maintenance of the Oceana Marin system will add significant expense to operation of the Oceana Marin facility in FY15 as deferred maintenance items are addressed. Also incorporated into next year's budget is \$30,000 to update the Oceana Marin Master Plan, last updated in 2006.

A graphical history of Oceana Marin operating expenditures is shown on page 19. The 2014 update of the Coastal Area Annual Sewer Cost Comparison (page 21) shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, and assuming approval of the recommended 5% sewer service charge increase, Oceana Marin sewer service

will rank second in cost among the six coastal agencies surveyed.

The West Marin Water and Oceana Marin Sewer budgets will be reviewed again at the June 17 meeting. A public hearing to consider the proposed water rate increases and to adopt the water and sewer budgets is then scheduled for June 24 in Point Reyes Station.

Proposed  
**BUDGET**

*Initial Review*

**West Marin Water  
&  
Oceana Marin Sewer**  
FISCAL YEAR  
**2014-15**

**NORTH MARIN WATER DISTRICT**

999 RUSH CREEK PLACE, NOVATO, CA



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&  
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**Proposed Capital Improvement Projects**

5/27/14

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	FY14 Budget	FY14 E/A	FY15	FY16	FY17	FY18	FY19
<b>6. WEST MARIN WATER SYSTEM</b>							
a. TP Solids Handling (Note 3)	\$200,000	\$10,000			\$1,245,000		
b. Treatment Plant Control Valve Replacement	\$25,000	\$0					
c. Gallagher Auxiliary Stream Gauge	\$30,000	\$80,000					
d. Olema PS Flood Protection & RTU Upgrade	\$100,000	\$20,000	\$100,000				
e. Emergency Generator Connections	\$15,000	\$15,000	\$15,000				
f. Pt Reyes Tank #2 & #3 Seismic Piping Upgr	\$65,000	\$5,000					
g. Gallagher Pipeline (Note 4)	\$100,000	\$200,000	\$1,286,000				
h. THM Spray Systems (3 tanks)			\$10,000				
i. Upsize 4" Pipe from Bear Valley Tanks (8"@900')			\$120,000				
j. Replace Pump in Well #2			\$18,000				
k. Abandon Downey Well			\$50,000	\$50,000			
l. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)				\$50,000	\$450,000		
m. PB Replace in Sync w/ County Paving		\$35,000		\$50,000		\$50,000	
n. Rehab Coast Guard Well #2							\$275,000
	<u>\$535,000</u>	<u>\$365,000</u>	<u>\$1,599,000</u>	<u>\$150,000</u>	<u>\$1,695,000</u>	<u>\$50,000</u>	<u>\$275,000</u>
<b>7. OCEANA MARIN SEWER SYSTEM</b>							
a. Infiltration Repair	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
b. SCADA RTU Upgrade and Install	\$35,000	\$35,000					
c. Design/Install 8th Disposal Trench (300')				\$50,000	\$50,000		
d. Pond Power Relocation			\$15,000				
e. Disposal Field Fencing Upgrade			\$40,000				
f. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)					\$20,000	\$20,000	
g. Pond Cleaning & Lining							\$350,000
	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$70,000</u>	<u>\$65,000</u>	<u>\$85,000</u>	<u>\$35,000</u>	<u>\$365,000</u>

**Proposed Capital Improvement Projects**

5/27/14

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	<b>FY14 Budget</b>	<b>FY14 E/A</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>SUMMARY - GROSS PROJECT OUTLAY</b>							
West Marin Water	\$535,000	\$365,000	\$1,599,000	\$150,000	\$1,695,000	\$50,000	\$275,000
Oceana Marin Sewer	\$50,000	\$50,000	\$70,000	\$65,000	\$85,000	\$35,000	\$365,000
<b>GROSS PROJECT OUTLAY</b>	<b>\$585,000</b>	<b>\$415,000</b>	<b>\$1,669,000</b>	<b>\$215,000</b>	<b>\$1,780,000</b>	<b>\$85,000</b>	<b>\$640,000</b>
<b>LESS FUNDED BY LOANS/GRANTS/OTHER</b>							
WM Treatment Plant Solids Handling (Note 3)	(\$200,000)	(\$10,000)	\$0	\$0	(\$850,000)	\$0	\$0
Gallagher Pipeline (Note 4)	(\$100,000)	(\$200,000)	(\$1,286,000)	\$0	\$0	\$0	\$0
	<b>(\$300,000)</b>	<b>(\$210,000)</b>	<b>(\$1,286,000)</b>	<b>\$0</b>	<b>(\$850,000)</b>	<b>\$0</b>	<b>\$0</b>
<b>SUMMARY - NET PROJECT OUTLAY</b>							
West Marin Water	\$235,000	\$155,000	\$313,000	\$150,000	\$845,000	\$50,000	\$275,000
Oceana Marin Sewer	\$50,000	\$50,000	\$70,000	\$65,000	\$85,000	\$35,000	\$365,000
<b>NET (INTERNALLY FUNDED) PROJECT OUTLAY</b>	<b>\$285,000</b>	<b>\$205,000</b>	<b>\$383,000</b>	<b>\$215,000</b>	<b>\$930,000</b>	<b>\$85,000</b>	<b>\$640,000</b>
Total Number of Projects	9	10	10	5	5	3	3

2

Note 3 - West Marin Water Treatment Plant Solids Handling Facility partially funded by \$782,000 Bank Loan. Additional \$500K to be borrowed in FY17.

Note 4 - \$1.486M Gallagher Pipeline Funded by Prop 50 Grant

**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2014/15**

	<i>Proposed Budget 2014/15</i>	<i>Estimated Actual 2013/14</i>	<i>Adopted Budget 2013/14</i>	
<b>OPERATING INCOME</b>				
1	<b>Water Sales</b>	\$825,000	\$808,000	\$752,000
2	<b>Misc Service Charges</b>	<b>6,000</b>	6,000	6,000
3	<b>Total Operating Income</b>	<b>\$831,000</b>	\$814,000	\$758,000
<b>OPERATING EXPENDITURES</b>				
4	<b>Source of Supply</b>	<b>\$60,000</b>	\$35,000	\$21,000
5	<b>Pumping</b>	<b>39,000</b>	29,000	39,000
6	<b>Operations</b>	<b>40,000</b>	53,000	32,000
7	<b>Water Treatment</b>	<b>133,000</b>	149,000	125,000
8	<b>Transmission &amp; Distribution</b>	<b>117,000</b>	158,000	103,000
9	<b>Consumer Accounting</b>	<b>27,000</b>	23,000	26,000
10	<b>Water Conservation</b>	<b>22,000</b>	10,000	4,000
11	<b>General Administration</b>	<b>54,000</b>	42,000	50,000
12	<b>Depreciation Expense</b>	<b>160,000</b>	154,000	150,000
13	<b>Total Operating Expenditures</b>	<b>\$652,000</b>	\$653,000	\$550,000
14	<b>NET OPERATING INCOME (LOSS)</b>	<b>\$179,000</b>	\$161,000	\$208,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
15	<b>PR-2 County Tax Allocation</b>	<b>\$41,000</b>	\$40,000	\$43,000
16	<b>OL-2 Bond Tax</b>	<b>0</b>	4,000	4,000
17	<b>Interest Revenue</b>	<b>3,000</b>	4,000	3,000
18	<b>Bond &amp; Loan Interest Expense</b>	<b>(40,000)</b>	(41,000)	(41,000)
19	<b>Miscellaneous Revenue/(Expense)</b>	<b>4,000</b>	(28,000)	(5,000)
20	<b>Total Non-Operating Income/(Expense)</b>	<b>\$8,000</b>	(\$21,000)	\$4,000
21	<b>NET INCOME/(LOSS)</b>	<b>\$187,000</b>	\$140,000	\$212,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>				
22	<b>Add Depreciation Expense</b>	<b>\$160,000</b>	\$154,000	\$150,000
23	<b>Connection Fees</b>	<b>23,000</b>	0	46,000
24	<b>Prop 50 Grant</b>	<b>1,286,000</b>	200,000	
25	<b>Capital Improvement Projects</b>	<b>(1,599,000)</b>	(365,000)	(435,000)
26	<b>Bond &amp; Loan Principal Payments</b>	<b>(65,000)</b>	(61,000)	(64,000)
27	<b>Total Other Souces/(Uses)</b>	<b>(\$195,000)</b>	(\$72,000)	(\$303,000)
28	<b>NET SURPLUS/(DEFICIT)</b>	<b>(\$8,000)</b>	\$68,000	(\$91,000)

## WEST MARIN WATER

### 5-Year Financial Forecast

#	BASIC DATA	Actual 2011/12	Actual 2012/13	Estimated 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19
1	Active Meters	777	776	776	777	778	779	780	781
2	Avg Commodity Rate/1,000 Gal	\$6.97	\$7.61	\$8.10	\$8.77	\$9.20	\$9.66	\$10.15	\$10.66
3	Potable Consumption (MG)	74	81	79	70	75	75	75	75
<b>INCOME</b>									
4	Commodity Charge	\$518,217	\$614,880	\$640,000	\$657,000	\$644,000	\$728,000	\$765,000	\$803,000
5	Bimonthly Service Charge	115,584	138,684	168,000	168,000	180,000	189,000	199,000	209,000
6	Connection Fee	36,600	4,900	0	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	40,598	40,443	40,000	41,000	42,000	43,000	44,000	45,000
8	PR-3 G.O. Bond Tax	13,938	338	0	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,757	4,205	4,000	0	0	0	0	0
10	Interest	0	3,251	4,000	3,000	3,000	3,000	1,000	2,000
11	Miscellaneous	8,218	10,983	10,000	10,000	10,000	10,000	10,000	10,000
12	<b>TOTAL INCOME</b>	<b>\$736,912</b>	<b>\$817,684</b>	<b>\$866,000</b>	<b>\$902,000</b>	<b>\$902,000</b>	<b>\$996,000</b>	<b>\$1,042,000</b>	<b>\$1,092,000</b>
<b>EXPENDITURES</b>									
13	Operating Expenditures	\$382,948	\$396,828	\$489,000	\$454,000	\$468,000	\$482,000	\$496,000	\$511,000
14	Water Purchased from MMWD			\$10,000	\$38,000				
15	Miscellaneous	\$3,297	\$11,964	\$32,000	\$0	\$0	\$0	\$0	\$0
16	Bond & Loan Debt Service	55,597	110,799	102,000	105,000	100,000	101,000	137,000	137,000
17	Interdistrict Loan Interest	5,918	0	0	0	0	0	0	0
18	<b>TOTAL EXPENDITURES</b>	<b>\$447,760</b>	<b>\$519,591</b>	<b>\$633,000</b>	<b>\$597,000</b>	<b>\$568,000</b>	<b>\$583,000</b>	<b>\$633,000</b>	<b>\$648,000</b>
	<b>NET INCOME</b>	<b>\$289,152</b>	<b>\$298,093</b>	<b>\$233,000</b>	<b>\$305,000</b>	<b>\$334,000</b>	<b>\$413,000</b>	<b>\$409,000</b>	<b>\$444,000</b>
<b>OTHER SOURCES/(USES)</b>									
19	Capital Improvement Projects	(145,027)	(380,323)	(365,000)	(1,599,000)	(150,000)	(1,695,000)	(50,000)	(275,000)
20	Grant/Loan Proceeds	1,000,000	0	200,000	1,286,000	0	500,000	0	0
21	Loan from (Repayment to) Novato	(356,968)	0	0	0	0	0	0	0
22	Net Change in Working Capital	(4,574)	(51,956)	0	0	0	0	0	0
23	<b>INCREASE (DECREASE) IN CASH</b>	<b>\$782,583</b>	<b>(\$134,186)</b>	<b>\$68,000</b>	<b>(\$8,000)</b>	<b>\$184,000</b>	<b>(\$782,000)</b>	<b>\$359,000</b>	<b>\$169,000</b>
<b>CASH BALANCE</b>									
24	Operating Reserve	\$0	\$0	\$339,000	\$630,000	\$814,000	\$32,000	\$391,000	\$560,000
25	System Expansion Reserve	700,681	566,710	299,000	0	0	0	0	0
26	Liability Contingency Reserve	98,885	99,000	99,000	99,000	99,000	99,000	99,000	99,000
27	Bond Redemption Reserve	33,330	33,000	30,000	30,000	30,000	30,000	30,000	30,000
28	<b>TOTAL CASH BALANCE</b>	<b>\$832,896</b>	<b>\$698,710</b>	<b>\$767,000</b>	<b>\$759,000</b>	<b>\$943,000</b>	<b>\$161,000</b>	<b>\$520,000</b>	<b>\$689,000</b>
29	Amount Due to Novato Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30	Depreciation Expense	\$150,169	\$148,654	\$154,000	\$160,000	\$187,000	\$190,000	\$218,000	\$219,000

**WEST MARIN WATER NOTES**

## # KEY

West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

- 1 Assumes annual increase of 1 connection per year.
- 2 Commodity rate increase of 7% is proposed effective 7/1/14. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 25% reduction in water demand from July 1 through October 31, 2014 due to mandatory 25% water use restrictions.  
Annual consumption thereafter conservatively projected at 75MG due to continue focus on conservation.
- 4 FY15 includes proposed 7% commodity rate increase, along with projected \$43,000 in drought surcharge revenue generated between July 1 and October 31 due to anticipated 25% mandatory water use restriction.
- 5 No increase in bimonthly service charge is proposed in FY15, 5% increase annually thereafter.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is increase 3% per year.
- 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.
- 10 Projected available funds invested at 0.35%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase in Operating Expenditures assumed after FY15.
- 14 Purchase of 250AF from MMWD for release to Lagunitas Creek between June 16 and November 1 at \$190/AF to address salinity intrusion.
- 15 FY14 Includes \$16K for Master Plan update.
- 16 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13.
- 17 Interest on interdistrict Loan to fund the WM Water Long-Range Improvement Project Plan. Debt was fully repaid in June 2012 with a Bank of Marin loan.
- 18 Excludes depreciation.
- 19 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 20 FY12 \$1 million Bank loan; FY14&FY15 Gallagher Pipeline grant of \$1.486 million; FY17 \$500,000 loan to complete the Solids Handling and PRE Storage projects.
- 24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 25 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury. The PR-3 GO Bond was fully repaid in January 2013, eliminating the need for its reserve.
- 29 Amount Due to Novato Water at fiscal year end.

**West Marin Water Rate Increase Analysis**

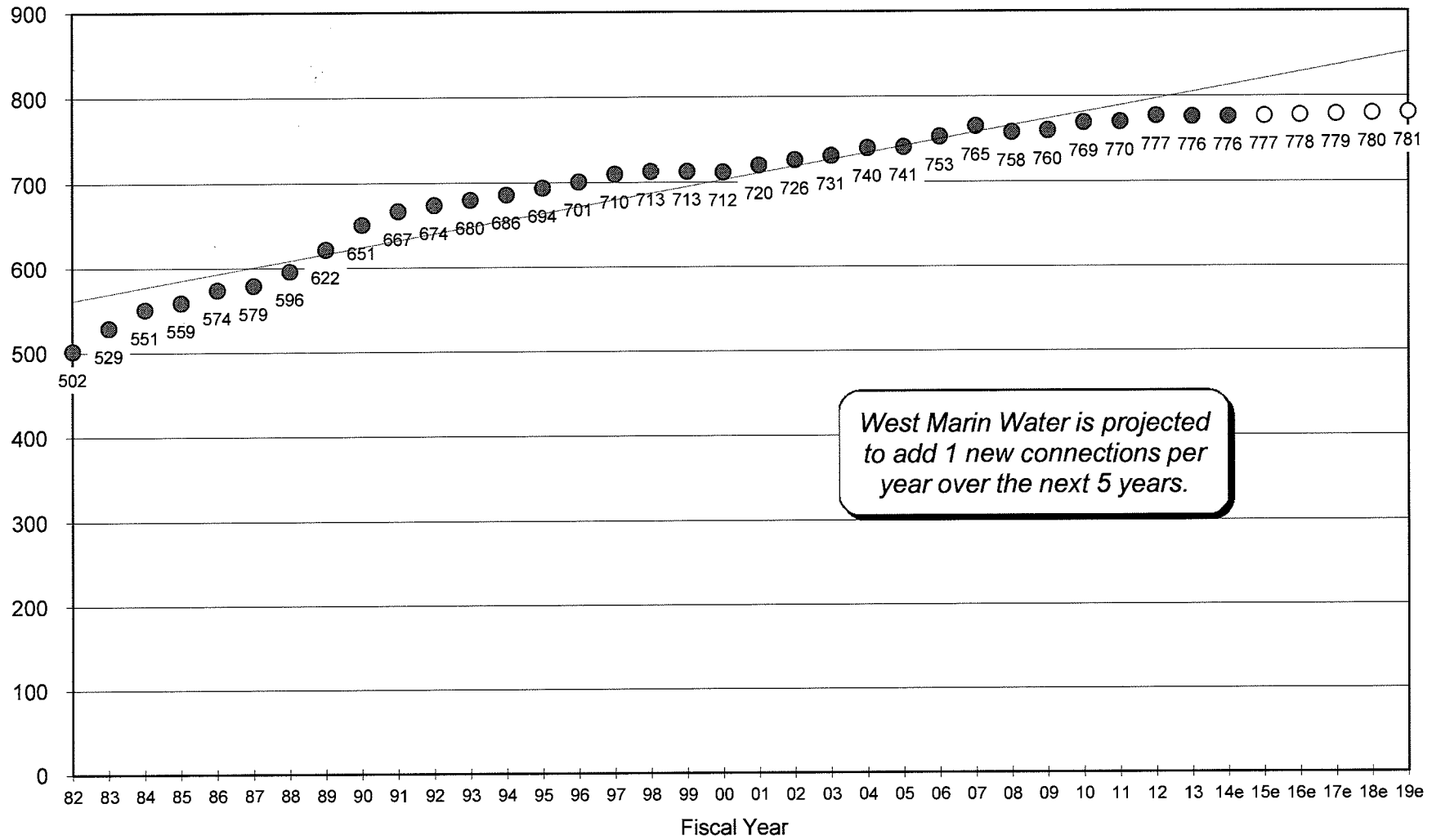
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5/29/14

