



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 June 6, 2017– 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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| Est. Time | Item | Subject |
|--------------|------|---|
| 7:00 p.m. | | CALL TO ORDER |
| | 1. | APPROVE MINUTES FROM REGULAR MEETING May 16, 2017 |
| | 2. | GENERAL MANAGER'S REPORT |
| | 3. | OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration. |
| | 4. | STAFF/DIRECTORS REPORTS |
| | | <p>CONSENT CALENDAR</p> <p>The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.</p> <p>5. Consent – Approve Group Life Insurance Renewal</p> <p>6. Consent – Approve Renew Agreement with Workers' Compensation Third-Party Administrator</p> <p>7. Consent – Approve FY18 Insurance purchase</p> <p>8. Consent – Approve Hamilton Cottages Water Service Agreement</p> <p>9. Consent – Approve Amendment Contract with Leonard Charles and Associates (CEQA Documentation for PRE #4A Water Tank Replacement)</p> <p>10. Consent – Approve Disposal of Surplus Equipment</p> |
| | | ACTION CALENDAR |
| | 11. | Approve: Recycled Water Expansion Project Central Service Area – Highway 101 Crossing: Reject Bid Protest and Award Construction Contract (Anvil Builders) |
| | 12. | Approve: Response Letter to Marin LAFCo Sphere of Influence Update |

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)

INFORMATION ITEMS

13. Recycled Water Central Construction Management Progress Report No. 2 (Covello)
14. Quarterly Progress Report – Water Quality Report
15. Initial Review - FY18 West Marin Water and Oceana Marin Sewer Budgets
16. NBWA Meeting – June 2, 2017
17. WAC/TAC Meeting – June 5, 2017

18. **MISCELLANEOUS**

Disbursements

Draft EIR State Route 1 Lagunitas Creek Bridge Project Letter

Closing Bills Erroneous Amounts

Marin Retirement Health Care Benefits

News Articles:

Annual Water Hike continues to fund large projects

Editorial: Pension plan needs to choose reality over risk

Marin Voice: Are Marin voters running out of generosity toward tax increases?

Marin watchdog growls over public sector retiree health costs

Kent Lake water flow study to look at fish impact

MMWD sets water rate hike for July 1; second hike subject to hearing

Local register concerns about bridge project

Marin IJ Editorial: MMWD needs to keep its promise on 2019 rates

President of bridge board dies at 80

19. **Closed Session:** In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager

8:30 p.m.

20. **ADJOURNMENT**

1

1 Director Fraites stated that one of the letters of protest was regarding pensions and asked
2 how the District's pension plan looked. Mr. Bentley responded that our pension rate is going up but
3 is less than 1% and is \$1M in total pension cost. Director Fraites asked if it pension cost would
4 increase in the future. Mr. Bentley responded yes.

5 President Petterle opened the public hearing at 7:19 p.m.

6 Novato resident Tony Shroyer addressed the Board and stated that she appreciated the
7 presentation and that the District has great employees and great service and appreciates that the
8 District spends money locally but does not agree with the rate increase. He stated that people
9 cannot live without water but with a 5% proposed rate increase continuing to affect the middle class,
10 people will be driven out of Novato. She expressed her concern on the District's pension plan and
11 suggested an independent study to review its pension plan costs. Mr. Shroyer expressed her
12 concern for the elderly and suggested the increase be 3%.

13 Seeing no further public comment, President Petterle closed the public hearing at 7:26 p.m.

14 Director Joly thanked Ms. Shroyer and her family member for attending the meeting and
15 publically thanked the 25 people who took the time to write letters to the District. He stated that he
16 hears what the letters say and will be mindful in all his decisions on the Board as he is a customer of
17 this District as well.

18 Director Fraites reminded the Board of the projects that have been completed with rate
19 increases including the Stafford Treatment Plant solar array and the recycled water projects which
20 will help with not having to buy as much water in the future. He reminded the Board that in the future
21 the District will save money by going with AMI meters and save money on leak adjustments. Director
22 Fraites advised that he is a customer as well and that his bill will increase by only \$2 month with the
23 5% increase and it's not a bad investment considering what projects the District completed. He
24 stated he will support this rate increase proposed by the staff.

25 President Petterle thanked the public for coming and stated that it is very difficult to raise
26 rates and agreed with Director Joly that all of the Board members are affected by the increase as
27 well.

28 On motion of Director Baker, seconded by Director Fraites, the Board approved Resolution
29 17-12 entitled: "Resolution Of The Board Of Directors Of North Marin Water District Amending
30 Regulation 54 - Water Rates" amending Regulation 54 pertaining to Water Rates and Charges to
31 reflect an increase of 5% for the customers in the Novato service Area effective June 1, 2017 by the
32 following vote:

1 AYES: Director Baker, Fraites, Joly, and Petterle

2 NOES: None

3 ABSENT: Director Schoonover

4 Ms. Shroyer asked if the District would consider a program for seniors to apply to in order to
5 get more relief on bills.

6 Mr. McIntyre stated that the State of California is looking into providing guidance on
7 programs to help low income and senior customers but the District has not received any information.

8 **GENERAL MANAGER'S REPORT**

9 SMART Train Quiet Zone

10 Mr. McIntyre advised the Board of the SMART Train and the approved quiet zones. He
11 stated that Robert Clark has been getting information out to all employees and provided additional
12 training.

13 Tour of Novato

14 Mr. McIntyre stated that Ryan Grisso had a booth at the Tour of Novato Event and provided
15 water conservation tips and giveaways.

16 U.S. Coast Guard Housing

17 Mr. McIntyre advised the Board that on Wednesday May 10th he met with Supervisor Rodoni
18 regarding future right of way acquisition on the U.S. Coast Guard Housing Parcel and discussed
19 participation in a working group of the various stakeholders early summer.

20 Eco-Friendly Garden Tour

21 Mr. McIntyre advised the Board that the District participated in the Sonoma Marin Saving
22 Water Partnership Eco-Friendly Garden Tour and set up three different locations in Novato for
23 outreach.

24 **OPEN TIME**

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

27

1 **STAFF / DIRECTORS' REPORTS**

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

4 Robert Clark advised the Board that Marin County Parks Sunseekers event will occur on
5 Sunday and he will be doing an inspection assuring the correct amount of bathrooms are available.
6 He noted that the event was from noon-7pm.

7 Mr. Bentley advised the Board that the District received a request from the Pt. Reyes Light
8 for the MP3 recording of the meeting. He reminded the Board that the District is required by law to
9 provide the recording but only has to keep the recordings for 30 days. He reminded the Board to
10 watch the off-handed comments as they are on public record.

11 Rocky Vogler advised the Board that yesterday the contractor (Mountain Cascade) doing the
12 Recycled Water Project on the east side of 101 near Vintage Oaks hit a 2" gas main with an
13 excavator. He informed the Board that staff, the contractor and the construction manager are
14 working together to figure out the extent of damages.

15 **MONTHLY PROGRESS**

16 Mr. McIntyre provided the Board with the Monthly Progress Report for April. He stated that
17 water Production is down 4% compared to a year ago and at the end of April, Stafford Lake is 97%
18 of capacity and Novato had received 42" of rainfall. He noted that on the Russian River, Lake
19 Mendocino is 111% and Lake Sonoma is 102% of the target water supply levels. Mr. McIntyre
20 informed the Board that customer service compliant numbers overall are down 16% from last year
21 for this same period, although bill adjustments payments are \$130K compared to \$58K one year
22 ago.

23 Mr. Bentley provided the Board with the Monthly Report of Investments. He stated that there
24 is a cash balance of \$11.1M and the average weighted portfolio is 0.97%.

25 **CONSENT CALENDAR**

26 On the motion of Director Fraites, seconded by Director Baker the Board approved the
27 following items on the consent calendar by the following vote:

28 AYES: Director Baker, Fraites, Joly, and Petterle

29 NOES: None

30 ABSENT: Director Schoonover

31

1 **TEXT FOR SPRING 2017 NOVATO WATERLINE, VOLUME 18, ISSUE 38**

2 The Board approved the text for the Spring 2017 Novato *WaterLine*.

3 **TEXT FOR WEST MARIN SPRING WATERLINE, VOLUME 14**

4 The Board approved the text for the Spring 2017 West Marin *WaterLine*.

5 **TEMPORARY WATER SERVICE REQUEST – HAMILTON SMART RAIL STATION TEMPORARY**
6 **RECYCLED WATER SERVICE AGREEMENT APN 157-860-05**

7 The Board approved a request from the Sonoma Marin Area Rail Transit (SMART) for
8 temporary recycled water service on Main Gate Rd and B Street, near the entrance to the SMART
9 Hamilton Station. The temporary recycled water service agreement would be used to establish
10 native friendly and tree restoration landscaping installed by a community volunteer group. SMART
11 may need to use the temporary service for a period of up to 3-years, until such time that the
12 landscaping is established. Pursuant to SMART's request, staff proposes to install a temporary 1-
13 inch lateral and 5/8- inch meter off the 12-inch recycled water main located on Main Gate Rd.

14 The Board approved Resolution 17-13 entitled: "Authorization Of Execution Of Temporary
15 Recycled Water Service Facilities Construction Agreement With Sonoma-Marin Area Rail Transit."

16 **NOMINATION OF DAVID BENTLEY TO CONTINUE SERVING AS BOARD MEMBER OF ACWA**
17 **REGION 1**

18 The Board nominated Auditor-Controller David Bentley to fill a Board Member vacancy for
19 the 2017-2018 (two year) term. The Region 1 Board meets four times per year, two of which
20 meetings occur at the ACWA semi-annual general conference. David is willing to continue serving
21 as a Board member, and as he already attends the meetings, there would be no additional cost to
22 the District.

23 The Board approved Resolution 17-14 entitled: "A Resolution Of The Board Of Directors Of
24 The North Marin Water District Placing In Nomination David Bentley As A Member Of The
25 Association Of California Water Agencies Region 1 Board."

26 **INFORMATION ITEMS**

27 **THIRD QUARTER PROGRESS REPORT – OPERATIONS/MAINTENANCE**

28 Robert Clark provided the Board with the 3rd Quarter Progress Report for the
29 Maintenance/Operations Department. He advised the Board that with over 27 inches of rain during
30 the three month period Stafford Lake filled on January 9th and continued to spillover for 115 days.
31 Operations staff brought the Stafford Lake Treatment Plant online on March 15th producing 120 AF
32 for the period.

1 **BAY AREA CHEMICAL CONSORTIUM BID PARTICIPATION SUMMARY**

2 Robert Clark provided the Board information regarding the Bay Area Chemical Consortium
3 Bid Participation that the District has been involved with for the past 4 years. He advised the Board
4 that when the District commenced this consortium there were 30 water agencies involved and the
5 group has grown to 58 agencies. He noted that it has helped considerably saving the District over
6 \$80K in chemicals.

7 **SECOND REVIEW – PROPOSED FY2017/18 NOVATO WATER EQUIPMENT BUDGET**

8 Mr. Bentley advised the Board that since the April 18 review, no changes have been made
9 to the proposed FY18 Equipment Budget of \$210K. He provided the Board with a chart showing ten
10 years of equipment purchases history and a five year vehicle and equipment replacement plan.

11 Mr. Bentley informed the Board that a public hearing and approval of the Equipment Budget
12 is scheduled for June 20, 2017.

13 **SECOND REVIEW – PROPOSED FY18 & FY19 NOVATO CAPITAL IMPROVEMENT PROJECTS**
14 **BUDGET**

15 Mr. Bentley presented the second review of the proposed Capital Improvement Project (CIP)
16 Budget for the Novato service area for fiscal years (FY18) and (FY19) (\$11.8 million FY18 & \$7.7
17 million FY19 Gross Expenditure). He advised that no changes have been made to the proposed
18 budget since the Board's last review.

19 Mr. Bentley reminded the Board that at the May 2nd meeting, the Board got an estimated
20 cost for the Office Renovation of \$14-\$18M and advised the Board that staff will be narrowing down
21 that figure to a more realistic number and will be figuring out financing. He noted that staff is
22 comparing options of borrowing the money now or waiting until the project is ready. He advised the
23 Board he would come back with more financial options at a later date.

24 Mr. Bentley informed the Board that a public hearing and approval of the CIP Budget is
25 scheduled for June 20, 2017.

26 **SECOND REVIEW – FY17/18 PROPOSED NOVATO OPERATIONS BUDGET**

27 Mr. Bentley provided the second review of the FY17/18 proposed Novato Operations Budget
28 (\$24.2M). He advised the Board that there have been no changes made since the last review. He
29 advised the Board that the budget is going more conservative on the water sales at 2.3BG and
30 staffing level will be down 0.5 FTE. He noted that there is a spot adjustment of 3% proposed for the
31 Operations/Maintenance Superintendent, the Water Conservation Coordinator and the District
32 Secretary.

1 Mr. Bentley informed the Board that a public hearing and approval of the Novato Operations
2 Budget is scheduled for June 20, 2017.

3 **SECOND REVIEW – FY17/18 PROPOSED NOVATO RECYCLED WATER SYSTEM BUDGET**

4 Mr. Bentley provided the Board with the second review of the FY17/18 Proposed Novato
5 Recycled Water System Budget (\$7.8M). He advised the Board that there were no changes since
6 the last review.

7 Mr. Bentley informed the Board that a public hearing and approval of the Novato Recycled
8 Water System Budget is scheduled for June 20, 2017.

9 **NBWA – MAY 5, 2017 MEETING MINUTES**

10 Director Fraites stated that he and Mr. McIntyre attended the North Bay Watershed
11 Association meeting on May 5th. He stated that there were three fisheries from Sonoma, Marin and
12 Napa who gave a presentation on increasing the protection and habitat for the fisheries.

13 **MISCELLANEOUS**

14 The Board received the following miscellaneous information: Disbursements, NBWA – May
15 22, 2017 Agenda, and Novato Leadership Graduation Ceremony.

16 Mr. McIntyre advised the Board that Sr. Accountant Nancy Holton graduated from Novato
17 Leadership this week.

18 The Board received the following news articles: North Marin Water District general manager
19 retires after 22 years, Highway 37: Bay Area officials eye future tolls to pay for upgrades, Tamalpais
20 Valley could see higher sewer rates, Novato council opts for 100 percent renewable energy and
21 Train quiet zone starts Friday.

22 The Board received the following news articles at the meeting: Water District restructures
23 rate hike set for approval Tuesday and Marin Voice: Building a regional plan for the Bay Area's
24 growth. The Board also received two letters of opposition to the rate increase.

25 Director Joly thanked Mrs. Young and staff for the wonderful retirement/Open House for
26 Chris DeGabriele.

27 **ADJOURNMENT**

28 President Petterle adjourned the meeting at 8:30 p.m.

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Submitted by

Katie Young
District Secretary

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MEMORANDUM

To: Board of Directors

From: Nancy Williamson – Senior Accountant *NW*
David L. Bentley, Auditor-Controller *DB*

Subj: Approve: Group Life Insurance Renewal
t:\act\word\personnel\life ins\17 renewal.docx

June 2, 2017

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$11,172 Annually

The District's benefit package includes a life insurance policy for regular employees with a benefit equal to their annual salary. The group life benefit also includes an accidental death and dismemberment policy (AD&D) that offers double indemnity in the event of accidental death and defined lump sum payments if there is loss of sight or appendage. The District's current provider is Mutual of Omaha, at \$2.28/\$1,000 of payroll, which policy expires July 31, 2017. Attached is a chart showing our Group Life and AD&D premium history.

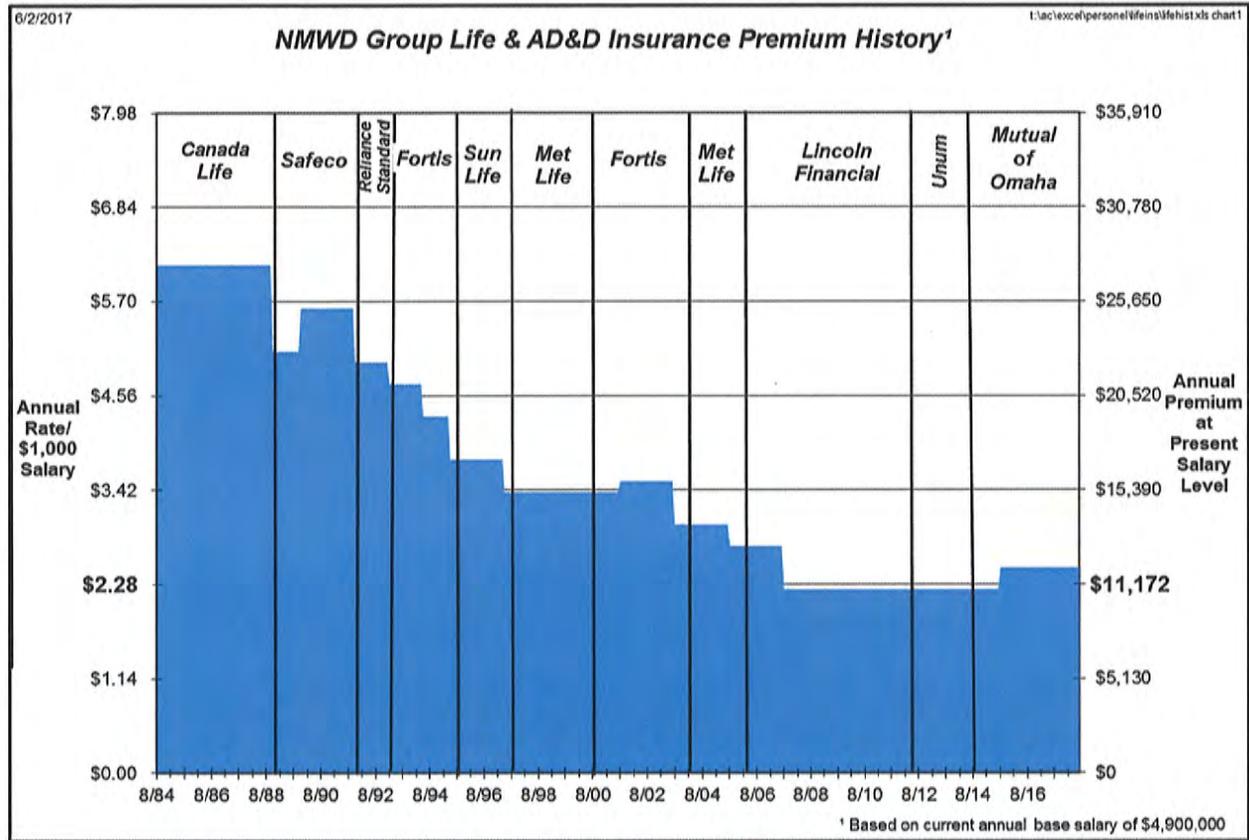
In 2015 Staff asked McNeil Benefits Insurance Services in Novato, the broker for our group life policy since 1957, to survey the market pricing for renewal. Seven insurers provided a response, and two declined to quote. Mutual of Omaha was selected with the lowest cost at \$2.28/\$1,000. Their proposal included a two-year rate guarantee which they are now offering to extend for one additional year at the same rate. Mutual of Omaha remains one of the strongest companies in the industry, with a Best's Rating of A+16 (Superior financial strength with policyholder surplus over \$2 billion).