**Annual Residential Impact (based on 59,500 gallons water use)**

		Commodity Rate	Annual Use	+	Annual Service	+	Annual Tax	=	Total Annual	Annual Increase	
										\$	%
Point Reyes Station	Current	\$6.68	\$397	+	\$180	+	\$53	=	\$630		
	Proposed	\$7.15	\$425	+	\$180	+	\$53	=	\$658	\$28	4.4%
Inverness Park, Bear Valley, Silver Hills	Current	\$6.86	\$408	+	\$180	+	\$53	=	\$641		
	Proposed	\$7.34	\$437	+	\$180	+	\$53	=	\$670	\$29	4.5%
Olema	Current	\$7.34	\$437	+	\$180	+	\$54	=	\$670		
	Proposed	\$7.86	\$468	+	\$180	+	\$54	=	\$702	\$31	4.7%
PRE Zone A	Current	\$6.86	\$408	+	\$276	+	\$0	=	\$684		
	Proposed	\$7.34	\$437	+	\$276	+	\$0	=	\$713	\$29	4.2%
PRE Zone B	Current	\$11.14	\$663	+	\$276	+	\$0	=	\$939		
	Proposed	\$11.92	\$709	+	\$276	+	\$0	=	\$985	\$46	4.9%
Outside Services	Current	\$9.35	\$556	+	\$180	+	\$0	=	\$736		
	Proposed	\$10.01	\$596	+	\$180	+	\$0	=	\$776	\$39	5.3%
Weighted Average	Current	\$7.40							\$673		
	Proposed	\$7.92							\$704	<b>\$31</b>	4.6%

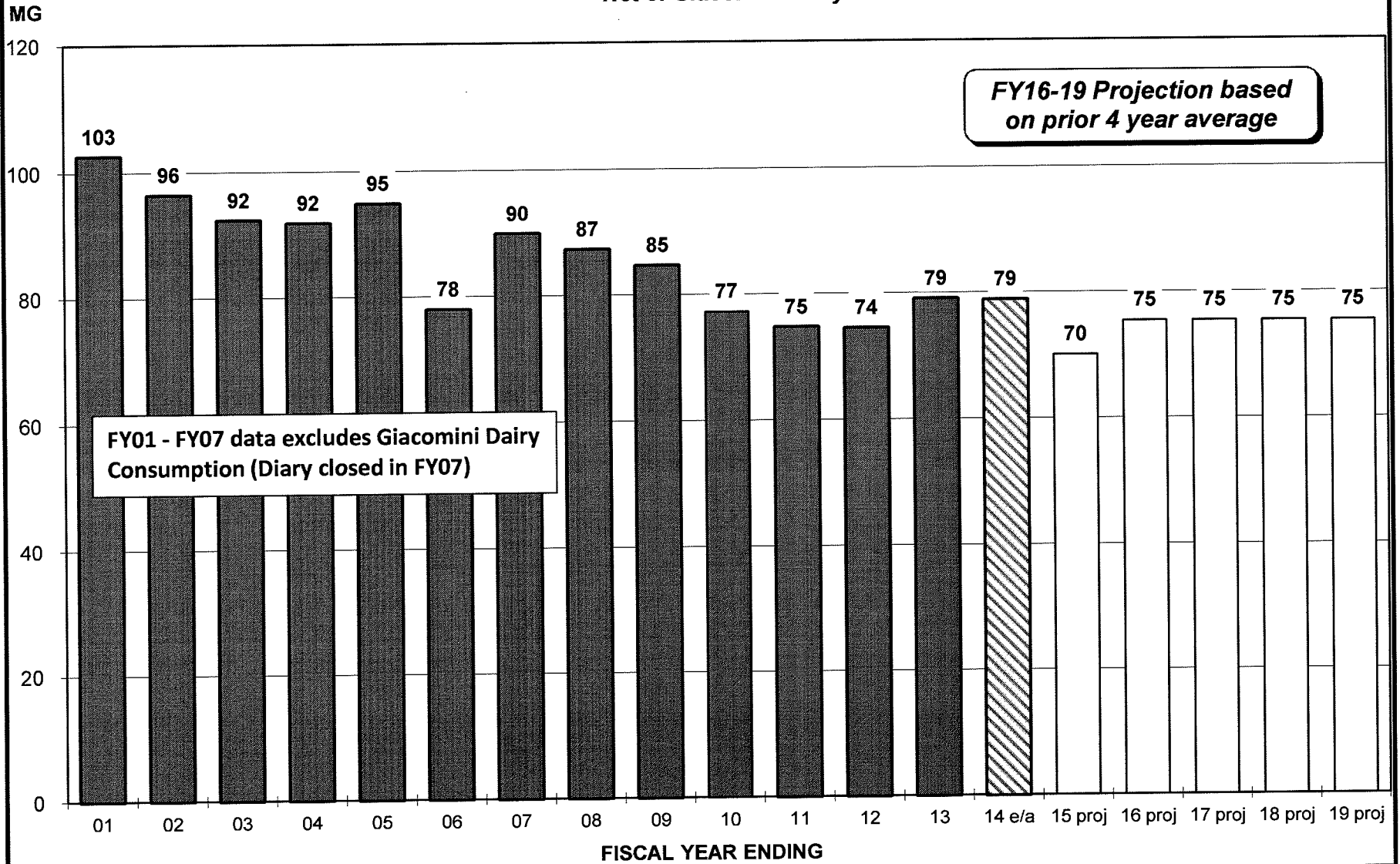
### West Marin Water Active Service Connections @ June 30



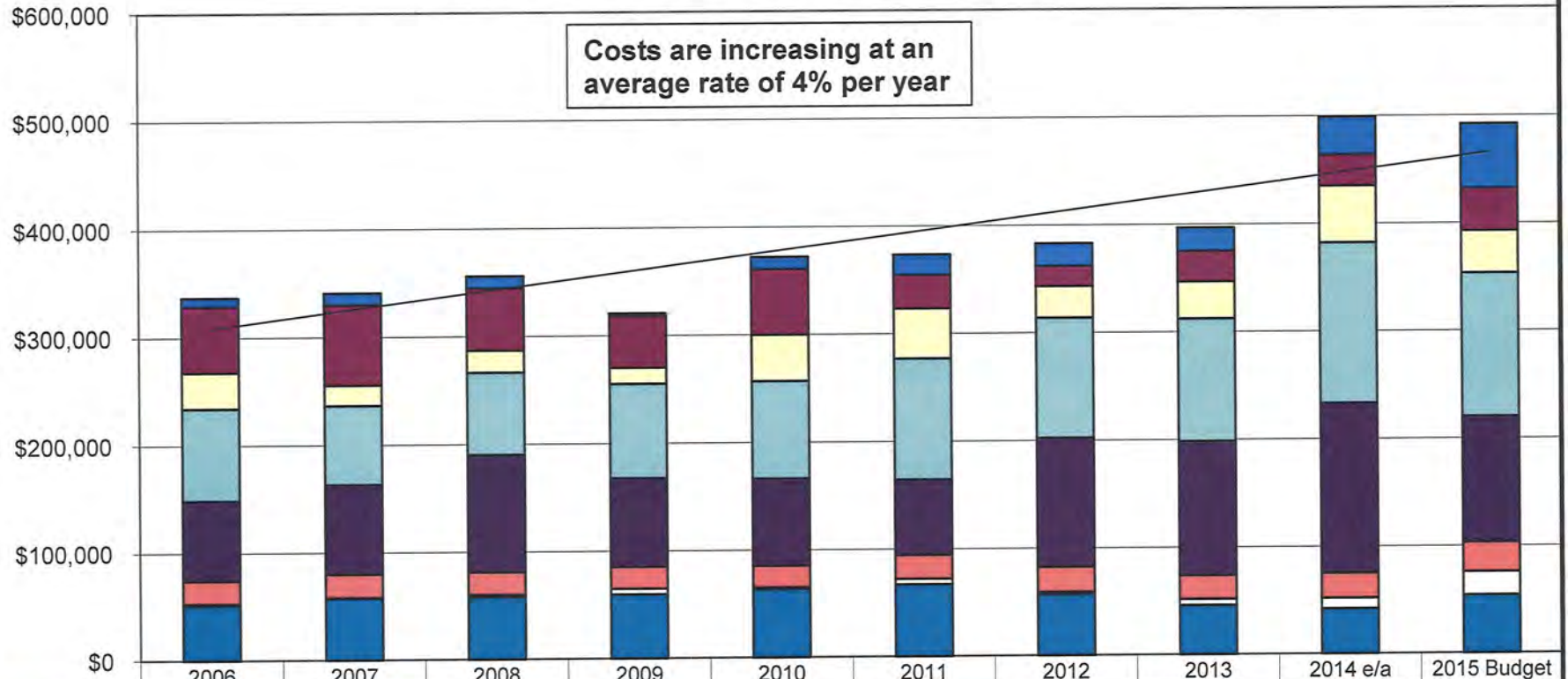
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### West Marin Potable Water Billed Consumption Net of Giacomini Dairy



### West Marin Water Operating Expenditures



Costs are increasing at an average rate of 4% per year

	2006	2007	2008	2009	2010	2011	2012	2013	2014 e/a	2015 Budget
■ Source	\$8,049	\$11,085	\$11,106	\$2,319	\$11,364	\$18,907	\$21,495	\$22,161	\$35,000	\$60,000
■ Pumping	\$61,001	\$74,108	\$57,375	\$47,801	\$60,516	\$31,092	\$18,226	\$28,195	\$29,000	\$39,000
□ Operations	\$33,329	\$18,925	\$20,340	\$14,970	\$42,962	\$45,965	\$29,609	\$34,466	\$53,000	\$40,000
■ Treatment	\$85,643	\$73,627	\$76,588	\$87,871	\$90,739	\$112,531	\$111,205	\$113,619	\$149,000	\$133,000
■ T & D	\$74,790	\$83,545	\$109,186	\$82,386	\$81,052	\$70,274	\$120,093	\$124,721	\$158,000	\$117,000
■ Cons Acctg	\$21,119	\$21,504	\$21,045	\$20,285	\$20,232	\$22,108	\$23,367	\$21,947	\$23,000	\$27,000
□ Wtr Cons	\$1,700	\$900	\$2,177	\$5,338	\$1,783	\$5,266	\$2,008	\$5,857	\$10,000	\$22,000
■ G & A	\$51,065	\$57,133	\$57,828	\$59,500	\$63,234	\$66,880	\$56,945	\$45,861	\$42,000	\$54,000
<b>Total</b>	<b>\$336,696</b>	<b>\$340,827</b>	<b>\$355,645</b>	<b>\$320,470</b>	<b>\$371,882</b>	<b>\$373,023</b>	<b>\$382,948</b>	<b>\$396,827</b>	<b>\$499,000</b>	<b>\$492,000</b>



**NORTH MARIN  
WATER DISTRICT**

May 9, 2014

999 Rush Creek Place  
P.O. Box 146  
Novato, CA 94948

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415.897.4133

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415.892.8043

**EMAIL**  
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**WEB**  
www.nmwd.com

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

Dear Customer:

This letter is to advise you of **proposed increases to West Marin water rates and charges** that would take effect on July 1, 2014. It also provides information about a **Public Hearing scheduled on June 24, 2014**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

**HOW MUCH ARE THE PROPOSED RATE INCREASES?**

An increase in rates and charges resulting in an average increase of 5% in the annual cost of water service is recommended.

The increase for non-residential customers (commercial, institutional and irrigation accounts) will vary based on water use and meter size. The median non-residential account would also see an average annual 5% cost increase commencing July 1, 2014.

No increase in the bimonthly service charge is proposed.

See Attachment A for a detailed description of the proposed rate increases.

**HOW WILL THE PROPOSED INCREASE AFFECT MY WATER BILL?**

The proposed increase in the commodity rate would add \$2.58 per month (\$31 annually) to the cost of water for the typical (median) single-family residential customer who consumes 59,500 gallons of water annually. Those using less than the median will see an increase less than \$31 annually, and those using more would pay more.

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

**WHY ARE RATES BEING INCREASED?**

Over the next three fiscal years \$1.25 million will be expended to complete construction of water treatment plant improvements. In addition, the District can no longer defer replacement of the 25,000 gallon redwood tank that was destroyed in the Mount Vision fire. An 82,000 gallon concrete replacement tank is estimated to cost \$500,000, and the funds to complete that project will need to be borrowed and repaid with interest.

DIRECTORS: JACK BAKER • RICK FRAITES • STEPHEN PETTERLE • DENNIS RODONI • JOHN C. SCHOONOVER  
OFFICERS: CHRIS DeGABRIELE, General Manager • KATIE YOUNG, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW McINTYRE, Chief Engineer

On a positive note, earlier this year the District received welcome news that construction of the \$1.5 million pipeline from NMWD's well, located adjacent to Lagunitas Creek approximately one mile upstream from the water treatment plant on the Gallagher Ranch, will be fully funded from a California Proposition 50 grant. Water from the Gallagher Well will mitigate the salinity intrusion now experienced at the existing Point Reyes wells during high tide and low creek flow conditions.

### **PROPOSED DROUGHT SURCHARGE**

At the Water Rate Hearing the Board will consider, as a separate matter, the adoption of a Drought Surcharge to be implemented concurrent with mandatory water use restrictions. MANDATORY WATER USE RESTRICTIONS ARE ANTICIPATED FROM JULY 1 THROUGH NOVEMBER 1, 2014. The NMWD Water Shortage Contingency Plan for the West Marin Service Area includes enactment of a Drought Surcharge to mitigate both the revenue loss from reduced water sales during a drought, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek as may be needed, pursuant to the Interconnection Agreement between Marin Municipal and NMWD.

The proposed Drought Surcharge would be temporary and would be implemented concurrent with mandatory water use restrictions (July 1), and suspended when mandatory use restrictions end (November 1).

The proposal is to add a surcharge of \$2.50 per thousand gallons for all water use by non-residential customers. For residential customers, the \$2.50 per thousand gallon surcharge would apply only to the amount of water use in excess of 200 gallons per day.

During the four-month period of mandatory water use restriction, the proposed surcharge would add \$1.90 per month to the typical (median) single-family residential water bill, assuming no reduction in water use. If the typical single-family residence reduced water use by 25%, the drought surcharge would be zero. For the median non-residential customer, the proposed surcharge would add \$30 per month, or, if the non-residential customer reduced water use by 25%, the increase in cost would be \$23 per month.

### **ADDITIONAL INFORMATION**

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

**A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:30 pm, Tuesday, June 24, 2014, at the Dance Palace (503 B Street) in Point Reyes Station.**

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

Your written protest must be received prior to the close of the June 24, 2014 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

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

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

Sincerely,



Chris DeGabriele  
General Manager

Encl: as stated  
t:\aclword\budget\wm\15\wm wtr increase ltr to customers 2014.docx

<b>West Marin Water Recent Capital Improvement Projects – Status Report</b>		
<u>Project</u>	<u>Expenditures thru 3/31/14</u>	<u>Status</u>
1 Replace PRE Tank #3 - 25,000 gal.....	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE.....	159,990	Complete
3 Bear Valley Pump Station Upgrade.....	88,132	Complete
4 Replace Pt. Reyes 100,000 gal tank w/180,000 gal.....	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal.....	561,742	Complete
6 Install Parallel 8" Main on Hwy 1.....	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps.....	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Park PS.....	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank.....	164,262	Complete
10 Point Reyes Well Replacement.....	262,968	Complete
11 Tank Seismic Upgrades.....	115,531	In Progress
12 Replace PRE Tank #4A - 82,000 gallon.....	22,328	In Progress
13 Water Treatment Plant Enhancements.....	189,727	In Progress
14 Gallagher Pipeline & Stream Gauge.....	201,952	In Progress
	<u>\$2,609,032</u>	

<b>PROPOSED West Marin Water System Rate Changes</b>			
EFFECTIVE JULY 1, 2014			
<b>BIMONTHLY MINIMUM SERVICE CHARGE</b>	<u>Existing</u>	<u>Proposed</u>	<u>% Increase</u>
For 5/8 x 3/4-inch meter.....	\$30.00	\$30.00	0%
For 1-inch residential meter for fire service.....	\$34.00	\$34.00	0%
For 1-inch meter.....	\$60.00	\$60.00	0%
For all meters in Paradise Ranch Estates.....	\$46.00	\$46.00	0%
<b>QUANTITY CHARGE</b>			
<u>Residential Rate Per Dwelling Unit</u>			
First 400 gallons per day.....	\$6.68	\$7.15	7%
From 401 to 900 gallons per day.....	\$9.25	\$9.90	7%
From 901+ gallons per day.....	\$14.84	\$15.88	7%
<u>Commercial, Institutional &amp; Irrigation Rate</u>			
November 1 through May 31.....	\$6.75	\$7.22	7%
June 1 through October 31.....	\$9.34	\$9.99	7%
<b>PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL</b>			
<u>Zone</u>			
1 Point Reyes Station.....	\$0.00	\$0.00	0%
2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365').....	\$0.18	\$0.19	7%
3 Olema.....	\$0.66	\$0.71	7%
4 Upper Paradise Ranch Estates (Elevation 365'+).....	\$4.46	\$4.77	7%
Additional Commodity Rate for Consumers Outside the Improvement District Boundary.....	\$2.67	\$2.86	7%

**ATTACHMENT A**

## 2014 COASTAL AREA WATER COST COMPARISON

5/29/2014

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/14  
 "Typical" Single Family Residence (5/8" x 3/4" Meter) Using 59,500 Gallons Annually

Agency	No. of Water Services	Bimonthly Service Charge	Commodity Rate per 1,000 Gallons		Annual Water Cost <sup>1</sup>	Water Bond Tax Rate per \$100/AV	Annual Tax Cost <sup>2</sup>	Total Annual Cost
California Water Service Co.	255	\$139.73	\$30.40		\$2,647	-	-	\$2,647
Bolinas Community PUD	587	\$169.67	1.34/\$2.01/\$4.01	(3)	\$1,119	\$0.010	\$457 (4)	\$1,576
Estero Mutual Water District	141	\$187.90	\$7.86/\$11.56	(5)	\$1,525	-	-	\$1,525
Stinson Beach Co Water	725	\$77.10	\$2.61/\$6.26	(6)	\$657	\$0.004	\$572 (7)	\$1,229
Muir Beach Community Services	151	\$49.92	\$9.20	(8)	\$627 (9)	-	\$300 (10)	\$927
Inverness PUD	509	\$100.00	\$3.07/\$4.61	(11)	\$799	-	-	\$799
Bodega Bay PUD	1,054	\$48.67	\$6.84	(12)	\$449	-	\$301 (13)	\$750
→ <b>NMWD West Marin Service Area</b>	<b>776</b>	<b>\$30.00</b>	<b>\$7.88</b>	(14)	<b>\$646</b>	-	<b>\$53 (15)</b>	<b>\$698</b>

Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 59,500 gallons. Use will differ in other areas and microclimates.
- (2) Includes taxes for debt service on outstanding water bonds and loans plus any applicable apportionment of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (3) 1st 15 Ccf quarterly @ \$1.00/Ccf, 16 to 21 Ccf @ \$1.50, 22 - 28 @ \$3.00, 29 - 40 @ \$6.00, 41 - 60 @ \$10, 61 - 75 @ \$15 and 76+ Ccf @ \$18/Ccf (billed quarterly).
- (4) Based on home with net AV of \$420,164 (average 2013/14 AV on 544 single family homes in Bolinas) and tax rate of 0.10¢/\$100 AV. 100% of this tax is allocated to water. Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$243,854 for Bolinas in 2013/14 of which 100% is credited to the water fund amounting to \$415 per service.
- (5) First 25 cubic meters bimonthly @ \$2.075/cm; next 25 cm @ \$3.051/cm; 51+ cm @ \$4.089/cm.
- (6) First 6 Ccf monthly @ \$1.95/Ccf; 6 to 10 Ccf @ \$4.68/Ccf; 10 to 16 Ccf @ \$7.88/Ccf; 16 to 20 Ccf @ \$10.80/Ccf; 20 to 30 Ccf @ \$16.97/Ccf; 30 to 40 Ccf @ \$21.20Ccf; 40 and above Ccf @ \$27.54/Ccf.
- (7) Based on weighted average tax rate of 0.039¢/\$100 AV and home with net AV of \$1,064,983 (average 2013/14 AV on 652 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$549,414 in 2013/14 of which 70% is credited to the water fund amounting to \$530 per service.
- (8) \$49.92/bimonthly flat rate for first 4,500 gallons, plus \$0.92/100 gallons for 4,500 to 10,000, plus \$1.29/100 gallons for 10,000 to 30,000, plus \$1.62/100 gallons for 30,000+ gallons.
- (9) 25% of revenue is allocated to capital improvements.
- (10) The annual \$300 charge is now collected via water billings rather than a parcel tax and is allocated to capital improvements.
- (11) First 12 Ccf bimonthly @ \$2.30/Ccf; 13 to 36 Ccf @ \$3.45/Ccf; 37 to 48 @ \$4.90/Ccf; 49 to 60 @ \$6.75/Ccf; and 61+ @ \$20.15/Ccf.
- (12) \$48.67 bi-monthly water svc charge for 0-800 cubic feet, then \$5.12/100 cubic feet for 801-2,500 cubic feet, then \$5.85/100 cubic feet over 2,500 cubic feet.
- (13) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$317,632 for 12/13, of which 100% was allocated to water amounting to \$301 per service. FY14 allocation is not available until June.
- (14) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 7% commodity rate increase. Tier rate charges do not apply to the typical residential customer as median use does not exceed the 400 gpd tier rate threshold.
- (15) West Marin Service Area receives allocation of the 1% County levy projected at \$41,000 in 2013/14, amounting to \$53 per service.