The proposed premium is 5% less than the amount incorporated in the District's proposed FY18 budget.

Recommendation:

Authorize the Auditor-Controller to renew the contract with Mutual of Omaha for the District's Group Life and Accidental Death and Dismemberment Insurance at a rate of \$2.28 per \$1,000 of payroll for a one-year period commencing August 1, 2017.

Approved by GM *Dh*Date *6/2/17*



6

MEMORANDUM

To: Board of Directors

June 2, 2017

From: Nancy Williamson, Senior Accountant *NW*

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

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT: \$36,000 Expense over the Next 3 Years**

Six 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. The current agreement expires June 30, 2017. Athens has served the District for a total of ten 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



Date

6/2/17

7

MEMORANDUM

To: Board of Directors

From: Nancy Williamson, Senior Accountant
David L. Bentley, Auditor-Controller

Subject: FY18 Insurance Purchase
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June 2, 2017

RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$138,351 - Included in FY2017/18 Operations Budget

The District requested proposals for insurance coverage for the coming fiscal year from two brokers: 1) Gallagher Insurance Services in San Francisco, who has won our business for the past five years; and 2) Special District Risk Management Authority (SDRMA), who advised that they cannot provide insurance outside of their pooled programs. The District has historically eschewed participation in pooled-insurance programs as they require the District to share in losses with other agencies that do not share NMWD's pristine general liability claims history.

This year Gallagher Insurance Association, which is fully reinsured by an A.M. Best rated carrier, received two proposals, one from incumbent carrier Argonaut and another from California Association of Mutual Water Companies (Cal Mutual), another pooled Insurance Association, which proposal was rejected for the same reason SDRMA was rejected.

The District has self-insured the first \$1 million of its general and auto liability since 1989, which in insurance lingo is called a Self-Insured Retention (SIR). A benefit of the District's \$1M SIR, in addition to the lower premium, is that the District controls the claims handling process. Over the years the District has followed a policy of settling quickly and fairly with claimants when we are at fault, which generally avoids attorneys joining into the settlement process. Conversely, the District fights vigorously when it is not at fault, thereby maintaining a reputation in the community of not being an easy mark. Consequently the District's average annual claims cost over the past 35 years is \$19,000, which is extremely low for a public agency of the District's size and scope of responsibility. A standard deductible insurance policy would require turning the claims handling process over to the insurance carrier, with their attendant bureaucratic process.

A review of the District's claims history over the past 35 years (since we began tracking claims) shows that only one general liability claim exceeded \$100,000. In 1997 a claim for business interruption was filed by three oyster companies on Tomales Bay and settled cumulatively for \$100,500. Approximately \$9,000 was expended on legal and risk management fees to negotiate the settlement, bringing the total claim cost to just under \$110,000. Other than that one instance, no general or auto liability claim has ever even approached \$100,000. Given

Approved by GM Date 6.2.17

the District's history, Staff recommends that the District continue with the \$1 million SIR for general and auto liability policy offered by the incumbent Argonaut.

A supplementary coverage under the general liability package is Employment Practices Liability. The District has experienced two employment practices claims over the past decade. The Employment Practices deductible for the incumbent carrier Argonaut is \$50,000. The Argonaut deductible is set to increase to \$100,000 in FY19 and \$250,000 the following year due to a change in underwriting guidelines.

The recommended purchase package presented for your consideration reflects a cost increase of \$1,235 (1%) from the current year premium.

PROPOSAL SUMMARY

| Insurance Proposal | FY16/17 | FY17/18 | % Δ |
|---------------------------|------------------|------------------|------------|
| Property | \$55,831 | \$61,283 | 9% |
| Liability ¹ | \$20,646 | \$21,827 | 5% |
| Excess Workers' Comp | \$55,387 | \$49,989 | (10%) |
| Cyber Liability | \$5,252 | \$5,252 | 0% |
| | \$137,116 | \$138,351 | 1% |

MARKETING RECAP

Gallagher approached seven carriers to underwrite the property and liability coverage, which is generally sold as a package. Five carriers declined to quote based on the existing pricing and the other two, incumbent Argonaut and Cal Mutual, are discussed above. Three carriers were approached for Cyber Liability coverage, and one provided a proposal with varying amounts of coverage and deductibles, the other two declined. Gallagher approached five carriers for Excess Workers' Compensation coverage. Two could not compete with the incumbent's pricing, which maintained the same rate per \$1,000 of payroll. Finally, four carriers (Old Republic, MemberGuard, Travelers and Zenith) were approached by Gallagher to obtain a proposal for 1st dollar (e.g., no deductible) workers' compensation coverage. The 1st dollar workers' comp insurance quote was requested to determine if continuing to self-insure workers' compensation risk is appropriate, and to ascertain the current market value of the coverage which the District self-insures for the purpose of calculating gain or loss on self-insuring.

¹ Liability amounts shown are NMWD's net cost after MCWCFCD's contribution (\$12,026 in FY17 & \$12,565 in FY18).

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 schedules. Equipment coverage is provided on an agreed value basis. In December 2015 the District obtained a certified appraisal of its buildings, pump stations and water storage tanks to minimize negotiation in the event of a property loss. The insured value of the District's property, excluding fleet vehicles increased 0.5% from the prior year, to \$60.3 million.

2016-17 Actual

| <u>CARRIER</u> | <u>TYPE</u> | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> | <u>PREMIUM</u> | <u>RATE/\$1,000</u> |
|----------------|-------------|-----------------|-------------------|----------------|---------------------|
| Argonaut | Property | \$60,000,000 | \$25,000 | \$55,831 | \$0.93 |

2017-18 Proposal

| | | | | | |
|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|
| Argonaut | Property | \$60,275,000 | \$25,000 | \$61,283 | \$1.02 ⇐ |
|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|

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 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 will be \$12,565 next fiscal year for the \$5 million in additional coverage required under the agreement.

2016-17 Actual

| <u>CARRIER</u> | <u>COVERAGE</u> | <u>SIR</u> | <u>PREMIUM</u> |
|----------------|-----------------|-------------|-----------------------|
| Argonaut | \$10,000,000 | \$1,000,000 | \$20,646 ² |

2017-18 Proposal

| | | | | |
|-----------------|---------------------|--------------------|-----------------------------|---|
| Argonaut | \$10,000,000 | \$1,000,000 | \$21,827³ | ⇐ |
|-----------------|---------------------|--------------------|-----------------------------|---|

² Net cost shown. FY17 total premium is \$32,671. MCFCWCD will pay \$12,025 for the incremental \$5M coverage.

³ Net cost shown. FY18 total premium is \$34,392. MCFCWCD will pay \$12,565 for the incremental \$5M coverage.

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 vehicle fleet increased 9% to \$572,000.

2016-17 Actual

| <u>CARRIER</u> | <u>TYPE</u> | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> | <u>PREMIUM</u> | <u>RATE/\$1,000</u> |
|----------------|-------------|-----------------|-------------------|----------------|---------------------|
| Argonaut | Auto PD | \$526,000 | \$3,000 | Included | - |

2017-18 Proposal

| | | | | | |
|-----------------|----------------|------------------|----------------|-----------------|------------|
| Argonaut | Auto PD | \$572,000 | \$3,000 | Included | - ↩ |
|-----------------|----------------|------------------|----------------|-----------------|------------|

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.

2016-17 Actual

| <u>CARRIER</u> | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> | <u>PREMIUM</u> |
|----------------|-----------------|-------------------|----------------|
| Argonaut | \$1,000,000 | \$50,000 | Included |

2017-18 Proposal

| | | | | |
|-----------------|--------------------|-----------------|-----------------|---|
| Argonaut | \$1,000,000 | \$50,000 | Included | ↩ |
|-----------------|--------------------|-----------------|-----------------|---|

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.

2016-17 Actual

| <u>CARRIER</u> | <u>COVERAGE</u> | <u>DEDUCTIBLE</u> | <u>PREMIUM</u> |
|----------------|-----------------|-------------------|----------------|
| Argonaut | \$500,000 | \$25,000 | Included |

2017-18 Proposal

| | | | | |
|-----------------|------------------|-----------------|-----------------|---|
| Argonaut | \$500,000 | \$25,000 | Included | ↩ |
|-----------------|------------------|-----------------|-----------------|---|

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 \$67,387. Below is a chart showing a 10-year history of annual claims cost (average \$45,000 per year). This amounts to an average annual cost of \$112,387 cost (\$67,387 + \$45,000).

Zenith Insurance Company's proposal for 1st dollar workers' comp coverage is \$109,260. The other three vendors solicited did not respond.

Staff recommends the District continue to self-insure its Workers' Compensation liability and move to a \$1M SIR from the current \$750K, which reduces the annual premium by \$8,000.

2016-17 Actual

| <u>CARRIER</u> | <u>COVERAGE</u> | <u>SIR</u> | <u>PAYROLL</u> | <u>PREMIUM</u> | <u>RATE/\$1,000</u> |
|----------------|-----------------------|------------|----------------|----------------|---------------------|
| NY Marine | Statutory (unlimited) | \$750,000 | \$4,740,000 | \$55,387 | \$11.68 |

2017-18 Proposal

| | | | | | |
|----------------|------------------------------|--------------------|--------------------|-----------------|------------------|
| Midwest | Statutory (unlimited) | \$1,000,000 | \$4,956,300 | \$49,989 | \$10.09 ← |
| NY Marine | Statutory (unlimited) | \$1,000,000 | \$4,956,300 | \$50,589 | \$10.21 |
| NY Marine | Statutory (unlimited) | \$750,000 | \$4,956,300 | \$57,980 | \$11.69 |
| Arch | Statutory (unlimited) | \$750,000 | \$4,956,300 | \$100,000 | \$20.18 |



CYBER LIABILITY INSURANCE

The District first purchased a Cyber Liability policy in FY15. Cyber Liability coverage insures against loss of sensitive or personally identifiable information (such as social security numbers, credit card numbers, etc.) 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 continues to increase. 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 the District's reputation and could interrupt its ability to render bills. A Cyber Liability policy provides funds to employ experts to mitigate losses.

One carrier, BCS proposed Cyber Liability coverage, with multiple options for various levels of coverage and self-insured retention. The proposal from BCS remained the same as last year for coverage, deductible and premium.

| <u>2016-17 Actual</u> | | | |
|-------------------------|--------------------|----------------|------------------|
| <u>CARRIER</u> | <u>COVERAGE</u> | <u>SIR</u> | <u>PREMIUM</u> |
| BCS | \$1,000,000 | \$5,000 | \$5,252 |
| <u>2017-18 Proposal</u> | | | |
| BCS | \$1,000,000 | \$5,000 | \$5,252 ← |

Last year's insurance purchase totaled \$137,116.

RECOMMENDATION

| <u>TYPE</u> | <u>CARRIER</u> | <u>RATING</u> | <u>COVERAGE</u> | <u>PREMIUM</u> |
|--------------------------|----------------|---------------|-----------------|-----------------------|
| Property Damage | Argonaut | A XII | \$60,275,000 | \$61,283 |
| General & Auto Liability | Argonaut | A XII | \$10,000,000 | \$21,827 ³ |
| Excess Worker's Comp | Midwest | A+ XV | Unlimited | \$49,989 |
| Cyber Liability | BCS | A- VIII | \$1,000,000 | \$5,252 |
| | | | | <u>\$138,351</u> |

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/13/17

| LOC. | DESCRIPTION | | GPS Coordinates | | 2017-18 INSURED VALUE | |
|---|---|------------------------|-----------------|--------------|-----------------------|-------------|
| | | | Lat N | Lon W | STRUCTURE | CONTENTS |
| Buildings | | | | | | |
| 1 | Administration Office 999 Rush Creek Pl. - Constructed 1966 Wood Frame w/Concrete Slab Foundation | 8,340 Ft ² | 38.1158 | -122.5659 | \$2,611,000 | \$737,000 |
| 2 | Warehouse, Shop & Yard Buildings (4) 999 Rush Creek Pl. - Constructed 1966 Steel Frame w/Non-Reinforced Concrete Slab | 16,380 Ft ² | 38.1152 | -122.566 | \$1,406,000 | \$1,151,000 |
| 3 | Waterworks & Misc Supplies/Inventory on Ground and in Cargo Containers (3) | | | | \$24,000 | \$603,000 |
| 4 | Single-Family Home - 3Bd/2Ba - Contr 2005 25 Giacomini Road, Pt Reyes Station | 1,196 Ft ² | 38.0683 | -122.8014 | \$248,000 | \$19,000 |
| Treatment Plants - Water | | | | | | |
| 5 | Stafford TP - 5.4 MGD Capacity 3015 Novato Blvd - Renovated 2005 Steel Frame & Reinforced Concrete on Reinforced Concrete Foundation | 33,200 Ft ² | 38.1195 | -122.6347447 | \$10,202,000 | \$6,565,000 |
| 6 | Point Reyes TP - Constr 1971 - 1 MGD Includes Wells #2, #3 and Gallagher 300 Commodore Webster Drive, Pt. Reyes Station | 200 Ft ² | 38.0713 | -122.7997 | \$116,000 | \$100,000 |
| Treatment Plants - Sewage | | | | | | |
| 7 | Oceana Marin Chemical Feed/Control Shed - Constructed 1990 - 35,000 GPD Capacity | 96 Ft ² | 38.2573 | -122.9595 | \$5,000 | \$30,000 |
| 8 | Oceana Marin Treatment Lagoons & Piping | | 38.2567 | -122.9592 | \$100,000 | \$0 |
| Treatment Plants - Recycled | | | | | | |
| 9 | Deer Island Recycled Water Facility - Constructed 2007 - 0.5 MGD Capacity | 825 Ft ² | 38.0948 | -122.5304 | \$639,000 | \$2,000,000 |
| Pump Stations, Pressure Systems & PRS (note 1) | | | | | | |
| (A - Above Ground; B - Below Ground) | | | | | | |
| 10 | B - Bahia Pump Station (concrete) | | 38.1182 | -122.528151 | \$4,000 | \$31,000 |
| 11 | A - Bear Valley Pump Station (wood frame) | | 38.0597 | -122.8167 | \$11,000 | \$26,000 |
| 12 | A - Bolling Circle RW Pump Station (steel) | | 38.0522 | -122.5265716 | \$6,000 | \$14,000 |
| 13 | B - Buck Center Pump Station (steel) | | 38.1331 | -122.5752435 | \$12,000 | \$26,000 |
| 14 | A - Cabro Court PS (wood frame) & 5,500 Gal Concrete Tank | | 38.0930 | -122.6112194 | \$43,000 | \$24,000 |