**OCEANA MARIN SEWER**  
**BUDGET SUMMARY**  
**Fiscal Year 2014/15**

	<b>Proposed Budget 2014/15</b>	<b>Estimated Actual 2013/14</b>	<b>Adopted Budget 2013/14</b>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	\$187,000	\$178,000	\$178,000
2 Misc Service Charges	0	0	0
3 <b>Total Operating Income</b>	<b>\$187,000</b>	\$178,000	\$178,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	\$56,000	\$32,000	\$29,000
5 Sewage Treatment	62,000	33,000	26,000
6 Sewage Disposal	33,000	8,000	7,000
7 Contract Operations	0	48,000	67,000
8 Customer Accounting	2,000	2,000	2,000
9 General & Administration	23,000	16,000	19,000
10 Depreciation Expense	58,000	57,000	49,000
11 <b>Total Operating Expenditures</b>	<b>\$234,000</b>	\$196,000	\$199,000
12 <b>NET OPERATING INCOME (LOSS)</b>	<b>(\$47,000)</b>	(\$18,000)	(\$21,000)
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
13 OM-1/OM-3 Tax Allocation	\$44,000	\$43,000	\$46,000
14 Interest Revenue	1,000	1,000	1,000
15 Miscellaneous Revenue/(Expense)	(30,000)	0	1,000
16 <b>Total Non-Op Income/(Expense)</b>	<b>\$15,000</b>	\$44,000	\$48,000
	<b>NET INCOME/(LOSS)</b>	<b>\$26,000</b>	<b>\$27,000</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
17 Add Depreciation Expense	\$58,000	\$57,000	\$49,000
18 Connection Fees	15,000	30,000	30,000
19 Capital Improvement Projects	(70,000)	(50,000)	(50,000)
20 <b>Total Other Sources/(Uses)</b>	<b>\$3,000</b>	\$37,000	\$29,000
21 <b>NET SURPLUS/(DEFICIT)</b>	<b>(\$29,000)</b>	\$63,000	\$56,000



## OCEANA MARIN SEWER

### 5-Year Financial Forecast

#		Actual 2011/12	Actual 2012/13	Estimated 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19
<b># BASIC DATA</b>									
1	Number of Connections	227	227	229	230	231	232	233	234
2	Monthly Service Charge	\$58.00	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00
<b>INCOME</b>									
3	Monthly Service Charge	\$157,311	\$157,992	\$178,000	\$187,000	\$196,000	\$208,000	\$220,000	\$233,000
4	OM-1/OM-3 Tax Allocation	43,266	43,101	43,000	44,000	45,000	46,000	47,000	48,000
5	Connection Fees	0	0	30,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	1,387	724	1,000	1,000	1,000	1,000	1,000	1,000
7	Miscellaneous Revenue/(Expense)	10	19,127	0	(30,000)	1,000	1,000	1,000	1,000
8	<b>TOTAL INCOME</b>	<b>\$201,974</b>	<b>\$220,944</b>	<b>\$252,000</b>	<b>\$217,000</b>	<b>\$258,000</b>	<b>\$271,000</b>	<b>\$284,000</b>	<b>\$298,000</b>
9	<b>OPERATING EXPENDITURES</b>	<b>\$137,490</b>	<b>\$148,164</b>	<b>\$139,000</b>	<b>\$176,000</b>	<b>\$150,000</b>	<b>\$155,000</b>	<b>\$160,000</b>	<b>\$165,000</b>
<b>OTHER EXPENDITURES</b>									
10	Capital Improvement Projects/Other	\$58,694	\$221,835	\$50,000	\$70,000	\$65,000	\$85,000	\$35,000	\$365,000
11	<b>TOTAL EXPENDITURES</b>	<b>\$196,184</b>	<b>\$369,999</b>	<b>\$189,000</b>	<b>\$246,000</b>	<b>\$215,000</b>	<b>\$240,000</b>	<b>\$195,000</b>	<b>\$530,000</b>
12	Net Change in Working Capital	\$21,639	(\$2,275)						
13	<b>INCREASE (DECREASE) IN CASH</b>	<b>\$27,429</b>	<b>(\$151,330)</b>	<b>\$63,000</b>	<b>(\$29,000)</b>	<b>\$43,000</b>	<b>\$31,000</b>	<b>\$89,000</b>	<b>(\$232,000)</b>
<b>CASH BALANCE</b>									
14	Operating Reserve	\$293,416	\$192,042	\$255,000	\$226,000	\$269,000	\$300,000	\$389,000	\$157,000
15	Connection Fee Reserve	49,956	0	0	0	0	0	0	0
16	<b>TOTAL CASH BALANCE</b>	<b>\$343,372</b>	<b>\$192,042</b>	<b>\$255,000</b>	<b>\$226,000</b>	<b>\$269,000</b>	<b>\$300,000</b>	<b>\$389,000</b>	<b>\$157,000</b>
17	Depreciation Expense	\$41,084	\$44,720	\$57,000	\$58,000	\$60,000	\$62,000	\$64,000	\$65,000

## **OCEANA MARIN SEWER**

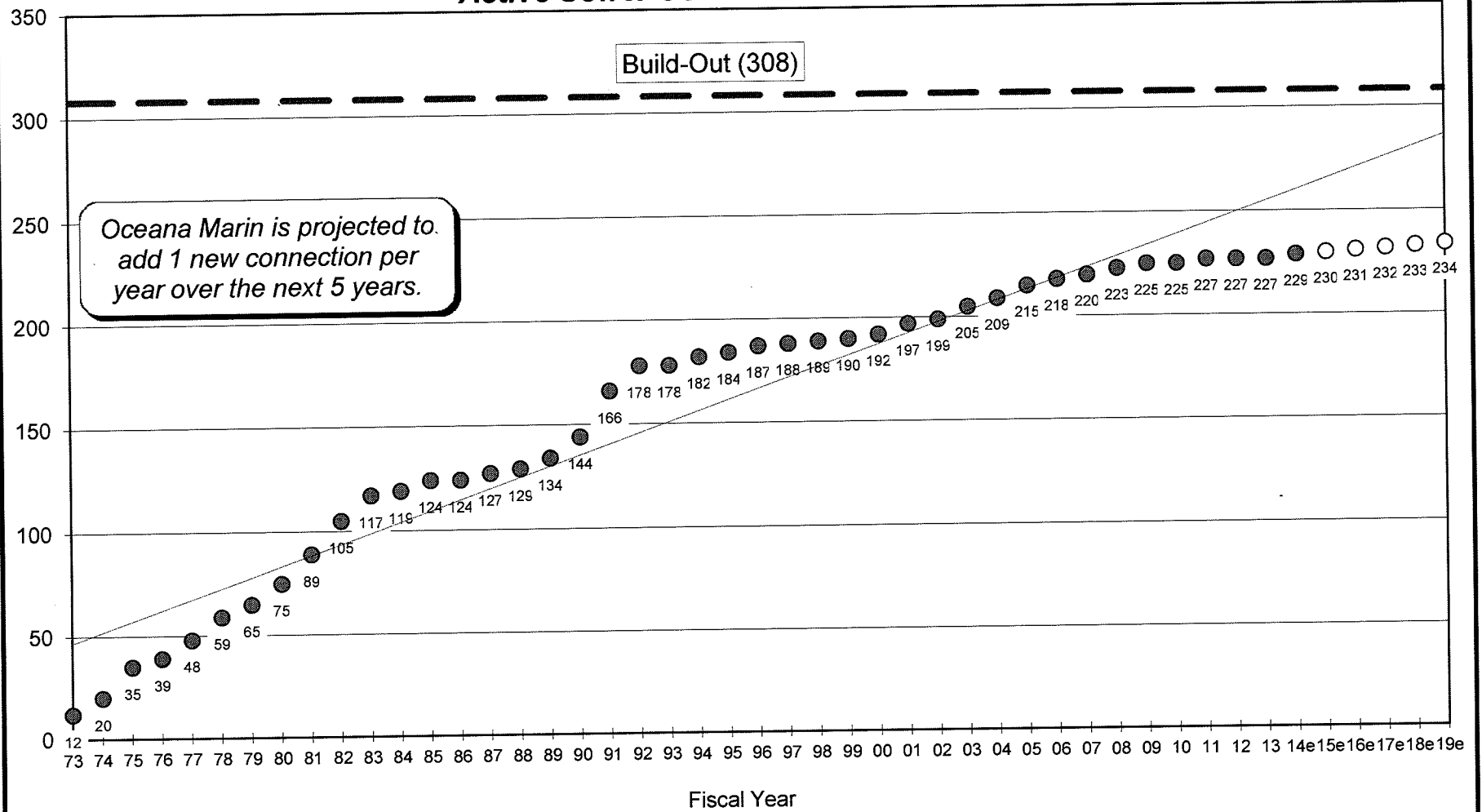
### **NOTES**

#### **# KEY**

- 1 Assumes 1 connection per year, which is the average over the last 5 years.  
Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY19 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 6 Projected available funds invested at 0.35%
- 9 Operating expenditures return to normal after FY15 deferred maintenance projects completed, then increase 3% annually thereafter.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Excludes depreciation.
- 16 Cash available for operation, maintenance and improvements

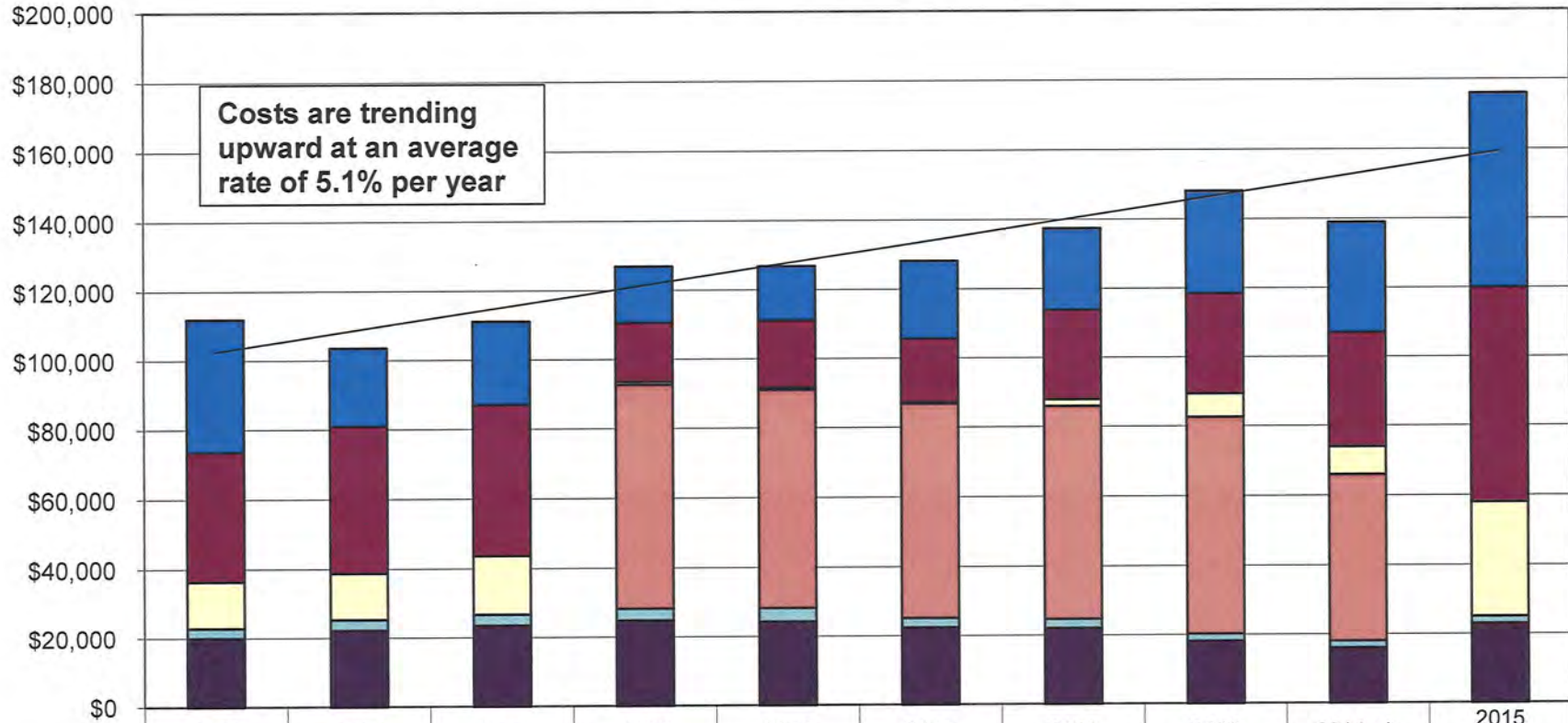
5/24/14

### Oceana Marin Growth Active Sewer Connections at June 30



● Connections    — Build-Out    ○ Projection    — Trend

### Oceana Marin Operating Expenditures



Costs are trending upward at an average rate of 5.1% per year

	2006	2007	2008	2009	2010	2011	2012	2013	2014 e/a	2015 Budget
Collection	\$38,373	\$22,658	\$24,088	\$16,309	\$15,748	\$22,503	\$23,687	\$29,703	\$32,000	\$56,000
Treatment	\$37,086	\$42,187	\$43,307	\$17,142	\$19,474	\$18,470	\$25,928	\$29,021	\$33,000	\$62,000
Disposal	\$13,540	\$13,483	\$17,024	\$797	\$719	\$489	\$1,972	\$6,895	\$8,000	\$33,000
Contract Ops				\$64,467	\$62,745	\$61,592	\$61,215	\$62,281	\$48,000	\$0
Cons Acctg	\$2,874	\$3,087	\$3,179	\$3,429	\$3,952	\$2,778	\$2,636	\$2,162	\$2,000	\$2,000
G & A	\$20,023	\$22,197	\$23,491	\$24,801	\$24,228	\$22,359	\$22,052	\$18,099	\$16,000	\$23,000
<b>Total</b>	<b>\$111,896</b>	<b>\$103,612</b>	<b>\$111,089</b>	<b>\$126,945</b>	<b>\$126,866</b>	<b>\$128,191</b>	<b>\$137,490</b>	<b>\$148,161</b>	<b>\$139,000</b>	<b>\$176,000</b>

NORTH MARIN WATER DISTRICT  
NOTICE OF PUBLIC HEARING  
OCEANA MARIN SEWER SERVICE CHARGES  
FISCAL YEAR 2014-2015

NOTICE IS HEREBY GIVEN that pursuant to Section 5471 et seq. of the California Health and Safety Code and Section 31101 et seq. of the California Water Code, the Board of Directors of North Marin Water District (NMWD), intends to amend NMWD Regulation 109, Oceana Marin Sewer Service - Rates and Charges, through the adoption of Ordinance No. 28 on June 24, 2014, fixing its charges for sewerage services for the fiscal year 2014-2015 in the amount of \$68 per month (\$816 per year) per parcel (a proposed increase of \$3 per month - \$36 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2013-2014 in the same manner as general taxes. NMWD has caused to be filed with its Secretary a written report containing a description of each parcel of real property receiving sanitary sewerage service from said District and the anticipated amount of charges on each such parcel.

NOTICE IS HEREBY GIVEN THAT ON Tuesday, June 24, 2014 at 7:30 p.m. at a regular Board Meeting of NMWD held at The Dance Palace, 503 B Street, Point Reyes Station, California, said Board will hear and consider all protests and objections to said report.

Dated: May 30, 2014

Publish: June 5 and June 19, 2014 in the Point Reyes Light

## 2014 COASTAL AREA SEWER COST COMPARISON

5/29/2014

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/14

<u>Agency</u>	<u>No. of Sewer Services</u>	<u>Monthly Service Charge</u>	<u>Annual Tax Revenue</u> <sup>(1)</sup>	<u>Annual Total</u>
Marshall Community Wastewater System	32	\$100.57 <sup>(2)</sup>	\$0	\$1,207
<b>&gt; NMWD Oceana Marin</b>	<b>229</b>	<b>\$68.00</b>	<b>\$190</b> <sup>(3)</sup>	<b>\$1,006</b> <
Bolinas Community PUD	163	\$81.33	\$0 <sup>(4)</sup>	\$976
Tomales Village CSD	107	\$63.00	\$63 <sup>(5)</sup>	\$819
Stinson Beach Co Water - Inspection Only	703	\$39.65 <sup>(6)</sup>	\$234 <sup>(7)</sup>	\$710
Bodega Bay PUD	1,010	\$55.93	\$0 <sup>(8)</sup>	\$671

### Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field. Rates shown were effective on July 1, 2012 (proposed July 1, 2013 rates are not available yet).
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$43,500 for 2013/14 which equates to \$190 per service.
- (4) Based on home with net AV of \$420,164 (average 2013/14 AV on 544 single family homes in Bolinas) and tax rate of 0.10¢/\$100 AV none of which is allocated to Sewer. Also shares in 1% County levy. This "allocation" is projected by the County of Marin at \$243,854 for Bolinas in 2013/14 of which 100% is credited to the water fund.
- (5) Based on home with net AV of \$315,550 (average 2013/14 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (6) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (7) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$549,414 for 2013/14 of which 30% was allocated to sewer amounting to \$234.46 per service.
- (8) Based on share of 1% County levy. This "allocation" by the County of Sonoma was \$317,632 for 2012/13 of which 100% was allocated to water (0% to sewer). FY13/14 information is not available until June.

**14**



## MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer   
Subject: North Bay Water Reuse Authority Board Meeting – May 19, 2014  
R:\Folders by Job No\7000 jobs\7127\Board Memos\7127 NBRWA Update 5\_23\_14.doc

May 30, 2014

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None

The draft minutes from the above referenced meeting are provided in Attachment 1. Supplemental information is provided as follows using item numbers referenced in the meeting agenda. It should be noted that the May 19, 2014 Board meeting occurred only one month after the April 21 Board meeting. Typically, the NBWRA Board meets quarterly, however these two meetings were scheduled back to back to facilitate the budget approval process.

**8. Program Development – Federal Advocacy Update**

Ginger Bryant's update to the Board on Federal activities in support both Phase 1 and Phase 2 mentioned various options for securing 50% federal cost share for the Phase 2 Feasibility Study. She stated that her opinion (subsequently confirmed by an email dated May 28, 2014) that NBWRA's Phase 2 participants should not submit a grant application this year to the U.S. Bureau of Reclamation (USBR) for the Phase 2 Feasibility Study. The primary reasons are summarized as follows:

- The current application is for a three year grant with a maximum award of \$450,000 with only \$150,000 granted per year.
- NBWRA cannot leverage this grant with other federal funds.
- NBWRA cannot re-apply next year.
- The cost for NBWRA's Phase 2 environmental document is not authorized under the current USBR grant program.

The above information is being provided for information only since NMWD is not a Phase 2 participant but remains solely a Phase 1 member agency.

**9. State Advocacy Update**

Pilar Onate-Quintana requested the continued support of WaterReuse's position on the water bond legislation. As a result of this discussion and subsequent to the Board meeting, NBWRA's Chair, David Rabbitt, was one of the signatories to the attached support letter (Attachment 2) requesting that \$1 billion be restored for recycled water grants within the proposed \$11.14 billion water bond.

**11. Budgets, Member Agency Cost Allocations and Detailed Scopes and Costs for FY14/15, FY15/16 and FY16/17**

There have been two changes in May that affect the total cost to member agencies originally presented at the April 21, 2014 meeting. The first was a rather minor cost



impact wherein existing Phase 1 costs (~\$35,000 per year) for grant preparation and support was inadvertently omitted from future budgets. The second was that MMWD has decided to withdraw from Phase 2, becoming solely an associate member. MMWD's decision to withdraw as a Phase 2 participant is summarized in an email from Paul Sellier, MMWD Senior Engineer, to Chuck Weir (provided as Attachment 3). As a result of the above mentioned changes, NMWD's member agency costs for FY14/15 will increase approximately \$9,200 to a total of \$61,076. This is still below the previous year's payment of \$76,577. The submitted budget allocation and costs for the next three years were unanimously approved by the Board with the understanding that funding is only authorized on a per year basis.

**15. Outreach Program Update**

Barry Dugan with Data Instincts mentioned the press release announcing Napa Sanitation District's receipt of \$1.5 million in Phase 1 USBR grant money. This award represents \$1.5 million out of a maximum of \$4 million which could be awarded by USBR to any one agency per year. Napa Sanitation had hoped to receive a total of \$2 million which would close out their outstanding Phase 1 projects. Since they are \$500,000 short, Napa Sanitation will be included in the next application submittal this fall along with Sonoma Valley County Sanitation Agency. NMWD's Central Service Area grant request application will be part of the USBR Phase 1 application the following year (i.e., FY15/16).

**16. Options for Forming a Joint Powers Agency**

Joint Power Agency discussions are preliminary at this time. There was no immediate opposition raised by Board members and the general consensus was that this item will be discussed more if Phase 2 proceeds to the environmental review stage.

**North Bay Water Reuse Authority  
Board of Directors Meeting  
Minutes  
May 19, 2014**

**1. Call to Order**

Chair Rabbitt called the meeting to order at 9:38 a.m. on Monday, May 19, 2014 at the Novato City Hall Council Chambers, 901 Sherman Street, Novato, CA 94945.

**2. Roll Call**

**PRESENT:** David Rabbitt, Chair, Sonoma County Water Agency  
Bill Long, Vice-Chair, Novato Sanitary District  
Megan Clark, Las Gallinas Valley Sanitary District  
Jack Gibson, Marin Municipal Water District  
Susan Gorin, Sonoma Valley County Sanitation District  
Mike Healy, City of Petaluma  
Phillip Miller, Napa County  
Jill Techel, Napa Sanitation District  
John Schoonover, North Marin Water District

**ABSENT:** Steve Kinsey, Marin County

**OTHERS**

<b>PRESENT:</b>	Chuck Weir, Program Manager	Weir Technical Services
	Marc Bautista	Sonoma County Water Agency
	Donna Boero	Sonoma County Water Agency
	Kevin Booker	Sonoma County Water Agency
	Ginger Bryant	Bryant & Associates
	Grant Davis	Sonoma County Water Agency
	Barry Dugan	Data Instincts
	Tim Healy	Napa Sanitation District
	Pam Jeane	Sonoma Valley County Sanitation Agency
	Sandeep Karkal	Novato Sanitary District
	Craig Lichty	Kennedy Jenks Consultants
	Andria Loutsch	CDM Smith
	Drew McIntyre	North Marin Water District
	Phillip Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group (by telephone)
	Larry Russell	Marin Municipal Water District
	Michael Savage	Brown & Caldwell
	Jake Spaulding	Sonoma County Water Agency
	Leah Walker	City of Petaluma
	Renee Webber	Sonoma County Water Agency

**3. Public Comments**

Renee Webber discussed plans for SCWA representation after her upcoming retirement. Grant Davis will fill in for her temporarily. On behalf of the Board and NBWRA, Chair Rabbitt thanked Renee for her many years of dedicated service.

#### **4. Introductions**

Renee introduced Donna Boero, who is taking over for Stephanie Reynolds.

#### **5. Board Meeting Minutes of April 21, 2014.**

A motion by Director Schoonover, seconded by Director Long to approve the April 21, 2014 minutes was unanimously approved.

#### **6. Report from the Program Manager**

##### **a. Consultant Progress Reports**

The Board reviewed the consultant progress reports for April 2014. The Program Manager highlighted the remaining agenda items.

#### **7. Financial Report for the Period Ending April 30, 2014**

The Board reviewed the Financial Report and noted that all items were on track.

#### **8. Program Development – Federal Advocacy Update**

Ginger Bryant provided an update for the Board on federal activities in support of Phase 1 and 2. She discussed the following items: 1) Outreach activities in support of RIFIA, including partnering letters sent to City of San Jose and Santa Clara Valley Water District; 2) Activities with Reclamation, including meetings to discuss feasibility study grant funding alternatives, and the 2014 WaterSMART study grant application; and 3) Activities with Congress, including discussions to Reclamation regarding regional-scale recycling projects, and discussions with incoming Reclamation Commissioner Lopez regarding support for regional-scale projects. She also discussed options for securing the full 50% federal cost share for the feasibility study including: Title XVI, WaterSMART Grants, Secure Water Act, existing planning agreement, and possible new agreement with Reclamation.

#### **9. State Advocacy Update**

On behalf of Pilar Oñate Quintana, Ginger Bryant provided an update for the Board, including updates on the following items: 1) status of the various Water Bond options; 2) Napa State Hospital; 3) AB2417, CEQA exemption for recycled water pipelines; and 4) WateReuse activities. Via telephone Pilar requested continued support of WateReuse's position on Water Bond legislation and authorization to sign on to WateReuse's letter requesting specific funding of up to \$1 Billion for water recycling in the Water Bonds. The Board reviewed the draft letter and Director Gorin asked why the letter was not also being sent to Senator Wolk too. Pilar indicated she would check on that issue with WateReuse. Note: following the meeting WateReuse agreed to send the letter to Senator Wolk too.

#### **10. Proposition 84 Funding Activities**

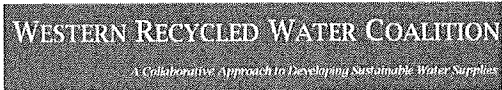
Andria Loutsch gave an update on the Bay Area Clean Water Agencies selection process for projects to submit to the state for Proposition 84 funding. .

#### **11. Budgets, Member Agency Cost Allocations, and Detailed Scopes and Costs for FY2014/15, FY2015/16, and FY2016/17**

The Program Manager gave a brief overview of the budget and its history and that approval had been recommended by the TAC. Approval only authorizes expenditures for FY2014/15 and the Board will need to approve each of the successive years of the three year budget. A motion by



NORTH SAN DIEGO  
WATER REUSE  
COALITION



May 19, 2014

The Honorable Anthony Rendon  
California State Assembly  
State Capitol Room 2136  
Sacramento, CA 95814

The Honorable Ben Hueso  
California State Senate  
State Capitol Room 2054  
Sacramento, CA 95814

The Honorable Henry Perea  
California State Assembly  
State Capitol Room 3120  
Sacramento, CA 95814

The Honorable Fran Pavley  
California State Senate  
State Capitol Room 4035  
Sacramento, CA 95814

Senator Lois Wolk  
California State Senate  
State Capitol, Room 5114  
Sacramento, CA 95814

Assembly Republican Leader Connie  
Conway  
California State Assembly  
State Capitol 3104  
Sacramento, CA 94249

Dear Chairman Rendon, Chairwoman Pavley, Senator Hueso, Assembly Republican Leader Conway, Assemblymember Perea, and Senator Wolk:

On behalf of the California Association of Sanitation Agencies, WaterReuse California, the Western Recycled Water Coalition and North San Diego Water Reuse Coalition and undersigned water suppliers, thank you for your strong support for funding for recycled water programs in a water bond. This is an important recognition of the role water recycling plays in meeting the short-term demands of the worsening drought and the critical role recycled water will play in the state's long-term water supply reliability.

***As negotiations proceed on legislation to shape a new water bond for voter consideration in 2014, we jointly request the \$1 billion to be restored in a dedicated chapter for Competitive Grants for Recycled Water.***

The water bond that was originally passed in 2009, and is currently on the November 2014 ballot, allocated \$1 billion for recycled water programs (Chapter 11). Our request is consistent with the level of funding contained in the \$11.14 billion bond, and reflects the importance of recycled water to the state for developing a reliable water supply. When the State Legislature moved last year to downsize the proposed bond, we supported the decision to scale back all elements of the bond including recycled water. Now, as the discussions return to the recognition that greater levels of funding are needed and will be supported by the public, we request that the \$1 billion is restored.

As the current historic drought continues, the need to expand access to reliable water supplies grows. Recycled water is a drought-proof water supply that does not rely on uncertain hydrologic conditions associated with climate change. It is a vital part of the State's water supply portfolio, and water providers are aggressively working to expand recycled water in California. Last October, our associations surveyed water and wastewater agencies statewide and identified 65 agencies currently working to develop and design recycled water projects that will produce over 550,000 acre-feet annually over the next ten years, and will cost an estimated \$5.6 billion. To put this in perspective, this amount of recycled water is equivalent to the water demands of 1.1 million average families for one year.

May 20, 2014

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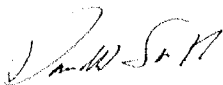
State grants with required local match will enable local projects to move to construction—meaning, that these additional acre-feet of recycled water will only be brought into the system if, there is a significant State investment partnership through the water bond. Further, the matching requirement of the grants ensures a high level of local commitment and leverages the State’s investment in this critical water resource.

Because recycled water is among the most sustainable, environmentally sound water resources available to the State, the inclusion of recycled water is critical to electorate support for the bond. A recent statewide survey of likely voters in the November 2014 election identified recycled water projects as the most popular program to include in a water bond. A total of 76 percent of likely voters favored recycled water projects. In fact, polling shows that 68 percent of likely voters believe that the drought is in part caused by a lack of recycled water programs.

A water bond must have a balanced approach to conserving, storing and producing water supplies. The ability to conserve one acre-foot of drinking water for every acre-foot of recycled water used is critical to California’s ability to withstand the current and future droughts. Recycled water should be among the cornerstones of the State’s water supply investments. For this reason, we the undersigned, request that **\$1 billion is restored in a dedicated chapter for “Competitive Grants for Recycled Water.”**

Again, thank you for your on-going support of recycled water and your consideration of our request.

Sincerely,



Dave W. Smith  
Exec. Director  
WaterReuse Association



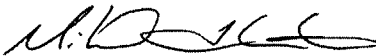
Bobbie Larson  
Executive Director  
California Association of  
Sanitation Districts



Gary Darling  
General Manager Delta Diablo  
Western Recycled Water Coalition



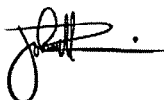
Rich Nagel  
General Manager  
West Basin Municipal Water  
District




Mike Thornton  
General Manager  
San Elijo Joint Powers Authority  
North San Diego Water Reuse  
Coalition



Paul Jones  
General Manager  
Eastern Municipal Water District



John Rossi  
General Manager  
Western Municipal Water  
District



Robb Whitaker  
General Manager  
Water Replenishment District of  
Southern California



Robert P. Hunter  
General Manager  
Municipal Water District of Orange  
County

May 20, 2014

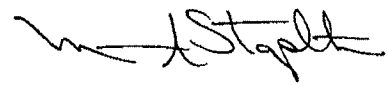
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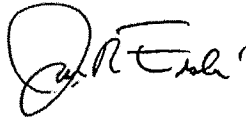
P. Joseph Grindstaff  
General Manager  
Inland Empire Utilities Agency



Paul Cook, General Manager  
Irvine Ranch Water District



Maurene Stapleton  
General Manager  
San Diego County Water Authority



James R. Fisler  
Water Board President  
Mesa Water District



Mike Markus  
General Manager  
Orange County Water District



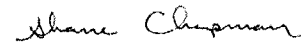
Rich Hansen  
General Manager  
Three Valleys Municipal Water District



David Pederson  
General Manager  
Las Virgenes Municipal Water District



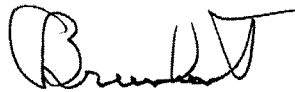
James D. Herberg  
General Manager  
Orange County Sanitation District



Shane Chapman  
General Manager  
Upper San Gabriel Valley  
Municipal Water District



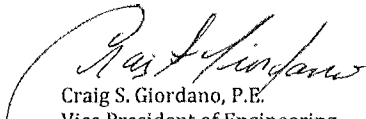
Joone Lopez  
General Manager  
Moulton Nigel Water District



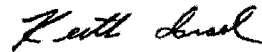
Andrew Brunhart  
General Manager  
South Coast Water District



Bert Michalczyk  
General Manager  
Dublin San Ramon Services District



Craig S. Giordano, P.E.  
Vice President of Engineering  
San Jose Water Company



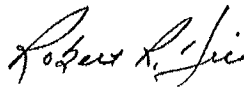
Keith Israel, GM  
Monterey Regional Water  
Pollution Control Agency



Ron Davis  
General Manager  
Burbank Water and Power



Allen Carlisle  
CEO/General Manager  
Padre Dam Water District



Robert R. Hill  
General Manager  
El Toro Water District



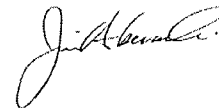
Greg Thomas  
General Manager  
Rincon del Diablo Water District



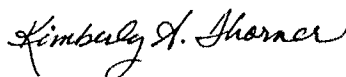
Matthew G. Stone  
General Manager  
Rancho California Water District



Hector Ruiz  
General Manager  
Trabuco Canyon Water District



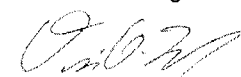
Jim Abercrombie  
General Manager  
El Dorado Irrigation District



Kimberly Thorner  
General Manager  
Olivenhain Municipal Water District



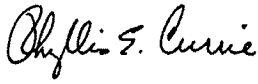
David Rabbitt  
Chair  
North Bay Water Reuse Authority



Dennis Lamb  
General Manager  
Vallecitos Water District

May 20, 2014

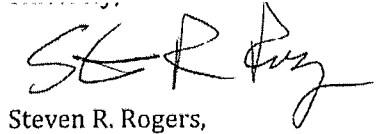
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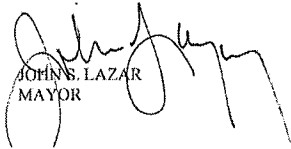
Phyllis S. Currie  
General Manager  
City of Pasadena



Daniel R. Ferons  
General Manager  
Santa Margarita Water District



Steven R. Rogers,  
Town Manager  
Town of Yountville



JOHN S. LAZAR  
MAYOR


City of Turlock



Thomas Williams  
General Manager  
Ironhouse Sanitary District



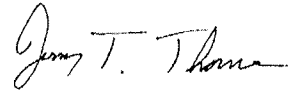
Cathleen C. Pierioni  
Government Affairs Manager  
City of San Diego



Garrard Marsh, Mayor  
City of Modesto



Robert B. Bell  
City Manager  
City of Redwood City



Jerry Thorne, Mayor  
City of Pleasanton

cc: Assembly Speaker Toni Atkins  
Senate President pro Tem Darrell Steinberg  
Senate Republic Leader Bob Huff  
Assembly Member Frank Bigelow  
Senator Anthony Cannella  
Alf Brandt, Assembly Committee on Water, Parks & Wildlife  
Dennis O'Conner, Senate Committee on Natural Resource & Water

## Chuck Weir

---

**From:** Paul Sellier <psellier@marinwater.org>  
**Sent:** Monday, May 05, 2014 2:47 PM  
**To:** chuckweir@sbcglobal.net  
**Cc:** Tim Healy (thealy@napasan.com); Sandeep Karkal (sandeepk@novatosan.com); Phillip M. Miller (Phillip.Miller@countyofnapa.org); Pam Jeane (Pam.Jeane@scwa.ca.gov); Dan St. John; Michael Ban  
**Subject:** MMWD's Participation in NBWRA  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Chuck -

As I mentioned at the last TAC meeting, MMWD has decided to pursue the State's low interest loans in order to fund our Peacock Gap recycled water project.

The project is able to proceed under the time constraints of the low interest loan program, is likely to score well based on conversations with state staff, has been on our institutional "To Do" list for some time now and given the current drought scenario playing out in California we are proceeding with the project on a time scale that leaves our full participation in the NBWRA without a purpose. MMWD fully supports the mission of the NBWRA and appreciates the opportunity to participate in such an important program. We would like to request that the NBWRA allow MMWD to participate as an associate member.