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/13/17

| LOC. | DESCRIPTION | GPS Coordinates | 2017-18 INSURED VALUE | |
|--|---|----------------------|-----------------------|-----------|
| | | | STRUCTURE | CONTENTS |
| Pump Station and Pressure Systems (continued) | | | | |
| 15 | B - Eagle Drive Pump Station (wood frame) | 38.0674 -122.5619039 | \$9,000 | \$51,000 |
| 16 | A - Inverness Park Pump Station (wood frame) | 38.0634 -122.8221 | \$12,000 | \$28,000 |
| 17 | B - Lynwood Pump Station (concrete) | 38.0854 -122.561533 | \$139,000 | \$266,000 |
| 18 | B - Nunes Pump Station (wood frame) | 38.1300 -122.5741745 | \$16,000 | \$26,000 |
| 19 | B - Oceana Marin Lift Station & 80 kW Generator (concrete) | 38.2523 -122.9676 | \$104,000 | \$251,000 |
| 20 | B - Old Ranch Road (Davies) Pump Station (wood shed) | 38.0863 -122.5905699 | \$6,000 | \$28,000 |
| 21 | A - Olema Pump Station (wood frame) | 38.0474 -122.7925 | \$20,000 | \$27,000 |
| 22 | B - Paradise Ranch Estates (3 pump stations) (wood shed) | Located With Tanks | \$28,000 | \$77,000 |
| 23 | B - Ponti Pump Station (wood shed) | 38.0492 -122.5430116 | \$10,000 | \$30,000 |
| 24 | B - Ridge Road Pump Station (wood shed) | 38.0952 -122.5885585 | \$7,000 | \$26,000 |
| 25 | B - Robin Hood Drive (Cherry Hill) Pump Station (metal box) | 38.1067 -122.5484859 | \$19,000 | \$40,000 |
| 26 | B - San Andreas Pump Station (wood shed) | 38.1270 -122.6039146 | \$15,000 | \$28,000 |
| 27 | A - San Marin Drive Pump Station (brick & concrete) | 38.1210 -122.5750707 | \$161,000 | \$230,000 |
| 28 | B - School Road Pump Station (steel box) | 38.1128 -122.5273568 | \$19,000 | \$34,000 |
| 29 | B - Truman Pump Station (wood shed) | 38.0850 -122.5778829 | \$10,000 | \$30,000 |
| 30 | B - Trumbull Pump Station (wood frame) | 38.0987 -122.6103181 | \$13,000 | \$40,000 |
| 31 | B - Wild Horse Valley Pump Station (wood shed) | 38.0939 -122.6222941 | \$6,000 | \$25,000 |
| 32 | B - Windhaven Pump Station (small wood frame) | 38.1983 -122.5994061 | \$46,000 | \$38,000 |
| 33 | B - Winged Foot Drive Pump Station (metal box) | 38.0659 -122.5556941 | \$5,000 | \$30,000 |
| 34 | B - Woodland Heights Pump Station (wood shed) | 38.0776 -122.5630852 | \$3,000 | \$30,000 |
| 35 | B - World College West Pump Station (wood shed) | 38.1777 -122.6017274 | \$15,000 | \$28,000 |
| 36 | B - Diablo Hill Pressure System (wood shed) | 38.0968 -122.5770931 | \$24,000 | \$34,000 |
| 37 | B - Garner Pressure System (wood shed) | 38.0828 -122.5810899 | \$17,000 | \$53,000 |
| 38 | A - Hayden Drive Pressure System (wood frame) | 38.1033 -122.5669502 | \$16,000 | \$44,000 |

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/13/17

| LOC. | DESCRIPTION | GPS Coordinates | | 2017-18 INSURED VALUE | |
|--|---|-----------------|--------------|-----------------------|---------------------|
| | | | | STRUCTURE | CONTENTS |
| Pump Station and Pressure Systems (continued) | | | | | |
| 39 | B - Indian Hills Pressure System (wood shed) | 38.0784 | -122.5715512 | \$13,000 | \$94,000 |
| 40 | B - Rockrose Pressure System (wood shed) | 38.1176 | -122.5756342 | \$25,000 | \$45,000 |
| 41 | B - Atherton Avenue Regulator Station (concrete vault) | 38.1170 | -122.5470865 | \$5,000 | \$23,000 |
| 42 | B - Black Point Regulator Sta No.1 (Harbor @ Hwy 37) (vault) | 38.1082 | -122.5076389 | \$12,000 | \$33,000 |
| 43 | B - Black Point Regulator Sta No.2 (Harbor @ Grandview) (vault) | 38.1094 | -122.506058 | \$7,000 | \$25,000 |
| 44 | B - Black Point Reg Station No. 3 (Iolanthus) (vault) | 38.1068 | -122.4990418 | \$7,000 | \$25,000 |
| 45 | B - Calle De La Mesa Regulator Station (vault) | 38.0659 | -122.5526304 | \$5,000 | \$24,000 |
| 46 | B - Hamilton (Main Gate Rd) Regulator Station (vault) | 38.0556 | -122.5222505 | \$7,000 | \$28,000 |
| 47 | B - Plum Street @ Summers Regulator Station (vault) | 38.1098 | -122.5537045 | \$6,000 | \$21,000 |
| 48 | B - Robin Hood Drive Regulator System (at PS) (vault) | 38.1067 | -122.5484859 | \$9,000 | \$39,000 |
| 49 | B - Robin Hood Drive Regulator System (Uphill) (vault) | 38.1088 | -122.5509676 | \$7,000 | \$19,000 |
| 50 | B - San Marin Reg Sta Aqueduct Control Valve (metal box) | 38.1198 | -122.5669817 | \$21,000 | \$79,000 |
| 51 | B - San Marin East Regulator Station (vault) | 38.1195 | -122.5711584 | \$10,000 | \$29,000 |
| 52 | B - Sunset Regulator Station (vault) | 38.0845 | -122.5626477 | \$4,000 | \$13,000 |
| 53 | B - Captain Nurse Circle Regulator Station (vault) | 38.0480 | -122.5293933 | \$10,000 | \$45,000 |
| 54 | B - Western Avenue Regulator Station (vault) | 38.1098 | -122.5995334 | \$7,000 | \$19,000 |
| Other | | | | | |
| 55 | Crest Radio Building Incl 25 kW Generator (Concrete Block) | 38.0821 | -122.5444 | \$38,000 | \$70,000 |
| 56 | Highway 37 Automated Valve (Vault) | | | \$31,000 | \$60,000 |
| 57 | Kastania Valve | | | \$25,000 | \$121,000 |
| | | | | \$16,396,000 | \$13,632,000 |

notes

- 1 Pressure systems include pump station and enclosure plus, included in contents, buried tanks with 1,200 to 6,000 gallon capacity.
- 2 All pump stations are within the greater Novato area except loc #11, 16, 21, and 22 which are located in the greater Point Reyes Station area, and loc #19, which is Dillon Beach.
- 3 Deleted Cherry Hill Chlorination Station (it is a component of the Cherry Hill PS, aka Robinhood Dr PS)

SCHEDULE OF TANKS
NORTH MARIN WATER DISTRICT
Revised 3/13/2017

| Loc. | Tank | GPS Coordinates | | Total Gallons Capacity | Above Ground | Below Ground | Steel | Concrete | Wood | 2017-18 Agreed Value |
|------|-------------------------------|-----------------|------------|------------------------------|-----------------|-----------------|-------|----------|------|----------------------------|
| | | Lat N | Lon W | | | | | | | |
| 58 | Air Base Tank | 38.0462 | -122.52933 | 1,000,000 | X | | X | | | \$815,000 |
| 59 | Amaroli Tank | 38.0674 | -122.52609 | 4,500,000 | | X | | X | | \$2,507,000 |
| 60 | Atherton | 38.1203 | -122.55139 | 5,000,000 | X | | X | | | \$2,643,000 |
| 61 | Bear Valley (3) | 38.0542 | -122.8188 | 30,000 | X | | | X | | \$165,000 |
| 62 | Black Point | 38.1046 | -122.50496 | 300,000 | X | | X | | | \$404,000 |
| 63 | Buck | 38.1350 | -122.57907 | 500,000 | X | | X | | | \$548,000 |
| 64 | Center Road | 38.1067 | -122.63007 | 500,000 | X | | X | | | \$548,000 |
| 65 | Cherry Hill #1 | 38.1124 | -122.54965 | 250,000 | X | | X | | | \$340,000 |
| 66 | Cherry Hill #2 | 38.1124 | -122.54945 | 200,000 | X | | X | | | \$299,000 |
| 67 | Crest #1 | 38.1178 | -122.53146 | 500,000 | X | | X | | | \$548,000 |
| 68 | Crest #2 | 38.1180 | -122.53132 | 500,000 | X | | X | | | \$548,000 |
| 69 | Dickson | 38.0742 | -122.55462 | 250,000 | X | | X | | | \$339,000 |
| 70 | Garner | 38.0826 | -122.58107 | 100,000 | X | | X | | | \$226,000 |
| 71 | Half Moon | 38.0930 | -122.58848 | 100,000 | X | | X | | | \$227,000 |
| 72 | Inverness Park #1 | 38.0656 | -122.8278 | 30,000 | X | | | X | | \$128,000 |
| 73 | Inverness Park #2 | 38.0656 | -122.8279 | 100,000 | X | | X | | | \$226,000 |
| 74 | Loma Verde* | 38.0608 | -122.5416 | 200,000 | X | | X | | | \$1,000 |
| 75 | Lynwood #1 | 38.0844 | -122.55824 | 500,000 | X | | X | | | \$548,000 |
| 76 | Lynwood #2 | 38.0844 | -122.55799 | 850,000 | X | | X | | | \$798,000 |
| 77 | Norman* | 38.0701 | -122.544 | 500,000 | X | | X | | | \$548,000 |
| 78 | Nunes Tank | 38.1324 | -122.57569 | 120,000 | X | | X | | | \$235,000 |
| 79 | Old Ranch Road | 38.0835 | -122.60095 | 50,000 | X | | | | X | \$67,000 |
| 80 | Olema | 38.0440 | -122.7788 | 150,000 | X | | | X | | \$404,000 |
| 81 | Pacheco Valley | 38.0488 | -122.53733 | 5,000,000 | ½ | ½ | | X | | \$2,610,000 |
| 82 | Palmer Drive | 38.0725 | -122.54656 | 3,000,000 | X | | X | | | \$1,852,000 |
| 83 | Paradise Ranch #1 | 38.0767 | -122.8356 | 25,000 | X | | | | X | \$44,000 |
| 84 | Paradise Ranch #2 | 38.0777 | -122.8399 | 25,000 | X | | | | X | \$44,000 |
| 85 | Paradise Ranch #3 | 38.0754 | -122.8431 | 38,000 | X | | | X | | \$138,000 |
| 86 | Paradise Ranch #4A ** | 38.0747 | -122.8506 | - | - | | | | - | \$0 |
| 87 | Paradise Ranch #4B | 38.0746 | -122.8506 | 50,000 | X | | | | X | \$67,000 |
| 88 | Plum Street (Recycled Wtr) | 38.1117 | -122.55438 | 500,000 | X | | X | | | \$548,000 |
| 89 | Point Reyes #1 | 38.0766 | -122.8012 | 180,000 | X | | | X | | \$433,000 |
| 90 | Point Reyes #2 | 38.0765 | -122.8011 | 100,000 | X | | X | | | \$226,000 |
| 91 | Point Reyes #3 | 38.0763 | -122.801 | 300,000 | X | | X | | | \$374,000 |
| 92 | Ponti | 38.0501 | -122.54602 | 500,000 | X | | X | | | \$548,000 |
| 93 | Reservoir Hill (Recycled Wtr) | 38.0619 | -122.51969 | 492,000 | | X | | X | Roof | \$714,000 |
| 94 | San Andreas | 38.1322 | -122.60684 | 250,000 | X | | X | | | \$339,000 |
| 95 | San Mateo Way | 38.1281 | -122.59932 | 5,000,000 | X | | X | | | \$2,643,000 |

| | | | | | | | |
|-----|------------------------------|---------|------------|-----------|---|---|-------------|
| 96 | Sunset | 38.0778 | -122.56733 | 5,000,000 | X | X | \$2,761,000 |
| 97 | Trumbull | 38.0988 | -122.61048 | 1,500,000 | X | X | \$1,137,000 |
| 98 | Wild Horse Valley - 3rd Zone | 38.0967 | -122.6163 | 500,000 | X | X | \$548,000 |
| 99 | Wild Horse Valley - 4th Zone | 38.0959 | -122.62423 | 44,000 | X | X | \$52,000 |
| 100 | Windhaven | 38.1982 | -122.60553 | 8,000 | X | X | \$48,000 |
| 101 | Winged Foot Drive | 38.0616 | -122.55585 | 600,000 | X | X | \$602,000 |
| 102 | Woodland Heights* | 38.0779 | -122.5652 | 120,000 | X | X | \$1,000 |
| 103 | World College West | 38.1737 | -122.60655 | 200,000 | X | X | \$299,000 |

39,662,000

* Disconnected from the system
 ** Destroyed by fire

All storage tanks are located within the greater Novato area except locations #62, 73, 74, 81, 84-88 & 90-91 which are located within the greater Point Reyes Station area.

| | |
|--|---------------------|
| Tanks | \$29,140,000 |
| Structures | 16,396,000 |
| Total Real Property | \$45,536,000 |
| Contents/Personal Property | \$13,632,000 |
| Total Real Property & Contents | \$59,168,000 |
| Rolling Stock | \$572,000 |
| Contractor's Equipment | \$357,000 |
| Total Property, Rolling Stock & Equipment | \$60,097,000 |
| Accounts Receivable | \$250,000 |
| Valuable Papers | \$250,000 |
| Extra Expense | \$250,000 |
| Total Insured Value | \$60,847,000 |

8

MEMORANDUM

To: Board of Directors

June 02, 2017

From: Rocky Vogler, Chief Engineer Subject: Water Service Agreement – Hamilton Cottages, Hamilton Parkway, Novato
APN 157-860-03

R:\Folders by Job No\2800 Jobs\2807\2807 BOD Memo.doc

RECOMMENDED ACTION: Approve authorization of this agreement**FINANCIAL IMPACT: None (Developer funded)**

The Hamilton Cottages project proposes to construct 16 single family homes for seniors (62 years and older) upon a 1.5-acre vacant parcel located on the south side of Hamilton Parkway across from Bristol Lane (see attached map). The city owns the adjacent parcel (APN: 157-860-04). Through an easement agreement with the city, the developer will construct other minor improvements related to the project within this parcel. The two story homes will range in size between 1,496 and 2,580 square feet and will include two affordable housing units. This agreement will provide potable water service for a total of 16 new residences, 1 community room, and fire sprinkling for clustered garages. The agreement also includes two recycled water services to serve common area landscaping and for city streetscape fronting Hamilton Parkway which will be transferred in the future to Hamilton Community Facilities District.

New Zone 1 water facilities required include 700 feet of 6-inch PVC main, 2 new commercial fire hydrants, sixteen (16) 1-inch meters, one (1) 2-inch meter with a reduced pressure back flow preventer and 1.5-inch and 1-inch recycled water meters. All lots will receive normal pressure Zone 1 water service. Total water demand is 19 equivalent dwelling units (16 homes @1 EDU, 1 EDU for the community room, plus 2 EDUs for recycled water irrigation). Since the project includes two affordable housing units, payment of initial charges for up to two units may be eligible for deferral pursuant to Regulation 1.c. (5).

Sewer service will be provided by the Novato Sanitary District. The Precise Development Plan, Tentative Subdivision Map and Design Review for this project were approved by the City of Novato on August 25, 2016.

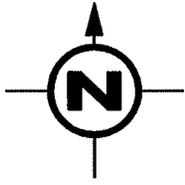
Environmental Document Review

On August 25, 2016, the City of Novato approved a Negative Declaration for the Hamilton Cottages project.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM Date 6/2/17



PROJECT SITE

HAMILTON PARKWAY

S RD

"C" ST

(PARCEL 1B)
157-980-08

NORTH BAY
CHILDREN
CENTER

CHARTER
SCHOOL
157-980-04

157-860-04

N.W.P.R.R.

PARCEL A

PARCEL B

BROOK
LINE

ESSEX DRIVE

NEWPORT LANDING

PORTSMOUTH

CHESAPEAKE DR

MYSTIC LANE

WATERBURY LANE

SUNNY COVE DRIVE

ASHLAND DRIVE

NORTH HAMILTON PARKWAY

BROOKTON DR

MARBLEHEAD LANE

CHAPEL HILL RD

PORTSMOUTH

DRIVE

HAMILTON COTTAGES
HAMILTON PARKWAY
APN: 157-860-03

| DATE | SCALE | JOB.NO. | DWG.NO. |
|---------|-------|---------|---------|
| 5/31/17 | NTS | 2807 | MAP |

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
HAMILTON COTTAGES

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2017, by and between NORTH MARIN WATER DISTRICT, herein called "District," and HAMILTON COTTAGES LLC, A Limited Liability Company, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Numbers 157-860-03 and the project known as HAMILTON COTTAGES, consisting of one (1) lot for residential development; and

WHEREAS, prior to final approval by the City or County of a Subdivision Map, Precise Development Plan, Parcel Map or other land use application and recording of a final map for the project, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to each lot, unit or parcel of the project;

WHEREAS, the Applicant is the owner of real property in the District commonly known as Hamilton Parkway Senior Housing Triangle, Novato (Marin County Assessor's Parcel 157-860-03): and

WHEREAS, the proposed project's estimated average day peak month water demand is nineteen (19) EDUs; and

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall

complete such arrangements with the District in accordance with Section 5 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2807.001, entitled, "HAMILTON COTTAGES", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

| Initial Charges | | | |
|---|--------------------|-------------|----------------------|
| Meter Charges (Domestic) (Included in Estimated District Costs) | ..Sixteen 1-inch @ | \$ 0.00 | \$ 0.00 |
| Meter Charges (Potable Common) (Included in Estimated District Costs).... | One 2-inch @ | \$ 0.00 | \$ 0.00 |
| Meter Charges (RW) (Included in Estimated District Costs) | One 1-inch @ | \$ 0.00 | \$ 0.00 |
| Meter Charges (RW) (Included in Estimated District Costs) | ...One 1.5-inch @ | \$ 0.00 | \$ 0.00 |
| Reimbursement Fund Charges (Domestic) | ..Sixteen 1-inch @ | \$ 420.00 | \$ 6,720.00 |
| Reimbursement Fund Charges (Potable Common)..... | One 2-inch @ | \$ 3,140.00 | \$ 3,140.00 |
| Reimbursement Fund Charges (RW) | @ | \$ 0.00 | \$ 0.00 |
| Reimbursement Fund Charges (RW) |@ | \$ 0.00 | \$ 0.00 |
| Facilities Reserve Charges (17 EDUs Domestic)..... | Seventeen @ | \$28,600.00 | \$486,200.00 |
| Facilities Reserve Charges (2 EDUs RW) | Two @ | \$28,600.00 | \$ 57,200.00 |
| Subtotal - Initial Charges..... | | | \$ 553,260.00 |

| Estimated District Costs | |
|--|---------------------|
| Pipe, Fittings & Appurtenances..... | \$ 30,583.00 |
| District Construction Labor..... | \$ 47,326.00 |
| Engineering & Inspection..... | \$ 4,096.00 |
| Bulk Materials..... | \$ 6,365.00 |
| Subtotal –Estimated District Costs..... | \$ 88,370.00 |

Estimated Applicant Installation Costs

| | |
|--|---------------------|
| Installation Labor..... | \$ 67,206.00 |
| Contractor Furnished – Pipe Fittings & Appurtenances..... | \$ 8,699.00 |
| Bulk Materials..... | \$ 15,114.00 |
| Subtotal- Estimated Applicant Installation Costs..... | \$ 91,019.00 |
| TOTAL ESTIMATED WATER FACILITIES COSTS..... | \$732,649.00 |

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. In addition to the Initial Charges, Estimated District costs and Contributions, and Estimated Applicant Installation costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$8,699**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

6. Financial Arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 641,630**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District. Two (2) units of affordable housing are included in this project and pursuant to District Regulation 1(c) (5), the aforementioned requirements may be modified to allow deferred payment of Initial Charges in the amount of \$57,200 for 2 units for a period of up to two (2) years from the date of this agreement or until the date of issuance of a Certificate of Occupancy by the City or County, whichever occurs first. If this option is exercised, the Applicant shall notify the District in writing and modify payment in accordance with this paragraph and concurrently increase the amount

of the financial guarantees specified below by this amount. No water service meters will be installed to any of the lots until full payment of this amount plus applicable interest is received.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 91,019** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 22,755** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$ 91,019** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

7. The applicant shall not resell any water furnished pursuant to this agreement. If multiple services from a single connection to the District's system through a master meter are allowed pursuant to District Regulation 4(b) the Applicant shall not submeter the individual services. The District's bills for water measured by a master meter shall be paid by the Applicant or a responsible homeowner's association. If a rental unit served through a master meter is converted into a separately owned unit the District may require the installation of a separate connecting main and meter for water service to the unit at the cost of the owner of the unit.

8. Water service through the facilities to be installed pursuant to this agreement will not be furnished to any building unless the building is connected to a public sewer system or to a waste water disposal system approved by all governmental agencies having regulatory jurisdiction. This restriction shall not apply to temporary water service during construction.

9. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f.

10. The District has determined that recycled water shall be supplied for irrigation and requires that the Applicant's irrigation system be designed to use recycled water per District regulations and specifications. Provisions shall be made, as directed by the District, to allow for connection of Applicant's irrigation system to the recycled distribution main.

11. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

12. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

12. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Stephen Petterle, President

Katie Young, Secretary

(SEAL)

HAMILTON COTTAGES LLC
A Limited Liability Company
"Applicant"

(SEAL)

N. Jay Rider, Manager

NOTES: *If the Applicant executing this agreement is a corporation, a certified copy of the bylaws or resolutions of the Board of Directors of said corporation authorizing designated officers to execute this agreement shall be provided.*

This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void. If thereafter a new agreement is requested, it shall incorporate the Initial Charges (connection fees) and cost estimates then in effect.

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

RESOLUTION NO. 17-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
HAMILTON COTTAGES LLC.

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Hamilton Cottages LLC, a Limited Liability Company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as HAMILTON PARKWAY SENIOR HOUSING TRIANGLE, Marin County Assessor's Parcel Number 157-860-03, NOVATO, CALIFORNIA.

* * *

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 6th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

9

MEMORANDUM

TO: Board of Directors June 2, 2017

FROM: Rocky Vogler, Chief Engineer *RV*

SUBJ: Amend Contract with Leonard Charles & Associates (CEQA Documentation for PRE #4A Water Tank Replacement)

R:\Folders by Job No\6000 jobs\6263 20 PRE Tank 4\BOD Memos\6-6-17 LCA BOD memo.doc

RECOMMENDED ACTION: That the Board authorize the General Manager to amend the 2010 agreement with Leonard Charles & Associates for the PRE #4A Tank Replacement project CEQA documentation

FINANCIAL IMPACT: Additional \$8,210

On November 2, 2010, the Board approved a \$15,250 contract (plus \$1,500 contingency) with Leonard Charles & Associates (LCA) for the preparation of CEQA documentation for the PRE #4 Water Tank Replacement project. Although LCA began work on the project in early 2011, progress was halted at the District's request. Work on the project has resumed, and the original scope of work provided by LCA has been updated to reflect current project requirements and billing rates.

Attached is the updated (May 2017) cost proposal from LCA to perform said environmental work (Attachment 1). LCA's proposal identifies the consultant's required scope of work to prepare an Initial Study and prepare a Mitigated Negative Declaration. Staff anticipates that the environmental review and permitting process will be completed by Summer, 2017. Funding for this work is included in the FY17 and FY18 budgets for the PRE Tank #4A project.

RECOMMENDATION

That the Board authorize the General Manager to amend the agreement with Leonard Charles & Associates in the additional amount of \$8,210 for the PRE #4A Tank Replacement project CEQA documentation.

Approved by GM 

Date 6/2/17

BID PROPOSAL

PRE TANK 4A REPLACEMENT

CEQA DOCUMENTATION

May 2017

Prepared for: North Marin Water District
P.O. Box 146
Novato, California 94948

Prepared by: Leonard Charles and Associates
7 Roble Court
San Anselmo, California 94960
415.454.4575

1.0 INTRODUCTION

The following proposal describes the scope of work that Leonard Charles and Associates (LCA) proposes to conduct in order to prepare the Initial Study for the proposed PRE Tank 4A Replacement (the "project"). The proposed project includes constructing a new 83,000-gallon water tank, an overflow pipeline, and an inlet/outlet pipeline that will connect the new tank to PRE Tank 4B which is already on the site. The pad for Tank 4A would be graded to be at the same elevation as Tank 4B.

2.0 ASSUMPTIONS

This proposal is based on the following assumptions:

- NMWD's engineering consultant will provide LCA with the project description including site plans, tank elevations, and topographic data. The description will detail why the tank is being constructed, as well as the District's objectives. The project description will provide sufficient information to conduct the assessments described in this proposal, including what equipment will be used and for what length of time; the number of workers per construction phase; and an estimate of the number of daily trips by large trucks and employee vehicles per phase (this is all need for noise and traffic impact assessments).
- The project provides additional storage to meet an existing storage deficiency. It will not provide additional storage that would be growth inducing.
- The project can be reviewed for possible approval by preparing a Mitigated Negative Declaration and not an Environmental Impact Report (EIR). This bid proposal does not address the labor or cost for preparing an EIR. The project is not eligible for a Categorical Exemption.

3.0 INITIAL STUDY PREPARATION

LCA will prepare an Initial Study per the requirements of the California Environmental Quality Act (CEQA). The following describes what elements will be included in the Initial Study and what work we will do to complete those elements.

A. Introduction

The Initial Study will begin with an overview of the environment surrounding the project site. We will provide a full description of the project including site plans and tank design provided by NMWD. We will describe the purpose of the project and why this project is proposed rather than an alternative project. Finally, we will provide a summary of all impacts as well as the mitigation measures which would reduce potentially significant impacts to a less than significant level.

Meetings

The price quote for this proposal assumes the following meetings:

- One environmental scoping meeting. The purpose of this meeting will be to explain the proposed project to interested citizens and to gather input regarding what issues should be investigated in the CEQA review. The District will be responsible for providing a room and for announcing the meeting to the public. Leonard Charles will be present to describe the CEQA process, answer questions, and receive public input.
- Three meetings with NMWD staff, including:
 - Initial start-up meeting;
 - One meeting to develop alternatives and CEQA approach and to consult with the project neighbor; and
 - One meeting with staff to review the Draft IS and MND
- Two public hearings on the Mitigated Negative Declaration.
- Two meetings with NMWD and Marin County Community Development Agency staff to facilitate Local Coastal Permit planning.

B. Aesthetics

Impacts to views, primarily from the residence at 420 Drakes View Road, may be a substantive project impact. We will do the following work to evaluate any aesthetic impacts:

- Review project drawings and inventory vantage points from which the new tank would be visible.
- Describe the existing and future views from the adjacent home as well as other public and private vantage points.
- We will include photographs of the site from important vantage points, but no simulations of the new tank other than those prepared by NMWD will be included (unless LCA is requested to prepare additional photosimulations as an amendment to this proposal).
- Describe the impacts of the new tank on views from public and private vantage points.
- Mitigation measures including landscaping, tank colors, tank configuration, tank siding material, or other feasible mitigations will be recommended as warranted. Particular attention will be given to screening or otherwise reducing impacts to the adjacent home.

C. Agriculture and Forestry Resources

This section will discuss project impacts to agriculture and forestry resources. The project will remove a small area of hillside and require the removal of some trees. Substantial impacts to agriculture or forest lands are not anticipated.

D. Air Quality

This section will discuss project impacts to air quality. Project construction would generate small amounts of vehicle-generated pollution. We will compare project size with Bay Area Air Quality Management District's (BAAQMD) *CEQA Guidelines* thresholds to determine potential emission significance. The project would generate dust during construction. We will refer to the BAAQMD *CEQA Guidelines* and recommend dust control mitigation measures consistent with those guidelines.

E. Biological Resources

This section will discuss project impacts to biological resources. Our biologist will conduct a field survey of the project site and describe the vegetation that would be removed. Our preliminary evaluation indicates that the project would not remove special status species or sensitive habitat. This will be confirmed and described. We will query the State's Natural Diversity Data Base to identify special-status plant and animal species known to occur in the project area. We will conduct three surveys to determine the possible existence of any of these species on the site. We will identify whether there are any recorded nests of northern spotted owls in the area. If there are, we will recommend mitigations to ensure that the owls are not affected by project construction. If there are any potentially significant impacts, suitable mitigation measures will be recommended.

It is possible that the County may require preparation of a Biological Site Assessment (BSA) prepared by a qualified biologist. While preparation of such a detailed report seems unnecessary given the disturbed nature and small size of the site, it could be required. If required by the County and NMWD agrees, we would have Garcia & Associates prepare the BSA. This work would require a contract amendment to cover the additional costs.

F. Cultural Resources

This section will discuss project impacts to cultural resources. A Records Search has been completed, and there was no recommendation for additional surveys of the site. Nevertheless, we are now required to consult with the State's Native American Heritage Commission and the local tribe (probably the Federated Indians of Graton Rancheria) to determine whether they have concerns regarding possible cultural resources at the site. We will conduct that consultation.

G. Geology/Soils

This section will discuss project impacts to geology and soils. We will incorporate the data, conclusions, and mitigation measures developed by Miller Pacific.

H. Global Climate Change

This section will discuss project impacts to the global climate. We will assess project emissions of greenhouse gases per the significance criteria recently adopted by the BAAQMD. It is expected that the impact will be below the significance threshold and that mitigation will not be required.

I. Hazards and Hazardous Materials

This section will discuss project impacts from hazards and hazardous materials. We will describe how project implementation would entail the use of hazardous materials common to construction projects, such as gasoline and perhaps chemicals used for coating the tank. Use of such materials would not have a significant impact given standard mitigations.

We will ensure that any new landscape screening that might be recommended does not result in wildfire hazard for the adjacent home.

J. Hydrology/Water Quality

This section will discuss project impacts to hydrology and water quality. We will do the following work:

- Describe the current site runoff pattern and receiving waterways. Assess the erosion and flooding potential of the overflow line.
- Discuss the potential increased runoff from the site and its possible effect on flooding in the receiving creek.
- Assess potential water quality impacts resulting from construction (i.e., erosion impacts) as well as long-term water quality effects.
- Recommend mitigation measures, as warranted, to reduce runoff and control water pollution.

Given the small size of the site, hydrologic impacts are expected to be minimal. As such, we do not propose to have a hydrologist conduct detailed quantitative assessments of these impacts.

K. Land Use/Planning

This section will discuss land use and planning impacts. We will do the following work:

- Assess the project for consistency with the *Marin Countywide Plan* and County zoning. In the case of a conflict we would describe how water improvement projects need not be consistent with zoning.
- Assess project consistency with the adopted and the 2016 (not yet accepted by the Coastal Commission) *Marin Local Coastal Program* which includes specific policies and requirements for the Paradise Ranch Estates area.
- Discuss surrounding land uses and whether the project would substantially affect those uses.
- Summarize any neighborhood concerns expressed in writing or at meetings with the Inverness Ridge Association.

L. Mineral Resources

This section will discuss project impacts to mineral resources. We will discuss how there are no known mineral resources in the project area.

M. Noise

This section will discuss project noise impacts. We will discuss how project construction would generate short-term noise. NMWD will provide us with a list of equipment to be used for construction, the length of time this equipment would be in use, and a construction schedule for the project. We will discuss potential noise impacts on the nearest residences (particularly the adjacent home) given typical noise generated by the proposed equipment.

N. Population/Housing

This section will discuss project impacts to population and housing. The project would not displace housing or people. It is our understanding that the project would meet an existing storage deficiency and not be growth inducing. We will confirm this with the District. We will also confer with County of Marin CDA staff to determine whether this additional storage might induce unforeseen new development in the service area.

O. Public Services

This section will discuss project impacts to public services. We will describe how the project would not affect any public service providers other than fire protection. Describe the beneficial impact as regards fire protection.

P. Recreation

This section will discuss project impacts to recreation. As the project is adjacent to a Point Reyes National Seashore trail (Inverness Ridge Trail), we will confer with the Seashore regarding any concerns and address those concerns in the report. Any other potential impacts to local recreation will also be discussed.

Q. Transportation/Traffic

This section will discuss project impacts to transportation and traffic. NMWD will provide LCA with a construction schedule and an estimate of the number of trips required per phase for workers, supplies, and equipment. We will discuss the impacts of this traffic on the local street system. Access to the site is a major constraint given the slope and narrowness of the road. We will assess the potential traffic safety impacts of the project. It is expected that a traffic management plan will be developed that may include limits on the number of vehicles accessing the site; limits on hours of access; signage; escorts for large vehicles; and/or other measures. We will make contact with the PRE Road Advisory Board and the Inverness Ridge Association to gather concerns and recommendations regarding traffic impacts on Drakes View Road.

R. Utilities/Service Systems

This section will discuss project impacts to utilities and service systems. The project would improve the water system in the area. This beneficial impact would be described. No other utilities or service systems would be affected with the possible exception of the need for on-site drainage controls.

S. Mandatory Findings of Significance

We will provide summary discussions to determine whether the project would potentially degrade the environment or have adverse effects on humans. It is expected that the impacts to the natural environment and humans would either be less than significant or less than significant given recommended mitigation measures.

We will assess potential cumulative impacts. This will include a description of other projects proposed in the area (as provided by the County).

4.0 PREPARATION OF DRAFT MITIGATED NEGATIVE DECLARATION AND OTHER CEQA REQUIREMENTS

This proposal assumes that a Mitigated Negative Declaration (MND) will be prepared for the project. In the unlikely event that the Initial Study concludes that preparation of an EIR is warranted, this proposal will need to be amended to reflect the additional time and expense for preparing an EIR. The subsections below outline what work will be done to prepare a MND and to complete other CEQA-required tasks.

A. Prepare Draft Mitigated Negative Declaration

Based on the Initial Study, LCA will prepare a Draft Mitigated Negative Declaration. The Mitigated Negative Declaration will include all elements required by CEQA.

B. Mitigation Monitoring Program

LCA will prepare a Mitigation Monitoring Program for the project that will include tasks, timelines and responsible parties. The Mitigated Negative Declaration will include all elements required by CEQA.

C. Response to Comments

We will prepare written responses to comments received during the public review period to the degree that those comments are relevant to the Mitigated Negative Declaration.

D. Public Hearings

We will attend two public hearings on the Draft Mitigated Negative Declaration before the NMWD Board. We will respond orally to comments or questions asked at those hearings.

E. Prepare Final Negative Declaration

We will revise the Draft Initial Study and Mitigated Negative Declaration to respond to comments received during the review period.

F. Prepare CEQA Notices

LCA will prepare the following documents:

- The Notice of Availability and Intent (NOI) to Adopt a Negative Mitigated Negative Declaration.
- The memo that will accompany the NOI. LCA will also provide NMWD with a list of agencies to whom the NOI should be sent.
- The Notice of Completion.
- The Notice of Determination (NOD) to be used once the Negative Declaration and the project are approved.

G. Marin County Coastal Permit Planning

LCA will attend a Planning Consultation with Marin County Community Development Agency (CDA) staff during the initial phase of the Initial Study preparation to ensure that all issues that CDA wants addressed are included in the Initial Study,

LCA will complete CDA's Planning Permit Application and the Environmental Review Submission.

We will confer with CDA staff to ensure application completeness and to answer questions. We will attend one additional meeting with CDA staff.