Please make the necessary adjustments to the program costs showing that MMWD is no longer a full participant in the NBWRA.

Regards,

Paul

Paul Sellier, P.E.  
Senior Engineer, Water Quality  
Marin Municipal Water District  
220 Nellen Ave  
Corte Madera, CA 94925  
Tel 415.945.1557  
Fax: 415.927.4953



15

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

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

Date: Friday, June 6, 2014  
Time: 9:30 a.m. – 11:30 a.m.  
Location: Novato Sanitary District  
500 Davidson Street  
Novato, CA 94945

**AGENDA**

<b><u>Item</u></b>	<b><u>Recommendation</u></b>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. Regulatory Update (45 min.) Guest Speaker: Bruce Wolfe, E.O., RWQCB	Information
7. BAIRWMP Update (45 min.) Harry Seraydarian	Information
8. Conference Feedback (10 min.) Harry Seraydarian	Information
9. Items of Interest	
10. Items for Next Agenda	

**Next Meeting Information:**

**Next Meeting: July 11, 2014**  
Marin Community Foundation  
5 Hamilton Landing, Suite 200  
Redwood Room  
Novato, CA 94949

## NORTH BAY WATERSHED ASSOCIATION

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

Date: May 2, 2014  
Time: 9:30 a.m.  
Location: Marin Community Foundation  
5 Hamilton Landing, Suite 200  
Redwood Room  
Novato, CA 94949

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Judy Arnold	County of Marin	Rick Fraites	North Marin Water District
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Jack Gibson	Marin Municipal Water District
Keith Caldwell	Napa County Flood Control and Water Conservation District	Kathy Hartzell	Central Marin Sanitation Agency
Adrian Cormier	Bel Marin Keys Community Services District	Brant Miller	Novato Sanitary District
		Judy Schriebman	Las Gallinas Valley Sanitary District
		Brad Sherwood	Sonoma County and Sonoma County Water Agency
		Pamela Tuft	City of Petaluma

Directors present represented 13 out of the 16 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:35 a.m.
2. **Public Comment.**
  - \* April 11<sup>th</sup> Conference extremely good. Best ever.
  - \* GGNRA General Plan (Streams & Creeks) – Public Comment period closed but taking comments for errata.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held March 7, 2014.** (See Handout) The Minutes of the Board Meeting held on March 7, 2014 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **The Emerging Science of Comprehensive Watershed Health Care.** Josh Collins, SFEI, provided a PowerPoint presentation with the subtitle, "From Stream Restoration to Watershed Design". Josh presented basic concepts and tools that could be used to support USACE, EPA, and the SWRCB to move permitting to a watershed scale. He described the major challenges as identifying cumulative impacts and tracking results in a way that satisfies scientists, while producing summaries and reports that are less complicated to understand for policy makers and the general public. He began with the basic concept of Watershed Health, which he defined as the levels of essential ecosystem services that we need the watershed to provide. He also defined ecosystem services as environmental processes and products that benefit people and provided some examples. Josh then framed the broad question: How much of what services are needed when and where and why? He described the many categories of services and acknowledged that you can't do everything everywhere due to the diversity inherent in watersheds. Josh then explained the basic concept of watershed structure (channel network, channel order, and reach) and presented the watershed approach to reach design. He also described the landscape properties that affect reach condition and design and used the Napa River as an example (too much fine sediment for fish; fine sediment needs to be moved through for tidal marshes downstream and out to the bay). Josh then explained several basic concepts: Watershed Profile: distribution, diversity, abundance, and condition of habitat and land uses that affect watershed health; Beneficial Hydrology: annual hydrograph and storm hydrograph that result from the ideal watershed profile that generates the needed levels of essential services; and the Reach: self-evident segment of a stream or shoreline based on natural processes that responds in a measurable way to management actions. Josh then presented the different levels of reach assessment methods: Level 1: 2D structure based on maps and imagery; Level 2: Rapid assessment of overall condition; and Level 3: Quantitative measures of particular aspects of condition or actual service. Josh provided examples of evaluation tools for each level of assessment. Josh then moved on to another basic concept of "Scaling Up" which includes a probabilistic sampling design to determine percent of reaches in health

categories. Josh used the Upper Truckee Watershed as an example and walked through the steps to design and setup of a sampling program. He then introduced the basic concept of a Cumulative Distribution Function using CRAM (CA Rapid Assessment Method) versus percent total stream length and added in a project example to show how the technique could be used to evaluate project performance. Josh then illustrated, using the basic concept of a Performance Curve, how restoration project performance improves over time. Josh then described the Landscape Profile Tool and how this could be used to present a Health Report Format using multiple indicators on a bar chart with the height indicating relative health on a percent basis and width indicating the relative importance of the indicator. Josh emphasized that the format is graphic (visual) and provides a relative measure from 1-100, hides nothing and this approach was used in the last State of the Estuary Report. Josh concluded by reinforcing the importance of answering questions, envisioning the answers in the form of a watershed profile and realizing the profile through reach design and standardized monitoring in the watershed context. The NBWA Board Members had several questions: Who is using this emerging method? (USACE, SWRCB, SCVWD, Tahoe Forest Service.) If we move into broad scale permitting can small agencies afford the costs? (Some mapping is being done under a Municipal Regional Permit; SFEI received federal and state funding; some permitting programs already require maps.) Did we make a mistake in controlling fine sediment? (Napa is an example – sediment problem is really a peak flows problem – fine sediment coming off of banks – need to manage peak flows [hydrograph] by using plumbing for irrigation.) Can SFEI help fund Level 3 efforts for Petaluma sub-basin? (We are looking for funding also.)

7. **SFEI Eco-Atlas.** Tony Hale, SFEI, provided a PowerPoint presentation entitled, “Eco Atlas and CRAM: Charting a Path to the Future” and demonstrated Eco-Atlas online. He explained that Eco-Atlas was 15 years into development and still in the pilot phase. Tony began with Environmental Data, Information and Technology (EDIT) which was formed three years ago and includes teams (IT Systems, GIS, Web App Development, Data Technical Services, and Creative Services) and then explained the related tools (CA Rapid Assessment Method [CRAM], CA Aquatic Resources Inventory [CARI], Wetlands Portal, and Online 401 [CWA certification]). Tony then explained how the inputs led to outputs such as Landscape Profiles, Water Quality Data, and Project Tracking. Tony then provided a timeline for the evolution of Eco-Atlas and skimmed over the benefits. Tony focused on the North Bay and demonstrated how to use Landscape Profiles by creating a polygon for the shoreline to present information such as aquatic resources, CRAM assessments, projects, etc. He noted that you can print or email reports and described the wealth of information available including examples of Level 3 data. The NBWA Board Members had a number of questions. Is there a glossary for acronyms? (Yes, on data page.) Can you measure traffic on the website? (Yes, flat right now; need funding for maintenance which is complicated – no one agency can pay for other agencies to use the site and some entities want limited access to sensitive or evidentiary data.) Have you looked at a JPA model for funding? (SFEI is a JPA and we are getting help on developing a business plan.) Will sediment/road assessments be included? (Possible in the future – must measure efficacy – will it be useful?)

8. **Final Budget 2014-2015.** Harry Seraydarian presented a PowerPoint which was a shortened and updated version of the March 7 presentation. Harry highlighted the two projects approved at the March meeting: Stormwater Phase II and North Bay Climate Adaptation Initiative and then emphasized changes in member fees due to updating the member operating budgets. He then provided some examples of member fee changes and reviewed the basic budget elements. Harry indicated he had not received any specific comments from members since the March 7 meeting. The NBWA Board unanimously approved the Final Budget as presented for 2014-2015.

9. **Items of Interest.**

- \* Gallinas Watershed Council received the Ted Wellman Award from the Marin Conservation League.
- \* Watershed Music CD available for sale, Bluegrass music, all sales benefit Gallinas Watershed Council.
- \* Reflections on Water – Marin Watershed Magic – Photography by Creekwalker, Aroma Café, San Rafael Reception: May 9 from 5-8 p.m., Exhibition: May 4 to July 4

10. **Items for Next Agenda.**

- \* Regulatory Update – Bruce Wolfe, Executive Officer, Regional Water Quality Control Board
- \* Bay Area IRWMP – Harry Seraydarian, NBWA Executive Director

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

SUBJECT TO BOARD APPROVAL

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

**NEXT MEETING INFORMATION:**

June 6 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

July 11 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Redwood Room, Novato, CA 94949

16



**WATER ADVISORY COMMITTEE  
AND  
TECHNICAL ADVISORY COMMITTEE**

**MONDAY: JUNE 2, 2014**

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

**9:00 a.m. Note location**

*This is a combined WAC and TAC meeting.*

1. Check In
2. Public Comment
3. Recap from the April 7, 2014 WAC/TAC Meeting and Approval of Minutes
4. Recap from the May 5, 2014 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. Report on Sonoma Marin Saving Water Partnership/Water Contractor Water Conservation Activity
7. WAC Resolution Supporting Upper Russian River Water Conservation Activity
8. Water Supply Conditions and Temporary Urgency Change Order
9. California Water Foundation Presentation: Sustainability Profile and Groundwater Management
10. Dry Creek Habitat Improvements and Biological Opinion Status Update
11. Discussion of MMWD Request for Renewal or Extension of Water Supply Agreements with SCWA and Possible WAC Action on Request
12. Integrated Regional Water Management Plan(s) Update
13. ACWA Region 1 Tour – Eureka, July 10 & 11
14. Items for Next Agenda
15. Check Out

**Water Resources Reform and Development Act Update  
with Congressmen Thompson & Huffman**

Monday, June 2, 2014

11 a.m.

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

**Welcome:**

Dennis Rodoni, Water Advisory Committee Chairman & North Marin Water District President of the Board of Directors

**Congressional Update on WRRDA:**

Congressman Thompson

Congressman Huffman

**Sonoma County Water Agency:**

Supervisor and Water Agency Chairman David Rabbitt  
Supervisor and Water Agency Director Efren Carrillo

**City of Santa Rosa:**

Councilmember Erin Carlstrom

**Reception**

Summary  
May 23, 2014  
Water Supply Coordination Council Meeting

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

Attendees: Efren Carrillo, Dennis Rodoni, Mike Healy, Jake Mackenzie, Grant Davis, Jay Jasperse, David Guhin, Chris DeGabriele

1. Review Summary of Last Meeting (March 27, 2014)

A summary of the March 27, 2014 WSCC was reviewed.

2. June 2<sup>nd</sup> WAC/TAC Meeting

The agenda for the Water Advisory Committee and Technical Advisory Committee scheduled for June 2, 2014 was reviewed.

3. Water Supply

a. Water Supply Conditions

Grant Davis reported that the Upper Russian River (North of Healdsburg) is classified as critical based on storage in Lake Mendocino. The remainder of the Russian River and Dry Creek is classified as dry based on D1610 criteria. It's likely that classification on the Upper Russian River will change to dry beginning June 1<sup>st</sup>, as Lake Mendocino storage levels are expected to be over 50,000AF (Temporary Urgency Change Order criteria).

b. Temporary Urgency Change Order Term 17 Activities

Grant Davis reported that entities in the Upper Russian River (Healdsburg, Cloverdale, Redwood Valley County Water District, City of Ukiah and Russian River Flood Control and Water Conservation District) have committed to provide funding, along with Sonoma County Public Works, SCWA and Beaumont Water Company, in the amount of approximately \$500,000 as matching funds, to pursue \$1.5M in additional grant funding through the North Coast Resource Partnership for an Upper Russian River water conservation program. The WAC will be requested to support the grant proposal at the June 2<sup>nd</sup> meeting.

c. Drought Workshops

It was reported that four Town Hall meetings were held in Sonoma County to



inform citizens of drought conditions and advocate for water conservation measures to be implemented. The meetings were held in April at Santa Rosa, Rohnert Park, Windsor, Sonoma and Petaluma. Additionally, Drought Drive-Up events were held on April 23<sup>rd</sup> in Healdsburg, Novato, Petaluma, Rohnert Park, Santa Rosa (four locations), Sonoma and Windsor. The Drought Drive-Up events were very well attended.

d. Sustainable Water Management Project

Lester Snow, former Director of the California Department of Water Resources and now the Executive Director of the California Water Foundation, will attend the June 2<sup>nd</sup> WAC meeting and describe the California Water Foundation new Sustainable Water Management Project. CWF will launch a pilot project with Sonoma County Water Agency to develop and test the Sustainable Water Management Profile in 2014. Information will be distributed with the WAC agenda packet.

e. Groundwater – Santa Rosa Plain Groundwater Management Meetings

Jay Jasperse advised that four community forums discussing the Santa Rosa Plain Groundwater Management Plan are being held during May at Sebastopol, Windsor, Rohnert Park and Santa Rosa. The forums are being conducted by Basin Advisory Panel Members, Sonoma County Water Agency and USGS with local participants on hand to answer questions.

4. Schedule next meeting

Next meeting will be scheduled prior to the August 4, 2014 WAC/TAC meeting.

5. Other

It was noted that the federal Water Resources and Reform Development Act has passed out of both the House and Senate and has now been reconciled. It is expected to be signed into law by the President late this summer. Grant Davis advised that both Congressman Thompson and Congressman Huffman hope to appear after the WAC meeting in Santa Rosa on June 2<sup>nd</sup> to unveil the new WRRDA which supports SCWA and US Army Corps of Engineers Dry Creek and Russian River Habitat Enhancements and the City of Santa Rosa's Recycled Water Expansion.

WATER ADVISORY COMMITTEE RESOLUTION SUPPORTING FOR THE  
SONOMA-MENDOCINO IMMEDIATE DROUGHT RELIEF PROJECT

WHEREAS, the Restructured Agreement for Water Supply, executed on June 23, 2006, by and between the Sonoma County Water Agency, the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Forestville, the North Marin and Valley of the Moon Water Districts and the Town of Windsor, collectively known as the Water Contractors, creates the Water Advisory Committee (WAC) and Technical Advisory Committee; and

WHEREAS, the WAC members are committed to protecting and preserving Russian River resources and habitat; and

WHEREAS, the Russian River originates in central Mendocino County approximately 15 miles north of Ukiah; and

WHEREAS, two major reservoirs provide water for the Russian River watershed: Lake Mendocino on the East Fork of the Russian River, and Lake Sonoma on Dry Creek; and

WHEREAS, Mendocino and Sonoma counties are now experiencing their second year of significantly reduced rain fall and drought conditions, especially on the upper Russian River which relies on releases from Lake Mendocino to meet in stream flow requirements; and

WHEREAS, on January 7, 2014, the County of Mendocino declared a local emergency and imminent threat of disaster exists in Mendocino County due to drought conditions; and

WHEREAS, on January 17, 2014, the Governor of the State of California proclaimed a State of Emergency for the State of California due to drought conditions; and

WHEREAS, on January 23, 2014, the United States Department of Agriculture designated the County of Mendocino and the County of Sonoma, along with many other California counties, natural disaster areas due to drought conditions; and

WHEREAS, on February 3, 2014, the WAC adopted a resolution supporting the Sonoma-Marin Saving Water Partnership efforts and Governor Jerry Brown's Emergency drought declaration that includes seeking a 20% voluntary conservation; and

WHEREAS, on February 25, 2014, the County of Sonoma proclaimed a local emergency due to drought conditions; and

WHEREAS, the adverse environmental, economic, and social impacts of the drought pose a threat of disaster which may cause harm to people, businesses, property, communities, wildlife and recreation in Sonoma and Mendocino County, especially in the upper Russian River area; and

WHEREAS, Sonoma County Water Agency is proposing to create and administer a Sonoma-Mendocino Immediate Drought Relief Project in the upper Russian River area where historically there previously have been no similar programs; and

WHEREAS, the cities of Healdsburg, Cloverdale, Ukiah and the Redwood Valley County Water District, Russian River Flood Control and Water Conservation District along with Sonoma County Public Works, Sonoma County Water Agency and Beaumont Water Company are committed to provide matching funds in support of the Sonoma-Mendocino Immediate Drought Relief Project; and

WHEREAS the Sonoma-Mendocino Immediate Drought Relief Project will provide installation of high efficiency toilets, showerheads and faucet aerators by licensed plumbers and provide a rebate for the replacement of turf with low water use plant materials.

NOW, THEREFORE, BE IT RESOLVED that the Water Advisory Committee declares its support for the Sonoma-Mendocino Immediate Drought Relief Project submitted on behalf of the region by the Sonoma County Water Agency to the North Coast Integrated Regional Watershed Management Plan.

ADOPTED this 2nd day of June, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

## Sustainable Water Management

### CHALLENGE: Water Agencies Need a Tool to Accurately Assess Water Management Successes, Vulnerabilities and Solutions

Sustainable water management means water is managed in a way that meets current economic, ecological, and quality of life water needs without compromising the future ability to meet those needs. California water agencies are embracing water efficiency and innovative supply projects to help them deal with the current stresses on their water supply systems. However, they still face many challenges to achieving sustainable water management, including:

- **Growing Population**
- **Climate Change**
- **Aging Infrastructure**
- **Degraded Ecosystems**

As these challenges grow and water agencies work towards increased sustainability, a standardized assessment tool would benefit water managers by recognizing progress and successes, identifying stressors, and offering solutions at a local and regional scale. Some sustainability assessment tools do exist, but they fail to account for:

- Region-specific information vital to providing an accurate assessment
- Steps agencies are already taking to address their water challenges
- Factors outside water agencies' jurisdictional boundaries that are difficult to assess and address without regional coordination

#### SWM Profile Quick Facts

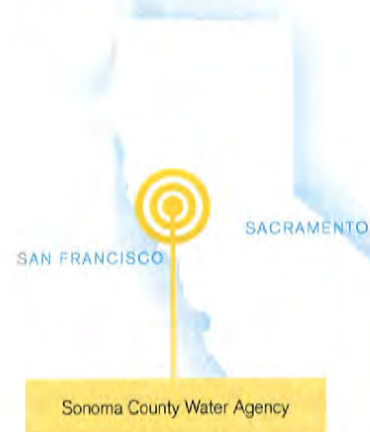
- **Current sustainability evaluation tools do not assess a water agency's responses to regional stressors**
- **SWM Profile's standardized assessment tool will evaluate water supply, demand, environment, finance, and the steps agencies are taking to be sustainable**
- **CWF's SWM Profile seeks to foster regional coordination and integrated solutions for greater regional water sustainability**

### CWF's Comprehensive Sustainable Water Management Profile

CWF has developed a tool that distills complicated water information into an easy-to-understand, yet comprehensive, assessment of the stressors to and stewardship of California's water management systems at a regional scale.