5.0 SCHEDULE AND PRODUCTS

Once we are sent a signed contract and are provided the project description the following schedule will apply:

- | | | |
|----|---|---|
| 1. | Submittal of 5 copies of Draft Initial Study and MND | Within 6 weeks |
| 2. | Submittal of one (1) camera-ready copy of the Initial Study and MND | Within 2 weeks of receipt of all NMWD comments on #1 |
| 3. | Completion of NOI | Within 1 week of #2 |
| 4. | Submittal of one (1) camera-ready copy of Final MND and Mitigation Monitoring Program | Within 3 weeks of the close of the public review period |
| 5. | Submittal of Planning Permit Application and the Environmental Review Submission | Within 1 week of Board adoption of the MND |

6.0 STAFF

The following LCA staff will work on this project. Resumes will be provided on request.

| <u>Staff Member</u> | <u>Responsibility</u> |
|----------------------------|-------------------------------------|
| Leonard Charles, Ph.D. | Project Manager |
| Lynn Milliman | Environmental Analyst |
| Jacoba Charles | Biologist and Environmental Analyst |

7.0 PRICE QUOTE

Already reimbursed \$2,740

Preparation of Initial Study

| | |
|--|-----------------|
| Meetings (9@2 hrs/meeting) with NMWD Staff, Consultants, and Public Representatives | \$ 2,880 |
| CEQA Scoping Meeting | 600 |
| Fieldwork, Analysis, and Report Writing | 8,700 |
| Graphics | 400 |
| Word Processing | 800 |
| Direct Expenses and Travel Time | 2,130 |
| Subtotal | \$15,510 |

Preparation of Draft MND

| | |
|-------------------------------|----------------|
| Draft MND | 300 |
| Mitigation Monitoring Program | 300 |
| Notices | 300 |
| Public Hearings (2) | 1,200 |
| Response to Comments | 2,000 |
| Final MND | 200 |
| Subtotal | \$4,300 |

Preparation of County Permit Applications

| | |
|---|----------------|
| Attend Planning Consultation | 400 |
| Prepare Applications and Consultations with CDA | 750 |
| Meeting with CDA Staff | 400 |
| Subtotal | \$1,550 |

Project Management and Administration **\$2,100**

Total for Base Scope of Work **\$23,460**

| | |
|-----------------|-------|
| Leonard Charles | \$160 |
| Lynn Milliman | \$140 |
| Jacoba Charles | \$80 |
| Clerical | \$60 |

This is a not-to-exceed price quote. We will bill the District for the time expended not to exceed the price listed above. As we have previously been reimbursed \$2,740, the total additional reimbursement would be \$20,720 if the contract amendment is approved.

Notes to Price Quote

1. The scope of work for the base price is described in this proposal. If NMWD wishes additional studies, these can be arranged.
2. If the project description changes to the degree that analyses must be redone or written parts of the report must be revised after NMWD has provided us the project description and authorized us to start work, then NMWD will agree to compensate us for the additional time required to redo analyses or rewrite portions of the report.
3. If archaeological field investigations are required, Tom Origer & Associates can conduct this work as an amendment to this proposal. It is estimated that the additional cost would likely be about \$750.
4. If the Initial Study indicates that an EIR must be prepared, we will negotiate with NMWD regarding the scope of that EIR and its cost. An EIR would be prepared as a revision to this proposal.
5. If a Biological Site Assessment is required by the County, it will be prepared by Garcia & Associates as an amendment to the contract.
6. We will be notified if for any reason NMWD wishes us to stop work. We will be reimbursed for all work completed at the time of that notification within 30 days of our billing NMWD.
7. The Price Quote includes attendance of Leonard Charles at one scoping meeting and two public hearings. Leonard Charles will attend additional public hearings at a cost of \$600 per hearing.
8. Printing services can be provided. If the District wishes, the cost will be an additional \$15 per copy for the Initial Study/MND.
9. The District is responsible for all costs of mailing documents.
10. The quoted cost for preparing written responses to comments is based on expending up to 10 hours responding to comments. If extensive comments are received that require expenditure of more than 10 hours to respond to, then we will notify the District. Additional response time would be approved as an amendment to this contract.
11. In addition to the amendments described above LCA will not be responsible, under the basic Price Quote, for any of the following tasks:
 - A. Color mapping
 - B. Geologic subsurface explorations or geologic analysis by a professional geologist, geological engineer, or engineering geologist
 - C. Field sampling for air or water quality
 - D. Quantitative air quality analysis

- E. Noise analysis by an acoustic engineer
 - F. Quantitative hydrologic analysis;
 - G. Use of planimetry techniques, photo montage, or artistic renderings in the visual analysis
 - H. Archaeological explorations
 - I. Level 1 or higher investigations for toxic materials
 - J. Engineering design of hydraulics or project drainage facilities
 - K. Analysis by a registered traffic engineer
 - L. Measurements or analysis by a noise engineer
 - M. Quantitative computation and analysis of pollutants and greenhouse gas emissions
12. We will bill the District on a monthly basis. Payment is due within 30 days of billing.

10

MEMORANDUM

To: Board of Directors
 From: Robert Clark, Operations / Maintenance Superintendent *RC*
 Subject: Disposal of Surplus Equipment

June 2, 2017

X:\MAINT SUP\2017\BOD\BOD Memo Vehicle Auction 617.doc

RECOMMENDED ACTION: Approve Disposal of Surplus Equipment**FINANCIAL IMPACT:** \$8,000 income (estimated)

As part of the adopted FY 2016/17 Equipment Budget, staff identified the need to replace two half-ton pickup trucks and purchase a new track loader with trailer. At midyear staff identified the need to advance the replacement of the 1 ton service vehicle # 507 and defer one of the half-ton pickups in a memo to the Board on January 17, 2017. We have received the new replacement vehicles and staff plans to send the now surplus equipment to auction.

Staff recommends the disposal of the vehicles and equipment shown below, all of which are old and worn, with maintenance and repair costs that are no longer cost effective when compared to replacements.

Staff has researched the current value for the listed surplus equipment and plans to sell them through 1st Capitol Auction, a bonded resale agent located in Vallejo. This will be the seventh year we have sold equipment through this vendor.

The following equipment is proposed to be sold at auction:

| Equip. No. | Description | Mileage | Est. Auction Value |
|------------|--|------------|--------------------|
| 59 | 2005 Ford Ranger pickup | 127,821 | \$2,500 |
| 507 | 2008 Ford F350 4x4 1 ton utility truck | 110,581 | \$5,000 |
| | 2000 Bobcat sweeper attachment | 3500+ hrs. | \$500 |

RECOMMENDATION:

Authorize staff to send equipment to auction with 1st Capitol Auction for disposal of the surplus equipment.

Approved by GM *[Signature]*Date 6/2/17

11

MEMORANDUM

To: Board of Directors June 2, 2017
 From: Rocky Vogler, Chief Engineer *RV*
 Carmela Chandrasekera, Associate Engineer *CC*

Subject: Recycled Water Expansion Project Central Service Area – Highway 101 Crossing:
 Reject Bid Protest and Award Construction Contract (Anvil Builders)

R:\Folders by Job No\6000 jobs\6058\BOD Memos\6058.50 RWC Hwy 101 Crossing Contract Award to Anvil Bldrs BOD Memo 6-6-17.doc

RECOMMENDED ACTION:

1. Reject Ghilotti Construction's bid protest of Anvil Builders
2. Approve award of the contract to Anvil Builders and authorize the General Manager to execute an agreement with Anvil Builders

FINANCIAL IMPACT: \$746,900 plus \$ 37,500 contingency (~5%)

Background

The Hwy 101 Crossing project includes installation of approximately 340 ft of 16-inch C-905/RJ DR-18 Certa-Lok carrier pipe, within a 24-inch steel casing under Highway 101 installed by guided bore method together with all appurtenances thereto and all restorations.

The Board authorized advertisement for bids for this project on March 7, 2017, and included a bid opening date of April 27, 2017. The District advertised the project in the Marin IJ on March 10, 2017, and posted the project on www.ebidboard.com. Five (5) prime contractors and one (1) sub-contractor attended the mandatory pre-bid meeting on March 28, 2017. The bid period was approximately seven (7) weeks and included two addenda. Two bids were received.

| | CONTRACTOR | BID |
|----|---|-----------|
| 1. | Anvil Builders, San Francisco | \$746,900 |
| 2. | Ghilotti Construction Company, Santa Rosa | \$791,700 |

The Engineer's Estimate was \$850,000. The bid variance between the Number 1 and Number 2 bidders was \$44,800 (for a variance of 6%).

Bid Evaluation

Anvil Builders (Anvil) of San Francisco, California, submitted the lowest responsive bid of \$746,900 which is \$103,100 (12%) below the Engineer's construction cost estimate of \$850,000. A bid evaluation (Attachment 1) was performed by The Covello Group (Covello), the District's construction manager for the Central Service Area recycled water projects. The attached analysis shows that Anvil and Ghilotti Construction Company (GCC) complied with the bidding requirements.

The bids of Anvil and GCC were reviewed for compliance with SRF Disadvantaged Business Enterprise (DBE) requirements and Davis-Bacon State Revolving Fund requirements. Both contractors met those requirements.

Bid Protest by Ghilotti Construction

The second low bidder, GCC, submitted a bid protest letter on May 4, 2017 (included in Attachment 1), within five (5) business days of the April 27 bid opening as required by the Contract Documents. The letter asserted that Anvil's bid was non-responsive on various grounds, and that GCC was therefore the lowest responsive bidder. GCC's bid protest letter was sent to the lowest apparent bidder as specified in the Contract Documents.

District legal counsel, Mr. Carl Nelson, was asked to review GCC's bid protest letter and render an opinion on whether Anvil's bid is non-responsive. Mr. Nelson's letter (Attachment 1) concludes that Anvil's bid is responsive and recommends rejecting GCC's protest in its entirety.

Project Financing

The project receives Water SMART grant funds via Bureau of Reclamation awards and grant/loan funds from the State SRF program as summarized with the Board at the March 7, 2017 meeting when the Board approved bid advertisement of the Highway 101 Crossing Pipeline project.

RECOMMENDATION

That the Board:

1. Reject Ghilotti Construction's bid protest of Anvil Builders.
2. Approve award of the contract to Anvil Builders and authorize the General Manager to execute an agreement with Anvil Builders.



May 15, 2017

Mr. Rocky Vogler
Chief Engineer
North Marin Water District
999 Rush Creek Place
Novato, CA 94948

Subject: Bid Review
Project: Recycled Water Expansion — Central Service Area — Highway 101 Crossing
Project No: 5 6058.60

Dear Mr. Vogler:

Sealed bids for the Project were received and opened on Thursday, April 27, 2017, at 3:00pm. Two (2) bids were received. One bid was received from Anvil Builders, Inc. (Anvil) in the amount of \$746,900.00. The second bid was received from Ghilotti Construction, Inc. (Ghilotti) in the amount of \$791,700.00. The lowest bid was \$103,100.00 below the Engineer's Estimate (EE) of \$850,000.

A Bid Protest was submitted by Ghilotti based on the assertion Anvil submitted a non-responsive bid. The formal Bid Protest letter along with Anvil's response letter are attached.

The two bids were reviewed for general conformance with bidding requirements. The bid of the apparent low bidder, Anvil, has been reviewed in detail. The second low bid from Ghilotti has also been reviewed; the Ghilotti bid review also relied on our previous efforts from the Recycled Water Expansion — Central Service Area — West Project, for which Ghilotti was the low bidder.

Number of Bids Submitted: The number of bids submitted is considered adequate, especially considering the current activity in the underground pipeline industry. As examples, recent projects bid by the County of Marin, Ross Valley Sanitary District and the City of Sausalito received only one (1) bid.

Prices for Base Bid Items: The base bid schedule consisted of eleven (11) bid items; all of which were lump sum. Several lump sum bid items had noticeable variations: As an example, Bid Item 2, *Trenching, sheeting, shoring, etc.*; Anvil, as the low bidder included a lump sum amount of \$90,000.00 as compared to Ghilotti's bid of \$4,000.00. The combination of Bid Items 2, 4, 5, 6, 7 and 8 represent most of the general contractors' respective direct bid costs for the excavation and specialty guided bore, which totaled \$700,000 for Anvil and \$751,000 for Ghilotti. This variance is considered within the normal range of variances in the construction industry.

Bid Forms: As verified by District staff and presented in the attached spreadsheet. Anvil and

2016.012-04.01 CM-Own-001

May 15, 2017

Central Service Area – Highway 101 Crossing Project – Bid Review

Ghilotti submitted all required bid forms at the time of bid.

On their TOTAL BASE BID amount written in words, page 00300-2, Anvil omitted a hyphen between the words “forty” and “six,” and omitted the word “thousand” between the words “six” and “nine.” This is construed as an inadvertent grammatical omission and would not constitute grounds for rejection of the bid as unresponsive.

SRF Documentation: As verified by District staff, both Anvil and Ghilotti provided the required EPA DBE Subcontractor Utilization Forms and Good Faith Documentation. No exceptions were noted for Anvil. Ghilotti will need to submit proof of DBE certification for CMC Traffic Control, if awarded.

Bidder Experience: Five (5) project references for the listed subcontractor, Pacific Boring, were submitted. One reference project included Ghilotti Construction Company, Inc. as the owner’s representative. Due to the ongoing bid protest by Ghilotti, this reference was not contacted.

Pacific Boring is a known and respected trenchless Contractor in the industry. Their reference projects appear to substantiate that they have the necessary experience and qualifications to perform the Work. The Covello Group (Covello) attempted to contact four out of the five listed representatives. Of the four (4) contacts attempted, two provided above average ratings for Pacific Boring, and the remaining two (2) were no longer employed with the listed company, with no forwarding information provided.

Following the bid, Anvil was contacted to provide project references for self-performed work. Ten (10) project references were listed. All reference projects were completed within the last ten (10) years. There were five (5) reference project with a cumulative construction value of over \$5,000,000 which exceeds the requirement of \$1,000,000 in construction volume in Certification of Bidder’s Experience 00420, paragraph B. Their reference projects appear to demonstrate that they have the necessary experience and qualifications to perform the Work. No unfavorable or concerning references were obtained when owners were contacted for background on the company.

Anvil's California contractors’ license: 952883 Class A, B, ASB, and C61/D63, is active and in good standing. Anvil’s Public Works Contractor Registration Number 1000003867, is current.

Anvil provided their past three (3) years (2104, 2015 and 2016) Experience Modification Rate (EMR), Lost Time Incident Rate (LTIR) and Recordable Incident Rate (RIR) to demonstrate their Safety Qualifications. Their three (3) year average EMR is 0.81, which is less than the 1.00 maximum specified by the Contract. Thus, Anvil meets the minimum safety requirements for the Project.

Ghilotti submitted three (3) project references, all completed within the last ten (10) years with cumulative construction value of over \$35,000,000, which exceeds the requirement of \$1,000,000 in construction volume in Certification of Bidder’s Experience 00420, paragraph B. Ghilotti submitted reference projects which appear to substantiate that they have the necessary experience and qualifications to perform the Work.

GC's contractor's license, 644515, is active and in good standing. GC's Public Works Contractor Registration, Number 1000003044, is current.

May 15, 2017

Central Service Area – Highway 101 Crossing Project – Bid Review

In regards to Financial Qualifications, which are required to be submitted within five (5) days of the bid opening, Anvil and Ghilotti provided the required financial information, the majority of which is considered confidential. In summary, Anvil provided documentation to demonstrate their line of credit and also included a letter from their surety.

The Financial Qualifications, Section 00420 D. C., also required the contractors to provide information related to claims filed against the bidder and claims filed by the bidder within the last five (5) years. Anvil noted on the bid form that the requested claim information is not applicable at this point in time. The District could consider asking its Legal Counsel to review claim related databases to which they may have access, to verify Anvil's claims history over the past five (5) years.

Subcontractors: Both bidders identified subcontractors that they will use to perform work valued at more than one-half of one percent (0.5%), as required by the Public Contract Code. Anvil listed one (1) subcontractor, Pacific Boring which has a current and active contractor license.

Ghilotti listed three (3) subcontractors; each has a current and active contractor license. All three (3) listed subcontractors are currently registered with the Department of Industrial Relations as Public Works Contractors. Ghilotti will need to submit proof of DBE certification for CMC Traffic Control, if awarded.

The bid protest submitted by Ghilotti via letter dated May 4, 2017 asserts that Anvil has violated subcontractor listing laws. Our understanding of the California Public Contract Code is that any subcontractor performing work in excess of ½ of 1 percent or \$10,000, whichever is greater must be listed on the Proposed Subcontractor form. A bidder must self-perform any work that is not listed on 00430 – PROPOSED SUBCONTRACTORS. Following a telephone conversation with a representative from Anvil, they intend to self-perform all work except the specialty guided boring work by their listed subcontractor, Pacific Boring. Therefore, upon review and analysis of the bid protest by the District's Legal Council, Covello recommends that the bid protest be rejected.

Material Suppliers: Anvil listed North American Pipe Corporation for the 16-inch diameter C-905/RJ DR-18 Certa-Lok pipe, Millman Steel for the 24-Inch steel casing pipe and Akkerman for the guided boring machine equipment.

Ghilotti listed Pace Supply for the 16-inch diameter C-905/RJ DR-18 Certa-Lok pipe, as well as Pacific Boring for the 24-Inch steel casing pipe and the guided boring machine equipment.

Conclusion: Based on our review, Anvil is a responsible bidder and has submitted a responsive bid. Accordingly, it is recommended that the District award the bid and Contract to Anvil Builders.