In 2014, CWF will launch a pilot project with the Sonoma County Water Agency (SCWA) to develop and test its Sustainable Water Management (SWM) Profile. Working with SCWA and a team of experts, CWF is developing the SWM Profile as a standardized assessment tool that analyzes four themes to identify the biggest water challenges facing a region, evaluate an agency's response, and develop a composite score.

#### PROJECT LOCATION:





**Themes:**

**Supply:**

Supply reliability, groundwater supply, source water quality, natural hazards, and climate change.



**Environment:**

Sensitive species and watershed health.

**Demand:**

Municipal and agricultural demand.



**Finance:**

Financial stressors, such as infrastructure investment and financial risk.

The themes will be evaluated using a scoring system that considers:

- 1) Context, such as the attributes of a region's water supply sources, geographic features, and population factors.
- 2) Stressors that impact a region's water supply.
- 3) Existing and potential management responses to agency and regional stressors.

CWF is funding technical experts to develop the tool and provide assistance to agencies who will complete the assessment. CWF's team of experts will review and verify the results, enhancing the credibility of the tool.

**CWF Sustainable Water Management Profile Scoring**

A water agency may be rated as falling within one of three levels: Silver, Gold, or Platinum. This figure shows an example graphic of rating icons, and how a points-based system could translate into rating levels.



CWF SWM Profile



CWF SWM Profile



CWF SWM Profile

**Importance of Sustainable Water Management Profile Pilot**

A primary objective of the SWM Profile is to increase water supply sustainability by highlighting water agencies' successes and vulnerabilities, encouraging sound investments, policies, and regional coordination. By making information more accessible and providing a standardized rating system that is easy to comprehend, water managers will be able to communicate how well they are responding to the water supply stressors within their region. Users of this information are

anticipated to include public utilities, residential and business customers, land use planning agencies, financial analysts, insurance companies, and others. Each of these audiences has a role to play in helping to advance sustainable water management. CWF's goal is to incentivize water agencies and other regional entities and stakeholders to work together to manage the waters of a region sustainably.



## Russian River Biological Opinion Update – June 2014

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

### Dry Creek Habitat Enhancement and Demonstration Project

- Construction of the remainder of the one-mile demonstration project continues this summer, with project staging beginning on June 2 and construction starting on June 16. Hanford Applied Restoration & Conservation, out of Sonoma, is constructing the project.
- Site identification, outreach to landowners, preliminary environmental studies and topographic surveys are underway for the second and third miles of habitat enhancement. Two firms, Interfluve and ESA PWA, are designing the second and third miles of habitat enhancement. 10% conceptual designs are complete, and discussions with landowners will begin in June.
- Water Agency staff is working closely with the US Army Corps of Engineers on a Continuing Authorities Program (CAP) project that should allow the Corps to contribute funding for a portion of the mile 2-3 phase of Dry Creek Habitat enhancement.

### Fish Monitoring

Monitoring is underway for juvenile fish, with downstream migrant traps installed at Dry Creek, the Russian River at Mirabel, Mark West Creek, Dutch Bill Creek and Austin Creek. Traps are checked daily. Water Agency staff are regularly consulting with National Marine Fisheries Service and California Department of Fish and Wildlife regarding the status of the migration and plans for reservoir releases.

### Tributary Habitat Enhancement Projects

Habitat monitoring was conducted in Grape Creek this fall, and won't be needed conducted again until 2015, per requirements of the Biological Opinion.

### Mirabel Screen and Fish Ladder Replacement

Bids for project construction were submitted on April 29, and the contract process is underway. The seismic upgrade project (not required by the Biological Opinion) is underway and should be completed in June. Major construction on the fish screen/fish ladder project will begin in summer 2014.

### Russian River Estuary Management Project

- All permits for the Lagoon Management Project have been received. The 2014 Lagoon Management Period began on May 15. Downstream migrant fish sampling is underway at Austin Creek and with an antenna at Duncans Mills that can read passive integrated transponders (PIT) tags. Biological and water quality monitoring, including fisheries and invertebrate sampling, began at the end of May. Monthly baseline monitoring of seals and other pinnipeds is ongoing. The Estuary Management Project Community Meeting will be held on June 2 at the Monte Rio Community Center.

- Field investigations of the jetty have begun. Work was conducted in early March, including the installation of monitoring wells, and will resume in July after the harbor seal pupping season. The purpose of the studies is to determine if and how the jetty impacts the formation of the barrier beach and lagoon water surface elevation.

#### **Fish Flow Project**

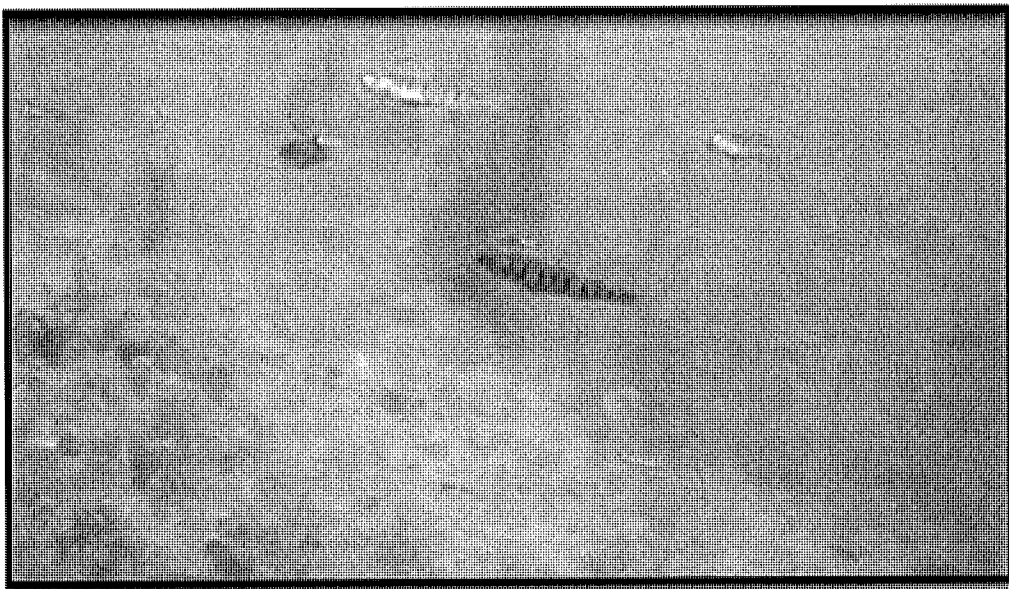
Work is occurring internally on the preparation of the draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR is anticipated to be released in 2014.

#### **Interim Flow Changes**

To slow declines in Lake Mendocino, on December 19, the Water Agency petitioned the State Water Board to allow the Water Agency to use Lake Mendocino storage levels to determine water supply conditions in the upper river. On December 31<sup>st</sup>, the State Water Board issued the new TUC order granting the Water Agency's request. As of June 1, under the new TUC, the minimum flows are 75cfs in the upper Russian River and 85 cfs in the lower river. The period of the order is January 1- June 29, 2014, although on March 7, the State Water Board amended the order to include new terms, including a drought action plan (submitted to the State Water Board on 3/28) and an update on activities on water use efficiency due October 31.

#### **Public Outreach, Reporting & Legislation**

- The Water Agency is working with contractors through the Sonoma-Marin Saving Water Partnership on an ad campaign messaging: The Drought is on. Turn Water Off.
- A community meeting attended by more than 50 people was held on May 12 in Dry Creek. Outreach on construction activities is occurring through direct mail, website, enews and partnerships with the Dry Creek Valley Association and the Winegrape Growers of Dry Creek Valley.
- A community meeting will take place in Monte Rio on June 2 to discuss estuary activities this summer. The community was notified through a press release, emails and advertisements.



*Juvenile Chinook salmon in the new backwater constructed on Dry Creek*



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# ACWA Region 1 North Coast Issues Forum

in [Region 1](#) <sup>[1]</sup> [Regional Event](#) <sup>[2]</sup>

Thu, 07/10/2014 - Fri, 07/11/2014

**Location:** Humboldt Bay, CA

## SAVE THE DATE

ACWA Region 1 Program & Tour

*North Coast Water Forum*

Eureka, CA

July 10-11, 2014

**Registration available online June 2 at:**

**[www.acwa.com](http://www.acwa.com)** <sup>[3]</sup>

Join us in Eureka July 10 & 11 for a North Coast Water Forum and tour co-hosted by ACWA Region 1 and Humboldt Bay Municipal Water District. Attendees will gather the evening of July 10 and board the historic Madaket for a Humboldt Bay Harbor Cruise. Following the cruise just a few blocks away, a dinner, and a statewide water update program will take place at the Sea Grill Restaurant. On July 11, the program will begin at Humboldt Bay MWD and will include topics such as the impact of climate change on North Coast resources, illegal marijuana farms' impact on water quality and supply, and an update on regional IRWMPs. The morning program will be followed by lunch at the famous Carson Mansion and an afternoon local area facility tour. ***See Preliminary Itinerary & Program Agenda for timing and details.***

**Pre-Registration Fee: \$70.00**

(Onsite Registration Fee: \$75.00 – space permitting)



Registration fee includes: meeting materials, tour transportation, breakfast, lunch, snacks, and refreshments. *Tour participants are required to sign an ACWA Voluntary Release and Waiver*, available at [www.acwa.com](http://www.acwa.com) [3].

**Online registration deadline is July 3, 2014**, or until space is full. Onsite registrations will be accommodated as space permits. Cancellations must be received in writing by **July 3** to cancel a registration and receive reimbursement. Substitutions must be received in writing by **July 3**. After that date, substitutions will be handled onsite at the event. Event details are subject to change and registrants will be notified by email if changes occur.

Personal Protection Attire for Tour: closed-toed shoes, sun hat and sun glasses are highly recommended for this tour.

Suggested Overnight Stay:

**Best Western Humboldt Bay Inn**

232 W 5<sup>th</sup> Street, Eureka, CA 95501

*ACWA Guest Rate on July 10: **\$135.99 + tax***

*Secure the "ACWA Rate" by calling to make your reservation by **June 27**.*

**(707) 443-2234**

Hosted by: Humboldt Bay MWD Sponsored By: GHD

**Questions?** Contact ACWA Regional Affairs Representative Katie Dahl at [katied@acwa.com](mailto:katied@acwa.com) [4] or (916) 441-4545.

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**Source URL:** <http://www.acwa.com/events/comming-acwa-region-1-north-coast-issues-forum-july-10-11-humboldt-bay>

**Links:**

[1] <http://www.acwa.com/category/region/region-1>

[2] <http://www.acwa.com/category/event-type/regional-meeting>

[3] <http://www.acwa.com>

[4] <mailto:katied@acwa.com>

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**DISBURSEMENTS - DATED MAY 22, 2014**

Date Prepared: 5/20/14

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


Seq	Payable To	For	Amount
1	ADTS	Class A Pre-Employment Drug Screen (Kane)	\$59.50
2	Allen, Emily	Refund Security Deposit on Hydrant Meter Less Final Bill	1,100.70
3	AT&T	Telephone Charges: Leased Lines	63.30
4	AT&T	Telephone Charges: Voice Lines	217.67
5	AWC	Filters for Sodium Chlorite (2) (STP)	182.47
6	Bacich, Janice	Refund Alternative Compliance Reg 15 Deposit	630.00
7	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 31 of 240)	46,066.67
8	Boothe, James & Tracy	Novato "Washer Rebate" Program	50.00
9	Caltest Analytical Laboratory	Lab Testing (O.M.)	35.00
10	Emed	Safety Signs (3) (Lab)	52.52
11	Charles Z. Fedak	Progress Billing #1 on FY14 Audit of Financial Statements (Balance Remaining on Contract \$18,380)	8,000.00
12	Fisher Scientific	Replacement pH Meter (\$1,513) & Module (\$692) (STP), Nitrogen (\$58) & Chlorite Standard (\$53) (Lab)	2,315.70
13	Golden Gate Petroleum	Gasoline (\$4.07/gal) & Diesel (\$3.98/gal)	4,411.93
14	Grainger	Replacement Yard Light Fixtures for Gustafson House (2) (\$108), Intrusion Hatch Switches (2) (\$90), Light Bulbs (12) (Exit Signs) & Replacement Metering Pump (\$595) (STP)	839.98
15	Graphic Controls	Chart Paper for Pump Stations Not on SCADA (7 boxes)	353.48
16	Hamstra, Richard A.	Novato "Toilet Rebate" Program	200.00


Seq	Payable To	For	Amount
17	Jorgensen, Artha	Novato "Washer Rebate" Program	50.00
18	Lab Support	Temporary Staffing During Pregnancy Leave (Lab) (Balance Remaining on Contract \$14,637)	483.00
19	Landeros, Dianne	Exp Reimb: Baywork Executive Committee Meeting in Concord on 5/14/14. Mileage (\$46) & Toll (\$5)	50.92
20	Maltby Electric	Mounting Brackets for Lake Level Sensors (2)	86.60
21	Marathon Construction	Refund Security Deposit on Hydrant Meter Less Final Bill	802.48
22	Marin Sanitary Service	Annual Document Shredding (\$35 Reimb by Employees)	245.00
23	MegaPath	DSL Internet Service (5/12-6/11/14)	142.88
24	Meyers Roehm, Marcia	Novato "Cash for Grass" Program	400.00
25	Novato, City of	Street Excavation Moratorium Fees (Ford & Hill Road & 35 Pacific)	1,000.00
26	Pace Supply	12" Clamp Adaptors (5), Elbows (22) (\$131), Tee, Bushings (4), PVC Pipe (280) (\$322), Couplings (129) (\$1,043), Gaskets (50) (\$146), Nipples (127) (\$265), Corp Stops (14) (\$388), Valve (\$411), Meter Boxes (5) (\$155), Hex Nuts (\$322) (700), Swing Check Valves (2) (\$134), Female Adaptors (2) & PVC Unions (4) (\$53)	3,620.88
27	Paculdo, David	Refund Alternative Compliance Reg 15 Deposit	630.00
28	PDM Steel Service Centers	Shop Steel	335.61
29	NMWD Petty Cash	Petty Cash Reimbursement: Tablecloths (Drought Drive-up), Bridge Toll, Safety Snack (\$32) & Fuel for Tools (\$19)	97.85
30	PG&E	Power: Bldgs/Yard (\$2,522), Rectifier/Controls (\$371), Pumping (\$16,261), Treatment (\$116) & Other (\$362)	19,631.68
31	PG&E	Engineering & Construction Services for Lynwood Pump Station Renovation Project	16,094.78

Seq	Payable To	For	Amount
32	PVS Minibulk	Sodium Hypochlorite (901 gal) (STP)	1,428.13
33	Ramudo, Pablo	Exp Reimb: ACWA Water Quality Committee Meeting. Mileage (\$166), Meals (\$44), Hotel (\$144) & Parking (\$7)	360.28
34	Raven Linings Systems	Aquapoxy (1 gal)	153.20
35	Red Wing Shoe Store	Safety Boots (Cilia)	200.00
36		Cafeteria Plan: Childcare Reimbursement	159.27
37	Scarpulla Jr, Fred	Refund Deposit-New Development Water Conservation Restriction (West Marin)	1,000.00
38	Sequoia Safety Supply	Brief Relief Urine Bags (100) (\$231) & Safety Gloves (650) (\$73)	304.00
39	Sheldon, Carol	Novato "Toilet Rebate" Program	196.00
40	Shvartsman, Yezgeny	Refund Overpayment on Closed Account	73.19
41	Sonoma County Water Agency	Water Conservation Program Administration Assistance (1/1-3/31/14)	20,134.72
42	SPG Solar	Energy Delivered Under Solar Services Agreement (4/1-4/30/14)	12,448.91
43	Streett, John & Margaret	Novato "Washer Rebate" Program	50.00
44	Synectic Technologies	Cable Installation for New Phone System Upgrade	2,142.88
45	Turano, Anthony	Novato "Washer Rebate" Program	50.00
46	United Site Services	Porta-Potty Rental (1 Month)	204.85
47	Vali Cooper & Associates	Construction Management Services for AEEP Reaches A-D MSN B3 Project (Balance Remaining on Contract \$1,283,412)	14,683.10
48	Verizon California	Telephone Charges: Leased Lines	245.52
49	Western Truck Fabrication	Airbrake Hose Fittings (\$174) & 24" Steel Stakes (16) (\$381)	555.33
50	Wittenmyer, Jack	Refund Overpayment on Closed Account	72.20

Seq	Payable To	For	Amount
51	Wittenmyer, Jack	Refund Overpayment on Closed Account	30.00
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$162,742.18</u></b>

The foregoing payroll and accounts payable vouchers totaling \$162,742.18 are hereby approved and authorized for payment.

 \_\_\_\_\_  
 Auditor-Controller Date 5/20/14

 \_\_\_\_\_  
 General Manager Date 5/19/2014

## DISBURSEMENTS - DATED MAY 29, 2014

Date Prepared: 5/27/14

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 5/15/14	\$114,153.18
EFT*	US Bank	Federal & FICA Taxes PPE 5/15/14	48,698.16
EFT*	State of California	State Taxes & SDI PPE 5/15/14	8,500.02
1	Agile Business & Technology	Accounting Software Upgrade (Balance Remaining on Contract \$4,832)	2,486.25
2	Allied Heating & Air Condition	Quarterly HVAC Maintenance (3/1/14-5/31/14)	370.00
3	Allquip Universal	Gate Valve, Breather Cap (\$185) & Filters for Vac Trailer (4) (\$1,174)	1,492.25
4	Alpha Analytical Labs	Lab Testing (Novato)	48.00
5	American Family Life Ins	June Employee Contribution for Accident, Disability & Cancer Insurance	4,195.49
6	Athens Administrators	June Workers' Comp Admin Fee	1,000.00
7	Bentley, David	Exp Reimb: ACWA Conference (5/6-5/9), Mileage (\$160), Hotel (\$515) & Food (\$39)	714.00
8	Breeze, Bette	Novato "Cash for Grass" Program	233.50
9	CalPERS Retirement System	Pension Contribution 5/15/14	47,420.37
10	Carey, Andrew	Novato "Toilet Rebate" Program	100.00
11	Causey, Jeff	Novato "Washer Rebate" Program	50.00

Seq	Payable To	For	Amount
12	Core Utilities	Consulting Services: April IT Support (\$5,000), SCADA, Modified PRTP, PLC @ Deer Island, O.M. Pump Station (\$2,475), Website Maintenance (\$75), Website Water Use Graph (\$975), Modified Backup Procedure (\$200), Lockbox (\$75), West Marin Drought Surcharge Modification to Online Water Cost Calculator (\$500), West Marin On-line Water Cost Calculator for Proposed Rate Increase (\$450) & Online Payment Issue Crediting Customers (\$250)	10,090.72
13	Corrpro	Cathodic Protection Rectifier for San Andreas, Wildhorse & Cherry Hill Tanks (3)	9,986.58
14	DeMartino, Thomas	Novato "Toilet Rebate" Program	300.00
15	Depew, Lisa	Novato "Toilet Rebate" Program	100.00
16	Eisan, Michael	Refund Overpayment on Closed Account	90.29
17	Electrical Equipment	Power Transformer (San Antonio Tank)	263.05
18	Environmental Express	Sample Bottles (96) (Lab)	131.27
19	Gaddini, A	Novato "Washer Rebate" Program	50.00
20	GHD	Engineering Services: NMWD Aqueduct Relocation (Balance Remaining on Contract \$47,176)	801.85
21	Ghilotti Construction	Construct AEEP Reaches A-D/MSN B3 Pipeline Project (Balance Remaining on Contract \$12,206,262)	69,255.00
22	Gillespie, Steven	Novato "Toilet Rebate" Program	100.00
23	Golden Gate Petroleum	Gasoline (\$4.13/gal) & Diesel (\$3.96/gal)	3,244.77
24	Grainger	Electrical Gloves (4) (\$562), Multi-Meter Fuses (2) & Fluorescent Light Bulbs (36) (\$139)	727.85
25	Hardy Diagnostics	Nutrient Agar & Medium (Lab)	263.29
26	Harrington Industrial Plastics	Adaptors (10) (STP)	244.77
27	Heisler, John	Novato "Toilet Rebate" Program	100.00



Seq	Payable To	For	Amount
28	InfoSend	April Processing Fee for Water Bills (\$1,450) & Postage (\$4,196)	5,645.76
29	Irish & Son Welding	Welding Services (Balance Remaining on Contract \$1,755)	480.00
30	Jifco Fabricated Piping	Steel Butt Straps (1/4" x 10") (2)	1,845.03
31		Cafeteria Plan: Uninsured Medical Reimbursement	45.00
32	Loew, Leon	Novato "Washer Rebate" Program	50.00
33	London, Michael	Novato "Water Smart Landscape Efficiency" Program (\$100) & "Smart Irrigation Controller" Program (\$450)	550.00
34	Lorusso, Robert	Novato "Toilet Rebate" Program	100.00
35	Maltby Electric	Double Padlock Clasp (2) (Main Yard Gate)	97.96
36	McClary, Robert	Novato "Toilet Rebate" Program	300.00
37	Moresco, Maureen	Refund Overpayment on Closed Account	38.01
38	Mutual of Omaha	June Group Life Insurance Premium	705.84
39	Niagara Conservation	Ultra High Efficiency Toilets for Customer Give-A-Way (200)	29,180.50
40	Novato Disposal Service	April Trash Removal	419.94
41	Novato Flooring Center	Laminate Flooring for Security Apartment	3,550.00
42	Pace Supply	36" & 20" Split Casings (80) (\$28,115), Double Check Valve (\$108), 3/4" Hose Couplings (2) (\$59), Tees (2), Meter Stops (34) (\$1,144) & Copper Pipes (600) (\$2,115)	31,547.26
43	Parkinson Accounting Systems	April Accounting Software Support (\$487) & Quarterly Accounting Software Support (\$1,500) (5/1-7/31/14)	1,987.50
44	Ramos, Petronila	Refund Overpayment on Open Account	700.00
45	Roehm, Robert	Refund Alternative Compliance Reg 15 Deposit	630.00
46	Roto Rooter	Unclog Sewer Drain (Security Apartment)	228.50

Seq	Payable To	For	Amount
47	Scheffler, Marjorie	Novato "Toilet Rebate" Program	200.00
48	Scheller, Paul	Novato "Toilet Rebate" Program	100.00
49	Scott Technology Group	Annual Maintenance on Admin Copier (4/30/14-4/29/15)	1,506.24
50	Sebastopol Bearing & Hydraulic	Drawbar & Tongue Jack ('91 Traileze Dakota & '07 Big Tex Trailer)	137.77
51	Sonoma County Water Agency	April Contract Water	417,741.77
52	Staples Advantage	Self Inking Stamp, Copy Paper (Letter) (80 reams) (\$286), Colored Card Stock (4 reams) (Cons Svcs) (\$81), Scratch Pads (24), Removable Tape (12), Correction Tape (20), 4 Drawer Cabinet (\$395) (Maint), Mechanical Pencils (3), 3 Volt Batteries, Cutting Matt, Classification Folders (20) (Eng) (\$52), Sketch Pads (4), File Box, Telephone Headset (Manzoni) (\$294), Scissors & Shipping Tape	1,303.32
53	Suhrke, Lorna	Novato "Toilet Rebate" Program	100.00
54	TelePacific	Telephone Charges	609.50
55	Township Building Services	April Janitorial Services	1,588.84
56	USA BlueBook	Stop Watches (2) & Reagents (\$106) (STP)	168.34
57	Verizon California	Telephone Charges: Leased Line & Emerg Service Listing	408.51
58	Verizon Wireless	April CIMIS Station Data Transfer Fee	26.16
59	Ward, Brian	Engineering Services: Atherton Tank Roof Girder Design (Balance Remaining on Contract	750.00
60	Wiens, Lori	Novato "Washer Rebate" Program	50.00
61	Wilson, Angelita	Novato "Washer Rebate" Program	50.00
62	Zelda, Katie	Refund Alternative Compliance Reg 15 Deposit	630.00

Seq	Payable To	For	Amount
63	Zenith Instant Printing	Envelopes w/ District Logo (Reg- 5,000 - \$507 & Window - 7,500 - \$743) & Ultra High Efficiency Toilet Distribution Forms (150) (\$72)	1,322.72
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$830,005.13</u></b>

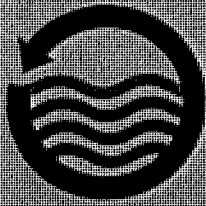
The foregoing payroll and accounts payable vouchers totaling \$657,939.77 are hereby approved and authorized for payment.

  
Auditor-Controller

5/27/14  
Date

  
General Manager

5/27/2014  
Date



**NORTH MARIN  
WATER DISTRICT**

May 25, 2014

**PRECAUTIONARY  
WATER QUALITY ALERT**

*27 customers  
affected*

On Sunday, May 25th a water main break occurred at the corner of Maestro Road and Wilson Avenue. As a result, water service to your home may have been interrupted or water pressure reduced. As a precaution, water quality samples were taken from residences in the area affected. Preliminary test results on the sampled water show that there is adequate disinfectant in the water serving your home, indicating it is safe to drink. Final results of these water quality tests will be available Tuesday, May 27th and another notice will be hand-delivered to your residence at that time, providing the latest information.

As a precaution, prior to receiving information on the final water quality tests, you may choose to boil your water before using it or to use bottled water for drinking and food preparation. This precaution will avoid any possibility of stomach or intestinal illness. Boiling kills bacteria and other organisms in the water. To boil water, bring all water to a rolling boil for one (1) minute, and let it cool before using.

**For more information call:**

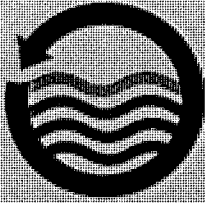
North Marin Water District at (415) 897-4133. *Please share this information with all the other people who drink this water, especially those who may not have received this notice directly.*

Sincerely,

Chris DeGabriele  
General Manager



May 27, 2014



**NORTH MARIN  
WATER DISTRICT**

**CANCELLATION  
OF  
PRECAUTIONARY  
WATER QUALITY ALERT**

North Marin Water District has completed its water quality testing following a water main break on Maestro Road on May 25, 2014. The test results indicate that your water remains free of bacterial contamination and meets necessary water quality standards.

We apologize for the inconvenience or concern this may have caused you. Protecting the quality of water supplied to you is our highest priority. If you have any questions, please call NMWD at (415) 897-4133.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris DeGabriele".

Chris DeGabriele  
General Manager

May 23rd, 2014

RECEIVED

MAY 26 2014

North Main Water District

North Main Water District  
999 Duck Creek Lane  
Merato, Ca. (94945)

To: General Manager

From: David G. Ball - 3036 Hunter's Club Rd, Merato  
Re: Water leak along the Black Oaks Railroad Tracks

Thank you very much for the swift and professional  
response in which you've been handling a water  
leak pouring out of the railroad tracks and  
flooding my driveway at 3036 Hunter's Club Road, Black Pt.

Your crew arrived at 1:30 after my 1:00 pm call to  
your office. They worked to find the problem  
and within 5 hrs, it was 90% fixed. I  
was really impressed by the work ethic, the  
communication I had with the crew supervisor,  
and the demeanor of the young men.  
I would rate this job an A+.

Sincerely,  
David G. Ball  
3036 Hunter's Club Rd  
Merato, Ca. (94945)  
Tel: 415-892-9209

May 21, 2014

## **PRESS RELEASE**

### **North Marin Water District**

### **Construction Work on Pt. Reyes-Petaluma Road to Begin Early June for West Marin Pipeline**

North Marin Water District (NMWD) has awarded a \$1,040,000 contract to Team Ghilotti for the Gallagher Pipeline Project to improve water quality for West Marin customers. NMWD currently serves its West Marin water service area from wells adjacent to Lagunitas Creek in Point Reyes Station. Those wells supply drinking water to the communities of Point Reyes Station, Olema, Bear Valley, Inverness Park, and Paradise Ranch Estates, and are subject to periodic salinity intrusion from the adjacent Tomales Bay. NMWD has developed an additional well, upstream of any tidal influence and potential salinity intrusion from Tomales Bay on the Gallagher Ranch.

The Gallagher Pipeline Project is approximately 1-mile in length and will connect the Gallagher Well to the existing Point Reyes water treatment plant. The project work limits are from the Gallagher Ranch entrance road near mile post 12.72 west to the State Route 1- Pt. Reyes-Petaluma Rd intersection. Construction work is scheduled to begin early June and be finished in September.

Motorists can expect traffic delays between the hours of 8 a.m. and 5 p.m. Monday through Friday as construction of the new pipeline will be in the traveled roadway. No road closures are planned but traffic control will be required since only one lane will be available in the immediate area of pipeline installation. Electronic message signs will be used for additional notifications to motorists.

In addition, please "like" North Marin Water District on Facebook to receive weekly project updates.

For further information, please contact Drew McIntyre, NMWD Chief Engineer at (415) 761-8912

## IN LOVING MEMORY

**George Anthony Grossi**  
October 15, 1920 — May 17, 2014

George Anthony Grossi passed away peacefully at his home on Saturday, May 17, 2014 in the presence of Mary Grossi, his wife of 67 years and all of their children.

George was born on October 15, 1920, the youngest of 11 children born to Domenico and Teresa Grossi who emigrated to Mann County in the mid-1890's, each of them from a small village in the Canton of Ticino in Switzerland.

George grew up on his parents' "Home Ranch" on Novato Boulevard, west of town. As a young man, one of George's jobs was delivering milk in cans to the Presidio in San Francisco during & after World War II.

When he returned with his truck to his Novato ranch, he would quickly change his clothes and drive to Cobb, where dances were often held. It was at one of these Cobb dances that he met petite Mary Halter of Ferngrove. They were married on December 28, 1946.

They made their home on his Novato ranch, where they raised their three children together. He was a devoted husband and father that valued his family above all else. George was also a dedicated dairy farmer and active member of the Marin County agriculture community.



**George Grossi**

He is survived by his wife, Mary, son George D. (Amanette) Grossi, daughter Carol (Rich) Ryan, daughter Shirley (Robin) Nosech, nine grandchildren, twelve great-grandchildren and numerous nieces and nephews. George was preceded in death by his siblings, Lida Spalitta, Domingo Grossi, Elsie Grossi, Lily McWhorter, James Grossi, Henry Grossi, Virginia Gallagher, Mary Rogers, Alfred Grossi, and Helen Bianchi.

Visitation will be held on Thursday, May 22 from 5 to 8 p.m. at Keaton's Redwood Chapel in Novato followed by a Funeral Mass at Our Lady of Loreto Catholic Church on Friday, May 23 at 11 a.m. In lieu of flowers, the family requests that memorial contributions be made to your favorite charity.

Arrangements entrusted to Keaton's Redwood Chapel of Marin.

# DIRECTOR: Veteran businessman joins team

From A1

ness Association. He has a bachelor of science in accounting and an

treatment, water recycling and solid waste disposal. For more information

mission is currently on the



BOD MISC

**BAYWORK**  
**FY 2013-2014 Initiatives and Performance Measures**  
**STATUS REPORT**

<b>Initiative</b>	<b>Objective</b>	<b>Action</b>	<b>Target/Measures</b>	<b>Status (as of 5/01/2014)</b>
<b>INITIATIVE 1: Candidate Development and Outreach</b>	<i>Expand Impact</i>	Increase use of website Job and Internship posting function	16 utilities participating	14 agencies participating
			1000 hits to page	4,104 hits to page since July 1, 2013
		Classroom presentations about careers in the water/wastewater industry	25 presentations	26 presentations delivered to high schools, community colleges, and other organizations
		New and customized video footage (e.g., by vocation)	15 new videos created	16 new videos created and posted to BAYWORK website
		Expanded distribution of outreach materials	Distribution in 75 venues	Outreach materials distributed to 64 venues
		Update outreach materials with current data on salaries and numbers of Bay Area jobs	Data collection complete	Data collection complete
			Updated outreach materials published	Updated outreach materials have been posted to the BAYWORK website; brochures will be printed as needed
		Develop and use Facebook page	150 "Likes" on Facebook page	101 "Likes" on Facebook page
		Workshop on how to implement successful internship programs	Workshop held	Workshop held 1/23/2014 at Santa Clara Valley Water District
Use online forum capability to coordinate candidate development efforts	Participation by 10 utilities and/or stakeholders	Deferred		
<b>INITIATIVE 2: Staff Preparedness</b>	<i>Cost Effectiveness of Training Investments</i>	Increase use of Training Bulletin Board	Use by 15 utilities and/or stakeholders	Use by 2 agencies (1 utility; 1 stakeholder)
			Workshops on Wheels Project	3 workshops with multi-agency site visits
		Report on Bay Area innovations in water/wastewater treatment		Report on lessons learned from the Workshop on Wheels project will be published by 7/1/2014
		Report on talent-trading options identified	Report on lessons learned from the Workshop on Wheels project will be published by 7/1/2014	
<b>INITIATIVE 3: Optimizing Use of Staffing Available</b>	<i>Successful Use of Online Forum Function</i>	Use online forum capability to support workgroup on Control Systems	Participation by 7 water/wastewater agencies	10 agencies have signed up for accounts; minimal participation to date. ControlTalk Workshop is scheduled for 5/22/2014
<b>INITIATIVE 4: Maintain What's Working</b>	<i>Maintain What's Working</i>	Upgrade, maintain, and support website functions	Website functions upgraded, maintained and supported	BAYWORK website functions have been supported and maintained. Upgrades during FY13-14 include: search engine optimization upgrades, addition of Wastewater Collections Operator page, resources navigation modifications
		Create BAYWORK brochure and video	Brochure/video posted to website	BAYWORK brochure and video production are in progress



## An Update

To: Novato Heights Property Owners

From: NHPOA Board members: Constantine Zhukovsky, President  
Margaret Franz-Costello, Vice President  
Jeannie Gjevik, Secretary-Treasurer

*BOD MISC  
NHPOA annual contributors  
does low road maint  
(\$150 in FY14).*

Some of you have been on the hill for a while, and some of you are new or relatively new. So, the 2014 Property Owners Association of Novato Heights Board did some research and wanted to share some information regarding the history and the current work accomplished with our annual dues. The POA has as its primary role that of fostering a sense of community among all residents. We are not a legal entity, the cost of repair and maintenance is to be shared by all the property owners. We build a reserve from our dues for the future and inevitable major repairs for Ridge Road.

### Some history

Our biggest expenditure to date was the resurfacing (asphalting) of Ridge Rd. a year or two before the sewer project. Approximately \$60,000 was collected by then President Margaret Franz-Costello (300 Ridge Rd.), who walked the road and personally collected from those who were willing to help pay for the work. The project was critical, as Ridge Rd. had fallen into a state of disrepair and needed to be sealed from the weather to maintain its "driveability".

Ridge Road, being the main thoroughfare, is a private road, along with all the tributary roads that filter on to it and down to Canyon Road, which is a **city** maintained road. Canyon Road residents therefore, obviously, do not pay Novato Heights dues. Novato Heights area roads are **not** county or city maintained roads and, therefore, must be maintained by those who use them. **The County of Marin has no obligation to maintain our private roads.**

### Some expenditures of our annual dues:

- Retaining walls were built at the bottom of "S" curve to reinforce the road and safety reflector posts installed
- Gravel has been placed near various pullouts to protect the road's edge
- The drainage catch basin near the bottom of Ridge was rebuilt, which involved clearing the semi-plugged culvert, building a catch basin, and lining a portion of the ditch with concrete. Also, the culvert just below the S-curve needs vigilant clearing
- Road signage was installed and replaced as needed
- Weed trimming and log splitter equipment rented
- On-going minor maintenance of roads, including asphalting potholes on Half Moon before it was eventually paved
- Clean the Ditch Day debris containers rented the from Novato Disposal
- Payment for postage, bank charges and miscellaneous office supplies.

Volunteer hours, too numerous to count, have always been a part of hill life. If you are healthy enough to work, especially in an emergency, please let us know by calling Margaret Franz-Costello at 897-7905 and we will add you to the ongoing list of emergency volunteer workers.



# MISSION

**TO CARE FOR, PROTECT, AND  
SERVE OUR COMMUNITIES.**

## OUR GUIDING

## PRINCIPLES

We are committed to the protection of life, property and the environment.

We believe that our communities are the reason for our existence.

We will foster and sustain the trust of our communities and each other, while also protecting that confidence through our attitude, conduct, and actions.

We believe that all members of our diverse communities are entitled to our industry's best practices.

We will serve our communities with honesty, fairness, and integrity.

We will pursue safe, effective, timely, economical,

and measurable solutions.

We will consistently provide professional, skilled, courteous, and compassionate customer service.

We will be sensitive to the changing needs of our communities.



**GROUND BREAKING  
CEREMONY**

**FIRE STATION NO. 64**



**MAY 30, 2014 | 10:00 AM**

**319 ENFRETE ROAD  
NOVATO, CA**



# EVENT PROGRAM

# SPECIAL THANK YOU

## WELCOME

BATTALION CHIEF BILL TYLER  
MASTER OF CEREMONIES

## OPENING REMARKS

FIRE CHIEF MARK HEINE

BILL JOHAL, PROJECT DIRECTOR  
KITCHELL

## GROUND BREAKING CEREMONY & PHOTOS

REFRESHMENTS TO FOLLOW



"The rebuilding of the fire station represents our strong commitment to ensuring a consistent high level of protection and service to residents served by Station 64."