Sincerely,

Covello



J.D. Brosnan, PE
Construction Manager



RECEIVED
MAY 04 2017
N.M.W.D.
ENG. DEPT.

May 4, 2017

To: North Marin Water District
Attn: Rocky Vogler
999 Rush Creek Place
Novato, CA 94945

Re: Bid Protest
Recycled Water Central Service Area – Hwy 101 Crossing Project
Bid Date: April 27, 2017

Dear Mr. Vogler,

On Thursday, April 27, 2017, Ghilotti Construction Company, Inc. (Ghilotti) bid the above referenced project and at the time of the bid opening was the apparent 2nd low bidder with Anvil Builders, Inc. (Anvil) being the apparent low bidder. This letter serves as a protest of the bid submitted by Anvil and Ghilotti hereby requests that the District deem its bid nonresponsive.

The District must reject Anvil's bid as nonresponsive because it did not comply with the subcontractor listing laws.

Per Section 2260 – Shaft Excavation and Support, specification section 1.01(D) states “Acceptable shaft types include driven interlocking sheet piles or grouted corrugated metal pipe casing constructed by large diameter auger drilling.” This section goes on to state “Slide-rail shafts...shall not be allowed.”

Per Section 430 – Proposed Subcontractors, California Public Contracting Code Section 4100 requires the listing of any subcontractor performing work in excess ½ of 1 percent or \$10,000, whichever is greater on the Proposed Subcontractor form.

Anvil did not comply with this requirement. Anvil did not list any subcontractor to perform either the driven interlocking sheet pile or the large diameter auger driller on their Proposed Subcontractors form. One or the other of these tasks is required to perform the installation of the shaft.

— Engineering Contractor —

246 GHILOTTI AVENUE • SANTA ROSA, CA 95407 • 707-585-1221 • FAX: 707-585-0129

www.ghilotti.com

STATE CONTRACTORS LICENSE #644516

Section 430 also states, "Failure to comply with these requirements will render the bid non-response..."

Based on this information, Ghilotti Construction Company, Inc. hereby protests an award of this contract to Anvil. The District should reject Anvil's bid as nonresponsive.

Thank you for considering this matter.



Thomas Smith
Estimating Manager



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146

May 5, 2017

PHONE

415.897.4133

EMAIL

info@nmwd.com

WEB

www.nmwd.com

Attention: Thomas Smith
Ghilotti Construction Co.
246 Ghilotti Ave
Santa Rosa, CA 95407

Re: Recycled Water Expansion to Central Service Area – Hwy 101 Crossing –
Bid Protest
NMWD File 5 6058.60

Dear Mr. Smith:

The purpose of this letter is to formally acknowledge receipt of a bid protest submitted on May 4, 2017 by Ghilotti Construction Company. Per the Contract Documents (Specification 00100, Part 13) the District will investigate the issues raised by the bid protest and provide a written decision which will be determined by the District Board of Directors.

If you have any questions regarding this matter, please contact me at 415-761-8945.

Sincerely,

Rocky Vogler
Chief Engineer

Enclosure: Bid Protest letter from Ghilotti Construction Co. dated May 4, 2017

cc: Attn: Hien Tran, President and CEO w/encl
Anvil Builders
1475 Donner St., 2nd Fr
San Francisco, CA 94124

RV:edm
R:\Folders by Job No\6000 Jobs\6058\WEST OF 101 HWY\Highway 101 Xing\Bid Phase\6058.60 Itr to GCC re Bid Protest 5_4_17.docx

CARL P. A. NELSON
CRAIG L. JUDSON

ROBERT B. MADDOW
(OF COUNSEL)

JEFFREY D. POLISNER
(RETIRED)

BOLD, POLISNER, MADDOW, NELSON & JUDSON

A PROFESSIONAL CORPORATION
500 YGNACIO VALLEY ROAD, SUITE 325
WALNUT CREEK, CALIFORNIA 94596-3840
TELEPHONE (925) 933-7777
FAX (925) 933-7804
office@bpmnj.com

SHARON M. NAGLE
DOUGLAS E. COTY
TIMOTHY J. RYAN

FREDERICK BOLD, JR.
(1913-2003)

May 30, 2017

Rocky Vogler
Chief Engineer
North Marin Water District
999 Rush Creek Place
Novato, California 94948

Re: ***Recycled Water Central — Hwy 101 Crossing Project***
Responsiveness of Apparent Low Bid

Dear Mr. Vogler:

You asked that I advise the North Marin Water District (“NMWD”) of our opinion as to whether the apparent low bid submitted by Anvil Builders, Inc. (Anvil). is non-responsive as alleged by the bid protest letter dated May 4, 2017, which was timely submitted by the apparent second low bidder, Ghilotti Construction, Inc. (Ghilotti). For the reasons that follow, it is our opinion that the bid submitted by Anvil was *not* non-responsive, and accordingly that the contract may properly be awarded to Anvil, based on it having submitted the lowest responsive bid.

The express basis of Ghilotti’s protest was that “Anvil’s bid [w]as nonresponsive because it did not comply with the subcontractor listing laws” by failing to “list any subcontractor to perform either the driven interlocking sheet pile or the large diameter auger driller.” This is not a sufficient basis for a protest, for the Subcontracting Fair Practices Act expressly states (in Public Contract Code section 4106) that by failing to list a subcontractor, “the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself.”

It is settled law that “A bid is responsive if it promises to do what the bidding instructions demand.” (*Taylor Bus Service, Inc. v. San Diego Bd. of Education* (1987) 195 Cal.App.3d 1331, 1341-1342; see *MCM Const., Inc. v. City & County of San Francisco* (1998) 66 Cal.App.4th 359, 368.) Nothing in the face of Anvil’s bid suggests that Anvil will not do what the bidding instructions demand.

You advised that Ghilotti has asserted orally that it does not believe that Anvil is competent to do the work called for by Section 2260 of the specifications for the project. This equates to an assertion that Anvil is not a responsible bidder, for “[a] bidder is responsible if it can perform the contract as promised.” (*Taylor Bus Service, Inc., supra*; *MCM Const., Inc., supra*.) Unlike a challenge to the responsiveness of a bid, which can be determined from the face of the bid, “[a] determination that a bidder is responsible is a complex matter dependent, often, on information received outside the bidding process and requiring, in many cases, an application of subtle judgment.” (*Taylor Bus Service, Inc., supra*; *MCM Const., Inc., supra*.) It is my understanding that, in response to your request, Anvil has provided information about prior projects in which it installed “driven interlocking sheetpiles or grouted corrugated metal pipe casing constructed by large diameter auger drilling” as specified in Paragraph 02260-1.01.D, and that you have satisfied yourself as to Anvil’s experience regarding such work. This is sufficient to support a

BOLD, POLISNER, MADDOW, NELSON & JUDSON

May 30, 2016

Re: *Recycled Water Central — Hwy 101 Crossing Project*

Page 2

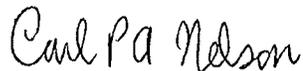
discretionary determination that Anvil is a responsible bidder with respect to the work specified in Section 02260.

As pointed out in the May 15, 2017 letter from J. D. Brosnan of The Covello Group, Inc., there was an irregularity in the filling out of the Bid Schedule, in that the word "Thousand" was omitted in the written version of the Total Based Bid. This irregularity does not render the bid nonresponsive because Paragraph 00100-15.0 provides the rules for reconciling discrepancies in the bid schedule. The first sentence of the second paragraph states that a price quoted in words will control over the same price quoted in figures. However, the third sentence provides that the mathematically correct sum of the bid items will control over an incorrect sum; this means that \$746,900 is the amount or the total base bid.

Neither bid was fully responsive to the request in subparts A, C, and D on page 00420-3 under the heading "B. COMPANY EXPERIENCE," that the bidders submit "a description of referenced projects including owner's name and current contact information, project superintendent, and machine operators." However, that information was requested to assist the District in evaluating the bidders' respective experience. It appears that the information that was submitted was sufficient to enable the proper evaluation of the bidder's experience, for Mr. Brosnan concluded that the reference projects submitted by each bidder "appear to demonstrate that they have the necessary experience and qualifications to perform the Work." Moreover, regarding Anvil, Mr. Brosnan went on to state, "No unfavorable or concerning references were obtained when owners were contacted for background on the company." This is sufficient to support a discretionary determination that Anvil is a responsible bidder with respect to the entire project.

In conclusion, applicable law, and the facts as they have been explained to us as set forth above, fully supports the award of the contract to Anvil as a responsible bidder who submitted the lowest responsive bid.

Yours very truly,



Carl P. A. Nelson

Terrie Kehoe

From: August, Barbara@Waterboards <Barbara.August@waterboards.ca.gov>
Sent: Monday, May 08, 2017 9:32 AM
To: Drew McIntyre
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera; Rocky Vogler
Subject: RE: NMWD RW Central Expansion Highway 101 Crossing (SRF Project C-06-8086-110)- DBE GFE Confirmation

Drew,

They are both DBE compliant.

Ghilotti will, however, need to produce proof of DBE certification for CMC Traffic Control.

Thanks,
Barbara

From: Drew McIntyre [mailto:dmcintyre@nmwd.com]
Sent: Friday, May 05, 2017 3:07 PM
To: August, Barbara@Waterboards
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera; Rocky Vogler
Subject: RE: NMWD RW Central Expansion Highway 101 Crossing (SRF Project C-06-8086-110)- DBE GFE Confirmation

Hi Barbara,

We have two bidders on the above project (last of four bid packages for 8086-110), Anvil and Ghilotti Construction. Attached are the bids from each contractor and their submitted GFE's.

Please review and confirm they are both GFE compliant.

Thanks

Drew

From: August, Barbara@Waterboards [mailto:Barbara.August@waterboards.ca.gov]
Sent: Monday, March 27, 2017 8:44 AM
To: Drew McIntyre
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera; Rocky Vogler
Subject: RE: NMWD RW Central Expansion Norman Tank Rehabilitation (SRF Project C-06-8086-110)- DBE GFE Confirmation

Hi Drew,

I've reviewed both bids, and it looks like Piazza Construction is "more" DBE compliant than Spiess Construction. With Spiess, I don't see evidence of them having done the outreach or posting on the MBDA website. Unless, they did the outreach and posting and decided not to hire a DBE, but I would need to see the outreach and evidence of posting on MBDA.

Any questions, let me know.

Thanks,
Barbara

From: Drew McIntyre [<mailto:dmcintyre@nmwd.com>]
Sent: Thursday, March 23, 2017 5:02 PM
To: August; Barbara@Waterboards
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera; Rocky Vogler
Subject: NMWD RW Central Expansion Norman Tank Rehabilitation (SRF Project C-06-8086-110)- DBE GFE Confirmation

Hello Barbara,

This is for the third (called Norman Tank Rehabilitation Project) of what we expect will be four separate bid packages for Central Expansion Project. We are attaching the bids from the only two bidders for the Project. Can you confirm they are both GFE compliant?

Thanks,

Drew

From: Drew McIntyre
Sent: Monday, August 01, 2016 2:01 PM
To: 'August, Barbara@Waterboards'
Cc: Dave Jackson; 'Taylor, Martin@Waterboards'; 'Kals, Sandeep@Waterboards'; Carmela Chandrasekera
Subject: RE: RWC West Plans_Specs - DBE GFE Confirmation

Hello Barbara,

This is for the second (called West Project) of what we expect will be four separate bid packages for Central Expansion Project. We are attaching the bids from the three lowest bidders for the West Project. Can you confirm they are all GFE compliant?

Thanks,

Drew

From: Drew McIntyre
Sent: Tuesday, July 12, 2016 10:09 AM
To: 'August, Barbara@Waterboards'
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera
Subject: RE: RWC East Plans_Specs - DBE GFE Confirmation

Hello Barbara,

We are attaching the bids from the three lowest bidders for the above project. Can you confirm they are all GFE compliant?

Thanks,

Drew

From: August, Barbara@Waterboards [<mailto:Barbara.August@waterboards.ca.gov>]
Sent: Wednesday, May 18, 2016 7:47 AM
To: Drew McIntyre
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera
Subject: RE: RWC East Plans_Specs - Review of EPA and DBE requirements

No changes. You submitted all the appropriate documentation. Go forward.

From: Drew McIntyre [<mailto:dmcintyre@nmwd.com>]
Sent: Tuesday, May 17, 2016 11:14 AM
To: August, Barbara@Waterboards
Cc: Dave Jackson; Taylor, Martin@Waterboards; Kals, Sandeep@Waterboards; Carmela Chandrasekera
Subject: RWC East Plans_Specs - Review of EPA and DBE requirements

Hello Barbara,

We received the attached notice from EPA. Does the attached notice require any changes to the Contract Documents you reviewed for EPA and DBE compliance?

Thanks

Drew

From: August, Barbara@Waterboards [<mailto:Barbara.August@waterboards.ca.gov>]
Sent: Tuesday, May 10, 2016 8:31 AM
To: Drew McIntyre; Kals, Sandeep@Waterboards
Cc: Dave Jackson; Taylor, Martin@Waterboards
Subject: RE: RWC East Plans_Specs

Good Morning:

I've completed my review of the document.

I have no issues. All EPA and DBE language and requirements are in order

Thank you.

Barbara

From: Drew McIntyre [<mailto:dmcintyre@nmwd.com>]
Sent: Friday, May 06, 2016 5:11 PM
To: Kals, Sandeep@Waterboards
Cc: Dave Jackson; Taylor, Martin@Waterboards; August, Barbara@Waterboards
Subject: FW: RWC East Plans_Specs

Sunny,

We advertised the RW Central East Project today. Please provide one final review of the DBE, EPA, etc requirements to make sure all is in order. Both Barbara and Martin have reviewed earlier versions so we should be good but want to get one final approval of the complete set of Contract Documents. See the instructions below for access to our FTP site.

Thanks

Drew

From: Eileen Mulliner
Sent: Friday, May 06, 2016 3:07 PM
To: Drew McIntyre
Subject: RWC East Plans_Specs

The plans and specs are on the ftp site:

go to <ftp://ftp.nmwd.com>

1. Log in username: vendornmwd
2. Login password: Handoff09 (case sensitive)
3. Under "view" select "Open FTP Site in Windows Explorer"
4. You may need to log in again
5. Find the Folder "RW Central\RW Central East Plans_Specs"

Eileen D. Mulliner

*Engineering Secretary
North Marin Water District
415-761-8913
emulliner@nmwd.com*

*You are never too old to set another goal or to dream a new dream.
C.S. Lewis*

12

MEMORANDUM

To: Board of Directors

June 2, 2017

From: Drew McIntyre, General Manager 

Subj: Marin LAFCo Draft 2017 Sphere of Influence Update for North Marin Water District

t:\gm\lafco\SOI Update 6-2-17 memo.docx

RECOMMENDED ACTION: Approve Comment Letter to Marin LAFCo's Draft Sphere of Influence Update for North Marin Water District.

FINANCIAL IMPACT: None at this time

LAFCo's responsibilities are to "designate the territory LAFCo independently believes represents the appropriate and probable future service area and jurisdictional boundary..." of NMWD. As of January 1, 2008, LAFCo must review and update as needed NMWD's SOI every five years. The draft 2017 SOI Update prepared by LAFCo (dated June 2017) is provided in Attachment 1 and follows on the heels of the Countywide Water Service Study finalized by LAFCo in January 2016. The 2017 draft report proposing three Sphere of Influence (SOI) expansions to NMWD's existing service areas. The three areas are shown in the maps provided in Attachment 2 and listed as follows:

| Area Location | Category Type | LAFCo Action |
|---|---------------|-----------------------------|
| State Route 1 just north of Point Reyes Station Service Territory | Category A-1 | Immediate |
| Old Dillon Beach community adjacent to Oceana Marin | Category B-1 | Potential action in 5 years |
| Hwy 101 corridor between Novato and Petaluma | Category B-2 | Potential action in 5 years |

The attached draft comment letter (Attachment 3) is being provided for Board input. In addition to some miscellaneous comments and clarifications, the draft letter also provides specific comments on the designated "Category A" and "Category B" SOI expansions. It should be noted that the LAFCo report reaffirms that non-jurisdictional lands included in an expanded SOI does not provide any guarantees that the territory will be annexed or provided outside service agreement.

Category A-1 – Eight Parcels North of West Marin Service Area along Ste Rte 1

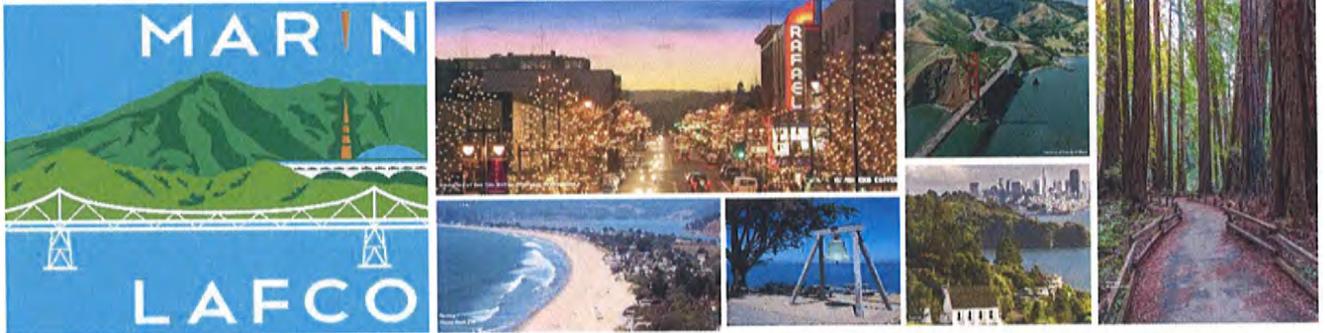
Of immediate LAFCo interest is the "Category A" area north of NMWD's West Marin service territory along State Route 1 where the District provides water to eight (8) parcels under a February 13, 1990 letter agreement (see Attachment 4). Since 1990, the District has obtained

Outside Water Service Agreements with many of these parcel owners but not all. Staff draft comments pertain primarily to the issue that all existing facilities in the proposed SOI expansion are private and the eight outside service area customers would have to bear the full costs of constructing new water facilities in accordance with District standards prior to any territory annexation.