Fire Chief Mark Heine

## NOVATO FIRE PROTECTION DISTRICT BOARD OF DIRECTORS



LJ Silverman



Thomas Kaselionis



Jim Galli



Brad Beedle

## NOVATO FIRE DISTRICT STATION NO. 64 DESIGN TEAM

- Captain Doug Fernandez
- Captain Scott Freedman
- Engineer Don Wehr
- Engineer Don Fletcher
- Firefighter Paramedic Aaron Hakenan
- Firefighter/Paramedic Marc Teldesdchi

## NOVATO PROFESSIONAL FIREFIGHTERS ASSOCIATION

## NOVATO FIRE CHIEF OFFICER'S ASSOCIATION

# THANK YOU TO OUR COMMUNITY FOR YOUR CONTINUED SUPPORT!

## **Pipeline over the Richmond-San Rafael Bridge eyed for Marin water supply**

*Posted: Sun May 25 15:00:00 MDT 2014*

marinij.com

The Marin Municipal Water District is looking at the idea of putting a \$45 million pipeline on the Richmond-San Rafael Bridge to keep Marin wet in dry years.

If that sounds familiar, the water district did just that in the 1970s.

A temporary, 6-mile pipeline was placed on the upper deck of the bridge along the shoulder during the drought of 1976-77, and water was pumped from the East Bay to save the county from going dry. The pipeline was removed in May 1982 after the threat of drought passed.

Now, as Marin looks for new sources of water to guard against another drought or catastrophic event, the idea of putting a permanent pipeline on the span to tap into East Bay Municipal Utility District supplies is being discussed.

It was MMWD's Drought Resiliency Task Force Committee that identified the pipeline as an option in April. When the water board met last week it was poised to approve a \$256,000 feasibility study, but took it off the agenda for future consideration.

But in addition to conservation, expanding its recycled water program and desalination, the district appears ready to look closely at the bridge pipeline.

"Staff believes water supply diversification and regional interconnectivity will be essential to improve our district's ability to respond to droughts, climate change impact and catastrophic events," Jon LaHaye, the water district's principal engineer, told the board. "The more options you have for water supply the better."

The project would see about 7 miles of pipe on the bridge as well as both sides of the span and provide 5 million gallons of water a day.

Under emergency conditions the pipeline could deliver up to 460-acre feet of water per month. One acre-foot is 325,851 gallons.

The 24-inch steel pipe would be put on a yet undetermined locale on the span, although on either of the roadways is unlikely. A pump station in Richmond would have to be built on the east side of the span, while the pipeline would connect to the water district's San Quentin pump station on the west, although it may need upgrades to get water into the system. The project could be done by 2018.

On paper, the pipeline would be cheaper than desalination. That option — to de-salt water from San Rafael Bay for home use— was estimated to cost \$115 million to produce roughly the same amount of water.

Board member Cynthia Koehler said she had "concerns" about the pipeline plan, but said there are reasons to study it as long as conservation is top of mind.

"It's important that we talk about this in the context of the broader conversation of a more aggressive approach to water-use efficiency," she said.

This is not the first time the pipeline has been revisited. In 2007, Caltrans and the water district met to discuss a pipeline across the span, but nothing came of the talks.

When the drought hit Marin in 1976-77, the county was within 120 days of going dry. The county averages about 52 inches of rainfall a year, measured from July through June. In 1975-76, the county received 22 inches of rain, and in 1976-77, some 25 inches fell, leaving reservoirs close to empty. The pipeline saved the day.

Dietrich Stroeh, the water district's general manager at that time, came up with the idea. He backs a new pipeline.

"Any opportunity to get any type of water, even for emergencies or for surplus, is good," he said. "And this makes more sense than desalination."

Contact Mark Prado via email at [mprado@marinij.com](mailto:mprado@marinij.com)

BOD MISC



## Sonoma County Water Agency PRESS RELEASE

**For Immediate Release**

**May 21, 2013**

**CONTACT:**

Ann DuBay

707.524.8378

[ann.dubay@scwa.ca.gov](mailto:ann.dubay@scwa.ca.gov)

### **Meeting Slated to Discuss Summer Plans for Estuary**

**Monte Rio, CA** -- On June 2, the Sonoma County Water Agency (Water Agency) will hold a community meeting on the Russian River estuary management project. Presentations will include information about the upcoming lagoon management season and the ongoing study of the historic Goat Rock Beach State Park jetty. The meeting will be from 6-8:00 p.m. at the Monte Rio Community Center (20488 California 116, Monte Rio).

The Biological Opinion issued by the National Marine Fisheries Service in September 2008 required the Water Agency to change the way the estuary is managed in the summer. The purpose of the lagoon outlet adaptive management plan is to enhance summer habitat for young steelhead while minimizing flood risk in the estuary. The June 2 meeting is the sixth community meeting discussing the estuary since the Biological Opinion was issued.

“The Biological Opinion is our best chance to save threatened steelhead and coho salmon and the lower river communities are key to its successful implementation,” said Water Agency Director Efred Carrillo. “Many people in Sonoma County are affected by the Biological Opinion. They deserve regular updates and the opportunity to ask questions and provide input.”

Since the mid-1990s, the Water Agency has artificially breached the sandbar when it closes and increasing water levels in the estuary threaten low-lying properties. The Biological Opinion called for managing the estuary as a summer lagoon with an outlet channel in place to enhance conditions for steelhead to grow and thrive, giving them a better chance to survive ocean conditions, while continuing to minimize flood risk.

The Water Agency and partners will present updates on completed and ongoing studies related to the adaptive management plan. Updates will include information on water quality studies and the monitoring of harbor seals. Presentations will also be given on surveys being conducted on the

historic jetty located at the mouth of the Russian River and on a plan to improve trails at Salmon Creek and to install interpretive signs at locations in Jenner.

More information about the estuary can be found at [www.scwa.ca.gov/russian-river-estuary](http://www.scwa.ca.gov/russian-river-estuary).

###

*The Sonoma County Water Agency is working to secure our future by investing in our water resources, community and environment. The Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at [www.sonomacountywater.org](http://www.sonomacountywater.org).*



## Coast Guard housing, shuttering in Point Reyes, spurs interest in property

By Christopher Peak

After more than four decades of Coast Guard personnel and their families living in Point Reyes Station, the federal government plans to sell the housing complex, generating interest from a water agency and affordable housing advocates.

Curving east of downtown off 1st Street, the site is being evaluated through the U.S. General Services Administration, the agency responsible for constructing and managing government buildings and acquiring private services or supplies for public business. The G.S.A. will conduct an assessment of the site, verifying the infrastructure and completing an environmental review over the next several months, Lt. Eric Eggen, a public affairs officer for the Coast Guard who retired earlier this year, told the Light in December.

The facility was unnecessary to maintain, as the Coast Guard transitioned to housing vouchers for employees to live in nearby cities like Novato or Petaluma, he said, adding that a final sale of the property could be expected next spring. (Lt. Eggen's successor, Allyson Conroy, said she would neither confirm nor deny that the process was still underway. A G.S.A. spokeswoman said the lead for the Coast Guard sale is out of the office until June.)

With a groundbreaking ceremony shortly after Independence Day in 1972,

the Coast Guard invested \$1.1 million to build a complex of 10 wood-framed, two-story townhouses for 36 "married men and their families" and a two-story dorm for 42 "bachelors," two per room, on a 39-acre site. At its peak, as many as 185 people lived in the complex, drastically increasing the village population. Luckily, "since urban congestion of any type does not now exist, this shift is of no importance," a draft environmental impact statement said after construction began, to which the Environmental Action Committee of West Marin objected.

Most of the employees work at the communication facilities known as CAM-SPAC—the Communication Area Master Station Pacific—with a transmitter in Bolinas and receiver site in the Point Reyes National Seashore, delivering messages and voice communications throughout the Pacific region and serving as the distress center for troubled mariners in commercial and recreational boats.

"I can't wait," Toby Giacomini told the Marin Independent-Journal six months into construction. "I'm really looking forward to having new faces in town, so long as they're good people." Another interviewee, a teenage girl who wouldn't reveal her name, bashfully admitted she was "very excited about all those bachelors coming to town."

Relations between the Coast Guard and civilians were mostly neighborly,

with brief flare-ups over restricted access to the tennis courts in 1980 and again in 1991. There was also the 1987 death of "the great brown hope, the darling of the baby horse world," a three-year-old colt that ran headfirst into a fence as it attempted to flee a low-flying helicopter during a ceremony at the facility.

But the issue that caused the most conflict, which any new landlord will have to confront, was wastewater. During the 1990s, the Coast Guard tried to persuade residents to install a sewer system to serve the housing complex and downtown, but the proposal was consistently rejected out of fear of spurring development. The Coast Guard still apparently collects waste in a large tank and hauls it to a training facility near Two Rock or a nearby ranch with a wastewater system.

Two North Marin Water District wells and a treatment facility have been located on the property since voters approved an improvement district in 1970, said Chris DeGabriele, the district's manager. If fea-

sible, he plans to ask the government for the opportunity to acquire the portion of land around their wells, rather than continuing to rely on easements.

The Community Land Trust Association of West Marin is an interested party looking at the properties as a way to alleviate the affordable housing crisis in West Marin.

"CLAM is painfully aware of the tremendous need for homes in this community, a need that has only increased in the last few years with the continuing reduction of rental stock and increasing rental prices," said Kim Thompson, the group's executive director. "The Coast Guard presents an opportunity for housing at a crucial point in the life of this community."

---

A potluck celebration for Ana Maria Ramirez, who is retiring from Inverness School at the end of this school year, will take place from 1 to 3 p.m. at the school. All are welcome.

---

Nancy Scolari, the executive director of the Marin Resource Conservation District, received the John M. McPhail, Jr. Green Business Award at the Marin Conservation League's annual dinner last month. The conservation league recognized her work with the R.C.D. for bringing together diverse stakeholders to design and implement numerous conservation projects on Marin ranches, including improvements to water quality, habitat enhancement, carbon sequestration and pasture health. This year the Point Reyes Station-based group is managing conservation projects with budgets totaling \$740,000 on seven local farms and ranches, all with the cooperation and assistance of partnering agencies and the farmers and ranchers. — *George Clyde, Marshall*

## **Novato fire board appointment violated state law, must be redone, officials say**

By Janis Mara [jmara@marinij.com](mailto:jmara@marinij.com) @jmara on Twitter Marin Independent Journal  
Posted: Wed May 28 21:19:23 MDT 2014

[marinij.com](http://marinij.com)

The Novato Fire District board's appointment of a new director violated a state open government law and will be rescinded and repeated, the fire chief said Thursday.

The board interviewed three candidates, Worth F. "Skip" Fenner, Vincent Marino and Mary Stompe, in open session Wednesday. The directors then left the room to deliberate in closed session, returned and voted in favor of Fenner. The closed-session discussion violated the state Ralph M. Brown Act, Chief Mark Heine said.

"Our board should not have convened in closed session for the deliberations," Heine said. "We will immediately rectify this. The board will invite each applicant to a second interview, and we'll conduct the interviews and deliberations in open session. I anticipate (the interviews) will be next week but won't know until tomorrow."

The chief said the purpose of the closed session was "to protect the privacy of the three people we were discussing," but resulted in an inadvertent violation. "I was concerned about this after the meeting. I reached out to our legal counsel (Riley Hurd, attorney for the district) last night (Wednesday)," and upon discussing the matter, realized the mistake, Heine said.

The fire chief assumed full responsibility for the mistake.

Board President LJ Silverman and directors Brad Beedle and Jim Galli voted in favor of Fenner Wednesday. Director Tomas Kaselionis was the lone no vote. Fenner served as the district's insurance broker for almost 30 years.

Candidate Mary Stompe on Thursday morning sent the chief a letter alleging a Brown Act violation and demanding that the board correct the violation. Stompe said the chief called her, acknowledged the violation and informed her of the plans to schedule a follow-up meeting.

Stompe, executive director of PEP, a Petaluma-based affordable senior housing nonprofit, said she didn't know if she would go through the interview process again.

"My sense was the decision was predetermined before we went in for our interviews, so at this point I'm not committing to anything," Stompe said.

Fenner declined to be interviewed for this article. Marino, a podiatrist, could not be reached for comment.

Jim Ewert, general counsel for the California Newspaper Publishers Association, concurred with Heine's assessment of the situation and the planned solution.

"It was a Brown Act violation. Once someone from the community brings it to their attention, they should rescind their vote, reschedule the item for discussion and then hold the discussion in open session so the public is present and can participate, and then vote again," Ewert said.

The violation is one of a series of misfires involving the position, which came open when director Kevin Johnston stepped down. Johnston, a former Novato battalion chief, was the top vote-getter in last November's election. A technicality forced him to choose between the directorship and his pension when his fellow directors failed to support a resolution that would have solved the problem.

Johnston's departure follows other turmoil in the district over the past couple years. Former chief Marc Revere abruptly retired when confronted with alleged misuse of public funds, deputy chief Eric Nickel left and Brad Beedle was ousted as board president.



BOD  
MISC

## Two Mendocino County water districts closer to merger

By JUSTINE FREDERIKSEN Ukiah Daily Journal  
Updated: 2014-05-30 01:00:30.138891

UkiahDailyJournal.com

Redwood Valley, RRFCD agree to file application with LAFCo

Ukiah Daily Journal

Amid lingering concerns and questions, the Redwood Valley County Water District Wednesday moved slightly closer to becoming a part of the Russian River Flood Control and Water Conservation Improvement District.

"At a certain point, we're going to have to take a leap of faith and file the paperwork," said Sean White, general manager of the RRFC & WCID, referring to the application that needs to be sent to Mendocino County's Local Agency Formation Commission before the organizations can merge. "Otherwise, we'll just be spinning our wheels. There are still multiple points along the way where we could exit."

White said the application will not technically be for a merger, but an "annexation dissolution," meaning the RVCWD will be dissolved "and become part of the flood control district." That dissolution would mean Redwood Valley's board would disappear, which was just one of the topics of concern addressed at the May 28 meeting of both agencies' boards, held at Barra Winery.

The item that spurred the most discussion was the \$7.2 million the federal government loaned the RVCWD in the late 1960s to build the district's infrastructure, which includes the treatment plant, the distribution office and miles of pipe. The loan is now in default and the district lobbied to put it on ice of sorts, meaning it does not have to make payments and it is not accruing interest or racking up penalties for non-payment.

There are concerns that joining the flood control district would trigger the need to pay off the loan, which Redwood Valley County Water District General Manager Bill Koehler said would require his district to "generate another \$400,000 to \$500,000 a year," likely from its ratepayers.

White said lawyers for both districts are exploring whether the debt can be handled as a "zone debt," which would "marry it to a zone (Redwood Valley) and not the district as a whole. It would be relegated to the (Redwood Valley) footprint."

White also suggested that the groups look at what paying off the debt "would look like to the average ratepayer to see if it is not a terrible situation. Hard, but doable."

Koehler said a payout would be "painful but doable for domestic customers, but it's not going to be doable for agricultural customers."

Granville Pool, president of the RVCWD's board of directors, suggested that if the moratorium on new water connections were lifted, an influx of "300 or more customers would help spread the debt payments out."

However, White said at least in the beginning, the amount of water allocated to Redwood Valley would have to stay "fairly close to what is being used now. We don't have enough water to serve Redwood Valley and open the doors to any development. The first step is just getting Redwood Valley into the district.

"And that may not seem like a lot," he continued, "but in terms of this year, it would have been a monstrous improvement. We're not going to fix everyone's everything -- we're looking at making incremental improvements. The first step is getting you reliable water, and that's a heck of a first step."

Redwood Valley does have water rights, but they depend on there being a certain amount of water in Lake Mendocino and the Russian River, conditions that Koehler said have only existed for "60 days out of the six years I've been here. And this is the second drought we've had in six years."

When a member of the audience asked how it would benefit the flood control district to have RVCWD join it, White said it was definitely not financial.

"Taking on additional infrastructure with a pile of debt is not what I would call an economic windfall," he said, explaining that securing water sources for the Ukiah Valley and having a more unified voice was the impetus. "Keeping our water rights perfected and having everyone on solid ground is good for the entire community. The benefit for the flood control district is the more people that are dependent on our water supply (8,000 acre feet of Lake Mendocino), the more secure that right will be."

When White asked the board to vote on "a greenlight to file the LAFCo application," the motion passed both boards with only one "no" vote between them, cast by Lee Howard, a RRFC & WCID board member.

Koehler said he and White will "polish up the application and send it to LAFCo, probably sometime next week. They'll likely send it back for more work, and then we'll find out how much it will cost to apply."

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**attend state  
n Fresno**

April 12th, a group of 10 stu-  
he two FFA vehicles, one  
am Costanzo and the other  
anzo. They drove for hours  
ing their destination of the  
State Convention in Fresno.  
they attended the first of six  
leadership conference.

Approximately five thousand  
A chapters around California  
ision was designed to pump  
remind them what FFA was  
them about leadership and  
officers had comedy skits,  
ward sessions in store for the  
ere were inspirational guest  
; Jeff Yalden who silenced the  
irst sentence. In between the  
nies and speeches the students  
e the "State Talent" (an excep-  
d FFA member singing or play-  
ent) perform. On the final day  
nce, Tuesday, April 15th, the  
announced who would be taking  
the year to come.

their retiring addresses and  
people who had helped them in  
as they traded their old blue  
ir retired one.

**Construction beginning on  
Pt. Reyes-Petaluma Road in  
early June**

North Marin Water District (NMWD)  
has awarded a \$1,040,000 contract to Team  
Ghilotti for the Gallagher Pipeline Project  
to improve water quality for West Marin  
customers. NMWD currently serves its  
West Marin water service area from wells  
adjacent to Lagunitas Creek in Point Reyes  
Station. Those wells supply drinking water  
to the communities of Point Reyes Station,  
Olema, Bear Valley, Inverness Park, and  
Paradise Ranch Estates, and are subject to  
periodic salinity intrusion from the adjacent  
Tomales Bay. NMWD has developed an ad-  
ditional well, upstream of any tidal influ-  
ence and potential salinity intrusion from  
Tomales Bay on the Gallagher Ranch.

The Gallagher Pipeline Project is ap-  
proximately 1-mile in length and will con-  
nect the Gallagher Well to the existing Point  
Reyes water treatment plant. The project  
work limits are from the Gallagher Ranch  
entrance road near mile post 12.72 west to  
the State Route 1- Pt. Reyes-Petaluma Rd  
intersection. Construction work is sched-  
uled to begin early June and be finished in  
September.

Motorists can expect traffic delays be-  
tween the hours of 8 a.m. and 5 p.m. Mon-  
day through Friday as construction of the  
new pipeline will be in the traveled road-  
way. No road closures are planned but traf-  
fic control will be required since only one  
lane will be available in the immediate area  
of pipeline installation. Electronic message  
signs will be used for additional notifica-  
tions to motorists.

In addition, please "like" North Marin  
Water District on Facebook to receive  
weekly project updates.

West Marin  
Citizen  
5/29/14

**rd Out West**

arken Bradley