The remaining "Category B" areas are not scheduled for any immediate action but LAFCo is putting the District on notice that more discussions are anticipated in the not too distant future in advance of the planned 2022 SOI Update.

RECOMMENDED ACTION:

Board provide comments and authorize sending the attached letter (Attachment 3) to Marin LAFCo regarding the draft Sphere of Influence Update



SPHERE OF INFLUENCE UPDATE |
NORTH MARIN WATER DISTRICT
Government Code Section 56425

Draft Report | June 2017

Project Manager
Keene Simonds
Executive Officer

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| B. STUDY AREA B-1 CHARACTERISTICS | |
| ***** | |

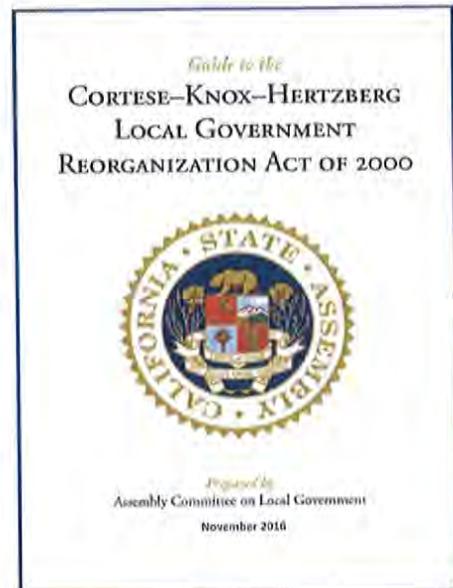
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CHAPTER ONE INTRODUCTION

1.0 LOCAL AGENCY FORMATION COMMISSIONS

A. Authority and Objectives

Local Agency Formation Commissions (LAFCOs) were established in 1963 and are political subdivisions of the State of California responsible for providing regional growth management services in all 58 counties. LAFCOs' authority is currently codified under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") with principal oversight provided by the Assembly Committee on Local Government.¹ LAFCOs' are comprised of locally elected and appointed officials with regulatory and planning powers delegated by the Legislature to coordinate and oversee the establishment, expansion, and organization of cities, towns, and



special districts as well as their municipal service areas. LAFCOs' creation were engendered by Governor Edmund "Pat" Brown Sr. (1959-1967) to more effectively address the needs of California's growing and diversifying population with an emphasis on promoting governmental efficiencies. Towards this end, LAFCOs are commonly referred to as the Legislature's "watchdog" for local governance issues.²

Guiding LAFCOs' regulatory and planning powers is to fulfill specific purposes and objectives that collectively construct the Legislature's regional growth management priorities under Government Code (G.C.) Section 56301. This statute reads:

¹ Reference California Government Code Section 56000 et seq.

² In its ruling on *City of Ceres v. City of Modesto* the 5th District Court of Appeal referred to LAFCOs as the "watchdog" of the Legislature to "guard against the wasteful duplication of services." (July 1969)

“Among the purposes of the commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities.”

LAFCO decisions are legislative in nature and therefore are not subject to an outside appeal process. LAFCOs also have broad powers with respect to conditioning regulatory and planning approvals so long as not establishing any terms that directly control land uses, densities, or subdivision requirements.

B. Regulatory Responsibilities

LAFCOs’ principal regulatory responsibility involves approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities, towns, and most special districts in California.³ More recently LAFCOs have been tasked with also overseeing the approval process

LAFCOs have been responsible since 1963 to oversee formation, expansion, reorganization, and dissolution actions involving cities, towns, and districts in California with limited exceptions.

for cities, towns, and districts to provide new or extended services beyond their jurisdictional boundaries by contract as well as district actions to activate a new service or divest an existing service. LAFCOs generally exercise their regulatory authority in response to applications submitted by the affected agencies, landowners, or registered voters. Recent amendments to CKH, however, now authorize and encourage LAFCOs to initiate on their own jurisdictional changes to form, consolidate, and dissolve special districts consistent with current and future community needs. The following table provides a complete list of LAFCOs’ regulatory authority as of date.

³ CKH defines “special district” to mean any agency of the State formed pursuant to general law or special act for the local performance of governmental or proprietary functions within limited boundaries. All special districts in California are subject to LAFCO with the following exceptions: school districts; community college districts; assessment districts; improvement districts; community facilities districts; and air pollution control districts.

LAFCOs' Regulatory Powers

As of January 1, 2017

- City Incorporations / Disincorporations
- District Formations / Dissolutions
- City and District Consolidations
- City and District Outside Service Extensions
- City and District Annexations
- City and District Detachments
- Merge/Establish Subsidiary Districts
- District Service Activations / Divestitures

C. Planning Responsibilities

LAFCOs inform their regulatory actions through two central planning responsibilities: (a) making sphere of influence (“sphere”) determinations and (b) preparing municipal service reviews. Sphere determinations have been a core planning function of LAFCOs since 1971 and effectively serve as the Legislature’s version of “urban growth boundaries” with regard to cumulatively

LAFCOs are tasked with planning the location of future urban development and services through two interrelated activities: (a) establish and update spheres and (b) prepare municipal service reviews to independently evaluate the availability and performance of governmental services relative to need.

delineating the appropriate interface between urban and non-urban uses within each county. Municipal service reviews, in contrast, are a relatively new planning responsibility enacted as part of CKH and are intended to inform – among other activities – sphere determinations. The Legislature mandates all sphere changes as of 2001 be accompanied by preceding municipal service reviews to help ensure LAFCOs are effectively aligning governmental services with current and anticipated community needs. An expanded summary of these two planning responsibilities follows.

Spheres of Influence

LAFCOs establish, amend, and update spheres for all cities, towns, and most special districts in California to designate the territory LAFCO independently believes represents the appropriate and probable future service area and jurisdictional boundary of the affected agency. Importantly, all jurisdictional changes, such as annexations and detachments, must be consistent with the spheres of the affected local agencies with limited exceptions.⁴ Further, an increasingly important role

⁴ Exceptions in which jurisdictional boundary changes do not require consistency with the affected agencies’ spheres include annexations of State correctional facilities or annexations to cities involving city owned lands used for municipal purposes with the latter requiring automatic detachment if sold to a private interest.

involving sphere determinations relates to their use by regional councils of governments as planning areas in allocating housing need assignments for counties, cities, and towns and as part of the seven-year housing element cycle.

As of January 1, 2008, LAFCO must review and update as needed each local agency's sphere every five years. In making a sphere determination, LAFCO is required to prepare written statements addressing five specific planning factors listed under G.C. Section 56425. These mandatory factors range from evaluating current and future land uses to the existence of pertinent communities of interest. The intent in preparing the written statements is to orient LAFCO in addressing the core principles underlying the sensible development of each local agency consistent with the anticipated needs of the affected community. The five mandated planning factors are summarized in the following table.

Spheres serve as the Legislature's version of urban growth boundaries and – among other items – delineate where cities, towns, or districts may seek future annexation and outside service approvals with LAFCOs. All jurisdictional changes must be consistent with the affected agencies' spheres with limited exceptions.

Mandatory Determinations / Spheres of Influence (Government Code Section 56425)

1. Present and planned land uses in the affected area, including agricultural and open space.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
5. If the city or district provides water, sewer, or fire, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere.

Municipal Service Reviews

Municipal service reviews were a centerpiece to CKH’s enactment in 2001 and are comprehensive studies of the availability, range, and performance of governmental services provided within a defined geographic area. LAFCOs generally prepare municipal service reviews to explicitly inform

Municipal service reviews serve to fulfill the Legislature’s interests in LAFCOs regularly assessing the adequacy and performance of local governmental services in order to inform possible future actions ranging from sphere determinations to reorganizations.

subsequent sphere determinations. LAFCOs also prepare municipal service reviews irrespective of making any specific sphere determinations in order to obtain and furnish information to contribute to the overall orderly development of local communities. Municipal service reviews vary in scope and can focus on a particular agency or governmental service. LAFCOs may use the information generated from municipal service reviews to initiate other actions under their authority, such as forming, consolidating, or dissolving one or more local agencies. All municipal service reviews – regardless of their intended use – culminate with LAFCOs preparing written statements addressing seven specific service factors listed under G.C. Section 56430. These mandated factors are summarized below.

Mandatory Determinations / Municipal Service Reviews (Government Code Section 56430)

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to affected spheres of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status and opportunities for shared facilities.
6. Accountability for community service needs, including structure and operational efficiencies.
7. Matters relating to effective or efficient service delivery as required by LAFCO policy.

D. LAFCO Composition | Direction on Decision-Making

LAFCOs are generally governed by 11-member board comprising three county supervisors, three city councilmembers, three independent special district members, and two representatives of the general public.⁵ Members are divided between “regulars” and “alternates” and must exercise their independent

State law directs all LAFCO members to independently discharge their responsibilities for the good of the region and irrespective of the interests of their local appointing authorities.

judgment on behalf of the interests of residents, landowners, and the public as a whole. LAFCO members are subject to standard disclosure requirements and must file annual statements of economic interests. LAFCOs have sole authority in administering their legislative responsibilities and its decisions are not subject to an outside appeal process. All LAFCOs are independent of local government with the majority employing their own staff; an increasingly smaller portion of LAFCOs, however, choose to contract with their local county government for staff support services. All LAFCOs must appoint their own Executive Officers to manage agency activities and provide written recommendations on all regulatory and planning actions before the membership. All LAFCOs must also appoint their own legal counsel.

E. Prescriptive Funding

As part of the original negotiations between the State and local agencies in establishing LAFCOs in 1963 and later updated in 2001, CKH prescribes local agencies fund LAFCOs’ annual operating costs. Counties are generally responsible for funding one-third of LAFCO’s annual operating costs with the remainder one-third portions allocated to the cities and independent special districts. The allocations to cities and special districts are calculated based on standard formula using tax revenues unless an alternative formula has been approved by a majority of the local agencies. LAFCOs are also authorized to collect applicant fees to offset local agency contributions.

⁵ Approximately two-fifths of LAFCOs in California currently operate without special district representation based on local conditions. A limited number of LAFCOs also have additional seats through special legislation.

1.1 MARIN LAFCO

A. Adopted Policies and Procedures | Sphere Updates and Municipal Service Reviews

The majority of Marin LAFCO's ("Commission") existing policies and procedures were comprehensively updated in June 2016. These policies and procedures collectively guide the Commission in implementing LAFCO law in Marin County in a manner consistent with regional growth management priorities as determined by the membership. This includes overarching policies and procedures to direct existing and new urban uses towards city-centers along the State Highway 101 corridor and maintaining restrictive allowances for the potential development and use therein of agricultural and open-space lands. The Commission has also established pertinent policies and procedures specific to preparing sphere updates and municipal service reviews with several key statements summarized below.

- The Commission shall adopt a study schedule every five years to calendar sphere updates and the associated municipal services reviews at noticed public hearings. The adopted study schedule shall guide and prioritize the studies to be undertaken by the Commission over the five-year period paired with the ability to approve amendments as needed and or resources merit.
- The Commission shall generally defer requests made by applicants for individual sphere amendments for consideration as part of the next comprehensive update as determined in the adopted study schedule.
- The Commission shall orient the establishment and update of spheres to focus on community needs over the next 10 years.
- The Commission shall consider the plans and objectives contained within the adopted general plans of the local land use authorities in establishing and updating spheres.

- The Commission shall utilize municipal service reviews as the source document in informing all sphere determinations. The Commission shall only utilize municipal service reviews that are less than five years old in making sphere determinations unless specific circumstances warrant otherwise.
- The Commission shall generally assign three types of sphere designations for local agencies unless special circumstances warrant otherwise. A larger sphere denotes the Commission’s expectation the agency will annex certain lands in the near-future. A smaller sphere denotes an expectation the agency will detach certain lands in the near-future. A coterminous sphere denotes an expectation of no changes to the agency in the near future.
- The Commission shall assign a zero sphere encompassing no territory to signal the membership’s interest and intent to dissolve and or disincorporate the affected agency.
- The Commission shall assign a common sphere to include the territory served by two or more agencies to signal the membership’s interest and intent to consolidate and or merge the affected agencies.

B. Commission Roster

The Commission’s current membership is provided below.

Current Members

| Name | Position | Agency Affiliation |
|----------------------------|------------------|------------------------------|
| Jeffrey Blanchfield, Chair | Public | Commission |
| Carla Condon, Vice Chair | City | Town of Corte Madera |
| Damon Connolly | County | County of Marin |
| Jack Baker | Special District | North Marin Water |
| Sashi McEntee | City | City of Mill Valley |
| Craig K. Murray | Special District | Las Gallinas Valley Sanitary |
| Dennis J. Rodoni | County | County of Marin |
| Judy Arnold, Alternate | County | County of Marin |
| Matthew Brown, Alternate | City | City of San Anselmo |
| Lew Kiou, Alternate | Special District | Almonte Sanitary |
| Chris Skelton, Alternate | Public | Commission |

C. Contact Information

Marin LAFCO's administrative office is located at 1401 Los Gamos Drive in San Rafael (Terra Linda). Visitor parking is available. LAFCO is a small governmental agency and as a result the office is sometimes closed during normal business hours when staff is in the field. Accordingly, appointments to discuss proposals or other matters are strongly encouraged and can be scheduled by calling 415-448-5877. Communication by e-mail is also welcome and general questions or comments should be directed to staff@marinlafco.org. Additional information regarding Marin LAFCO's functions and activities is also available online by visiting www.marinlafco.org.

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CHAPTER TWO DISCUSSION

2.0 OVERVIEW

A. Report Objective

This report represents Marin LAFCO's scheduled sphere of influence update for the North Marin Water District (NMWD). The report has been prepared by staff and considers whether any changes – additions and or subtractions – to NMWD's current sphere are warranted in terms of consistency with the provisions of CKH as well as the adopted policies of the Commission. The report draws on information generated as part of the recently completed municipal service review on countywide public water service and intended to inform the Commission's decision-making in independently aligning NMWD's potable water and wastewater services with current and planned community needs as directed under State law. This also includes incorporating, as appropriate, information on adopted land use policies from affected land use authorities that are within and or adjacent to NMWD's two distinct services areas: East and West Marin.

The underlying objective of this report is to inform the Commission's decision making in independently aligning NMWD's potable water and wastewater services with current and planned community needs in the East and West Marin service areas.

B. Key Assumptions and Premises

The report and its analysis is premised on reconciling current CKH directives and Commission policy preferences therein with updating NMWD's sphere. Most notably, this includes incorporating new directives for LAFCOs subsequent to the last coordinated review of the NMWD sphere in the early 1980s that – and among other items – substantively expand the policy intent and application of sphere designations. A key and central example herein is the expanded definition of a sphere to demark not just the current and future jurisdictional boundary but also the agency's

The central assumption is the explicit intention the sphere of influence represent – and through the Commission – the State's designation of NMWD's appropriate service area, and all future annexations and outside service extensions shall conform accordingly.

service area (emphasis added.) This definition expansion, notably, follows legislative changes in LAFCOs' responsibilities to now also regulate the ability of cities, towns, and special districts to enter into contracts to provide municipal services outside their jurisdictional boundaries. Further, and pertinent to this update, this referenced new oversight limits LAFCOs' authority to approve these type of service arrangements – which in many instances previously worked to circumvent the annexation process – only to lands within the affected agencies' spheres with limited exceptions. Accordingly, a central assumption within the update is the explicit intention the sphere represent the State's formal designation – and byway of the Commission – of NMWD's appropriate service area, and all annexations and outside service extensions conform unless special circumstances warrant otherwise. Other pertinent assumptions and premises underlying the update and its analysis are summarized below.

- Analyses of potential changes to the NMWD sphere emphasize a 10-year horizon in which resulting boundary changes – annexations or detachments – and outside service extensions are expected.
- Non jurisdictional lands included in the NMWD sphere does not provide any guarantees the territory will be annexed or provided outside services. Jurisdictional changes and outside service extensions must be considered on their own merits with particular attention focused on assessing whether the timing of the request is appropriate.
- Potential changes identified and evaluated in this update shall be vetted with NMWD and any resulting comments – should there be any – will be incorporated into the final analysis prior to Commission action.

2.1 AGENCY PROFILE

A. Formation and Organization

NMWD was formed in 1948 with the initial task of assuming potable water services from the Novato Water Company. Formation proceedings were approved by voters along with supporting tax measures and highlighted by providing funding for NMWD to establish a new stand-alone surface water supply by damming Novato Creek and creating Stafford Lake. NMWD's jurisdictional boundary has expanded since its formation and presently expands nearly 100 square miles and marked therein by two distinct service areas. The main service area – “East Marin” – includes the City of Novato and the adjacent unincorporated areas of Bel Marin Keys, Black Point, Loma Verde, Green Point, and Indian Valley. This main service area, notably, also extends into Sonoma County to include several unincorporated properties south of the City of Petaluma. The second service area – “West Marin” – is further divided between the unincorporated communities of Point Reyes Station/Olema and Dillon Beach.

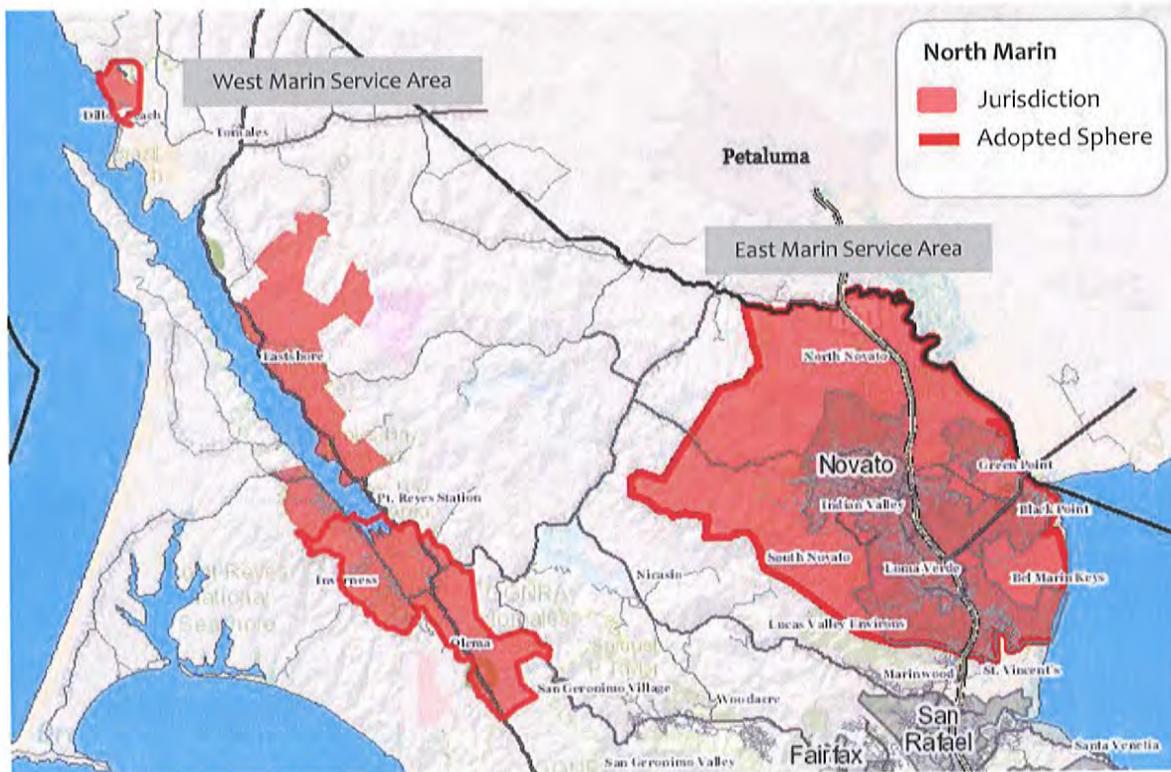
NMWD is organized as a limited-purpose agency and provides three services: (a) potable water; (b) non-potable water; and (c) wastewater with the latter limited to the Oceana Marin Subdivision in Dillon Beach. Governance is provided by a five-person board whose members are registered voters elected at-large to staggered four-year terms. NMWD appoints an at-will General Manager to oversee all District activities. The current General Manager – Drew McIntyre – was appointed by the Board in 2017 and oversees a present budgeted staff of 55 fulltime equivalent employees.

B. Finances

NMWD most recently completed audit report covered the 2015-2016 fiscal year and showed the District finished the period with an overall net asset or equity sum of \$92.6 million. This amount – which represents the difference between total assets and liabilities – increased by approximately 5% over the prior fiscal year. The end of year equity amount includes \$5.0 million in unrestricted funds that can be used for any purposes and translates to a per capita reserve ratio of \$*** based on an estimated resident population of *****. Other notable measurements include NMWD finishing

the fiscal year with moderately high liquidity with more than double the amount of current assets compared to current liabilities; similarly the District ended with relatively low debt with non-current liabilities equaling less than one-third of non-current assets.

C. Boundary Map



D. Service Population and Development

The Commission estimates the overall resident population within NMWD totals *****. The portion of NMWD’s jurisdictional boundary under private ownership is largely developed – though not necessarily to maximum density – with 95% of the affected legal parcels with improved structures. This existing development, notably, includes 24,228 total residential units with four-fifths of the amount lying within the City of Novato.⁷

⁷ Existing residential units within NMWD are divided between the City of Novato at 19,391 and the County at 4,837 based on County Assessor Office’s records accessed through MarinMap.

E. Service Capacities and Demands

NMWD's primary service function involves the retail delivery of potable water within both its East and West Marin service areas and was the focus of the recently completed municipal service review. Below is a summary of key analysis and conclusions generated as part of the municipal service review as it relates to the supply and demand of NMWD's potable water within its two service areas. An abbreviated review of NMWD's wastewater services specific to Dillion Beach in the West Marin service area is provided as an appendix and incorporated herein.

Supply and Demand | East Marin

NMWD's potable water supplies for the East Marin service area are drawn from a combination of local and imported sources and collectively provide a maximum annual availability of 22,554 acre-feet. The primary supply is the Russian River and secured through a contract with the Sonoma County Water Agency. A secondary supply is drawn from Novato Creek, and secured through appropriative rights and impounded at Stafford Lake. Average annual demands within the East Marin service area over the municipal service review's five-year timeframe (2009 to 2013) totaled 9,150 acre-feet and represents 41% of the maximum yield supply.⁸ This ratio changes under projected single-dry conditions to 101% - or a (1%) deficit.

Average annual demands generated over the municipal service review's 60 month study period within the East Marin service area equaled 41% of the maximum available supply.

Supply and Demand | West Marin

NMWD's potable water supplies for the West Marin service area are entirely drawn locally from Lagunitas Creek and collectively provide a maximum annual availability of 654 acre-feet based on appropriated rights. The primary access point to this local source is through two groundwater wells that capture underflow

Average annual demands generated over the municipal service review's 60 month study period within the West Marin service area equaled 39% of the maximum available supply.

⁸ Active connections in the East Marin service area as of the end of the study period totaled 20,492. Annual water demands increased by 3.8% during the five-year study period with an average daily per capita use of 127 gallons.

and located on land owned by the Coast Guard. Average annual demands within the West Marin service area over the municipal service review's five-year timeframe (2009 to 2013) totaled 257 acre-feet and represents 39% of the maximum yield supply.⁹ This ratio changes under projected single-dry conditions to 45%.

2.2 SPHERE OF INFLUENCE

A. Establishment

Records show the Commission established the NMWD sphere as part of two separate actions in the early 1980s. The first action occurred in **** and involved the establishment of a sphere specific to the East Marin service area to be entirely coterminous with the then-NMWD jurisdictional boundary. The second action occurred in 1984 and involved the establishment of a sphere specific to the West Marin Service area and also to coterminous with the then-NMWD jurisdictional boundary with a limited number of exceptions. Most notable among the exceptions was involved the exclusion of jurisdictional lands comprising all of the Marshall area as well as the portion of lands in the Inverness area overlapping the Inverness Public Utility District.

B. Subsequent Commission Updates

The Commission performed a partial update on the NMWD sphere in 2002 as part of a regional study of the Novato region. The partial update resulted in the Commission formally affirming the NMWD sphere specific to the East Marin service area to be coterminous with the jurisdictional boundary. No previous update has been performed on the West Marin service area.

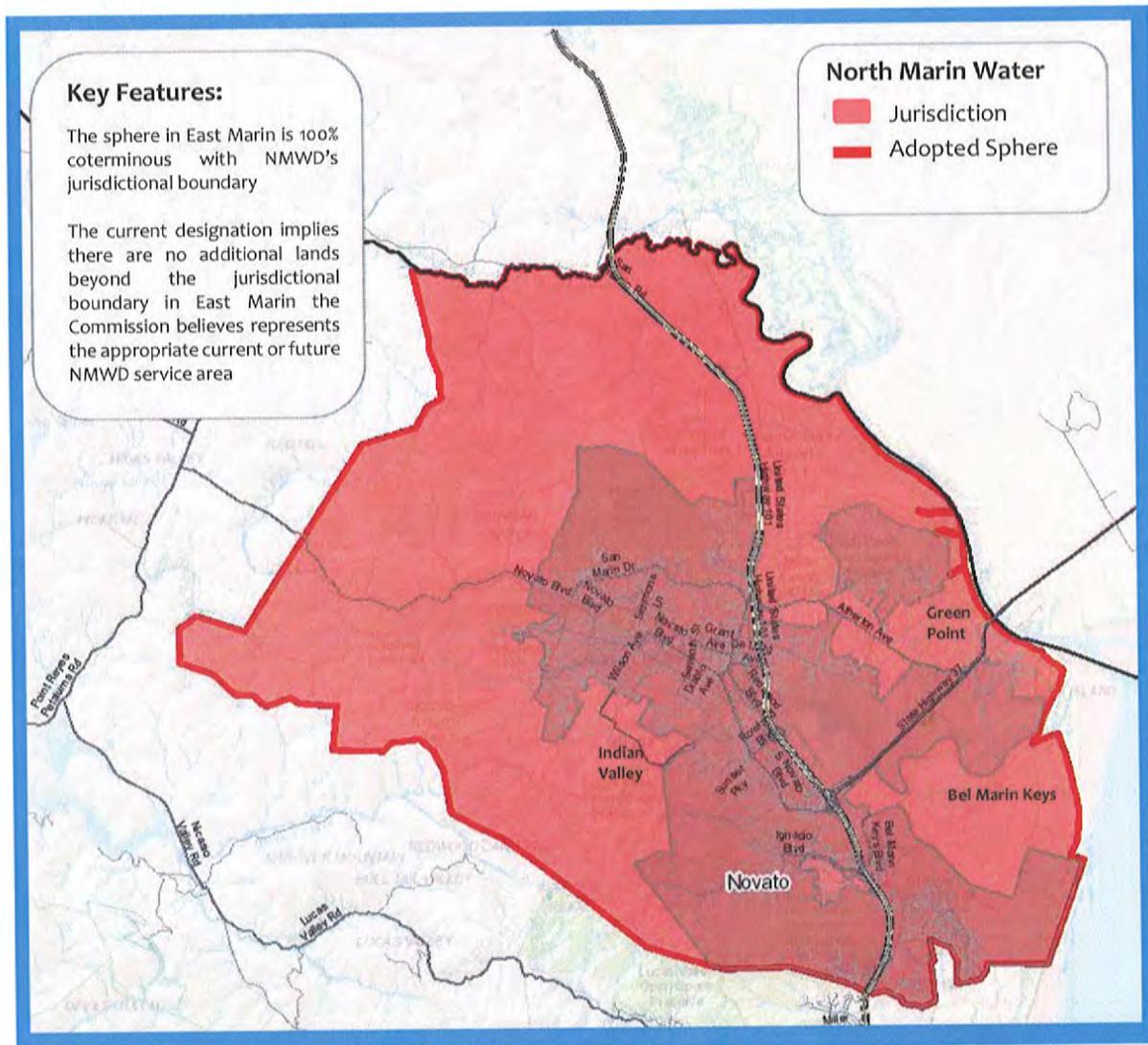
⁹ Active connections in the West Marin service area as of the end of the study period totaled 776. Annual water demands decreased by (3.1%) during the five-year study with an average daily per capita use of 118 gallons.

C. Current Composition

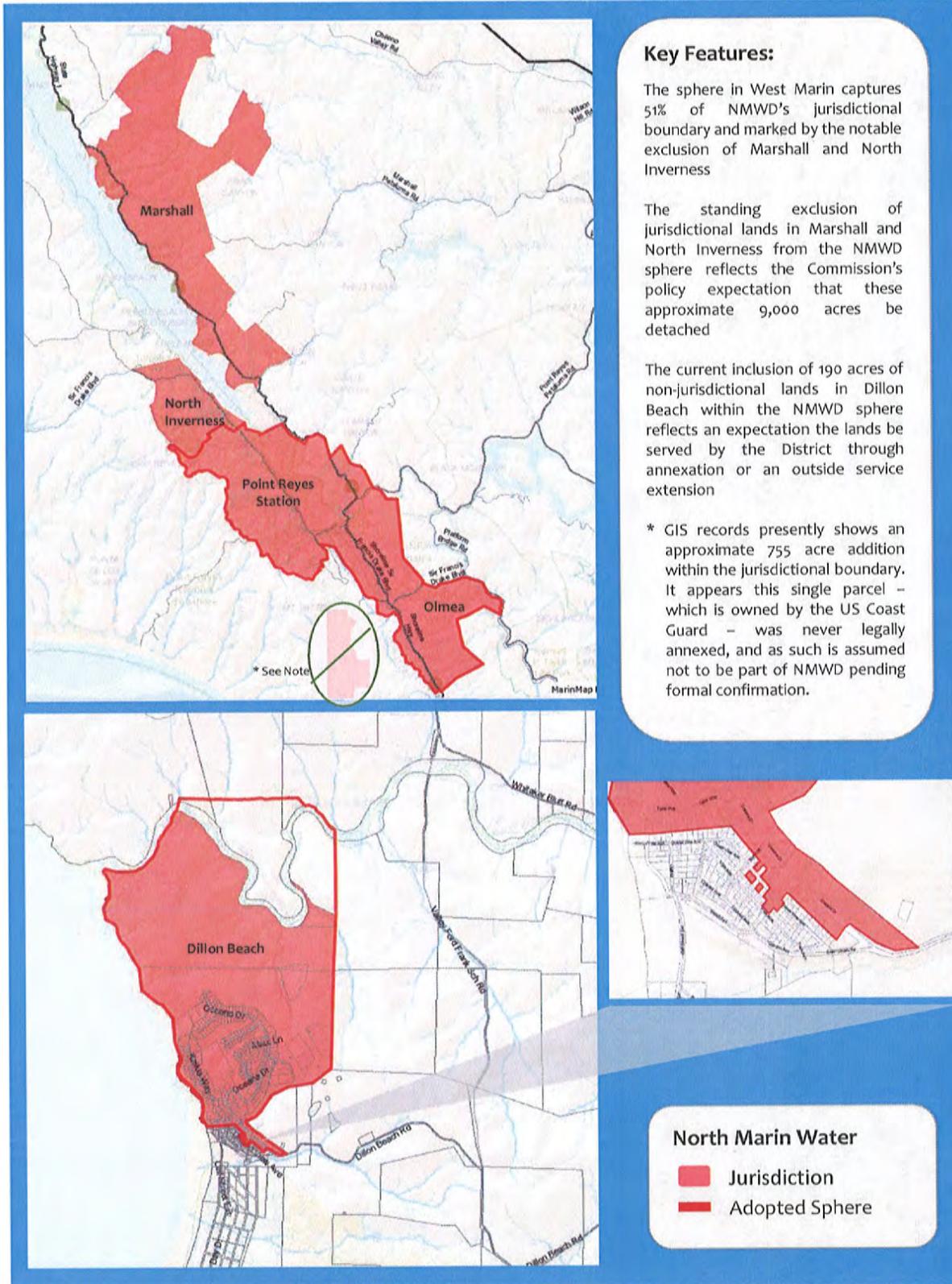
NMWD’s sphere presently spans approximately 55,329 acres or 87 square miles. As noted in the preceding paragraphs, the NMWD sphere is generally – but not entirely – coterminous with the jurisdictional boundary with the deviations specific to the West Marin service area. These deviations are reflected in the following maps and produces a sphere capturing only 86% of the jurisdictional boundary.

The NMWD sphere of influence captures 86% of the jurisdictional boundary with all deviations within the West Marin service area.

East Marin Service Area



West Marin Service Area



Key Features:

The sphere in West Marin captures 51% of NMWD’s jurisdictional boundary and marked by the notable exclusion of Marshall and North Inverness

The standing exclusion of jurisdictional lands in Marshall and North Inverness from the NMWD sphere reflects the Commission’s policy expectation that these approximate 9,000 acres be detached

The current inclusion of 190 acres of non-jurisdictional lands in Dillon Beach within the NMWD sphere reflects an expectation the lands be served by the District through annexation or an outside service extension

* GIS records presently shows an approximate 755 acre addition within the jurisdictional boundary. It appears this single parcel – which is owned by the US Coast Guard – was never legally annexed, and as such is assumed not to be part of NMWD pending formal confirmation.

CHAPTER THREE ANALYSIS & RECOMMENDATIONS

3.0 ANALYSIS FOCUS

Consistent with CKH the underlying purpose of this report is to provide context and related analysis in step with the Commission’s directive to review and update NMWD’s sphere with any appropriate modifications therein. To this end, staff has performed its own assessment of the current NMWD sphere designation with the premising interest to identify modifications that facilitate the District’s logical development relative to the factors prescribed by the Legislature and further defined under Commission policy. This also includes – and consistent with earlier input from Commissioners – orienting this process to identify (a) modifications that appear merited now as well as those (b) changes that may be merited in the near future but require additional study and analysis. Markedly, this latter category responds to the Commission’s interests to “telegraph” potential sphere modifications ahead of actual action with the goal of engaging the affected agency and communities with the expectation of returning to the topic with more information as part of the next five-year update.

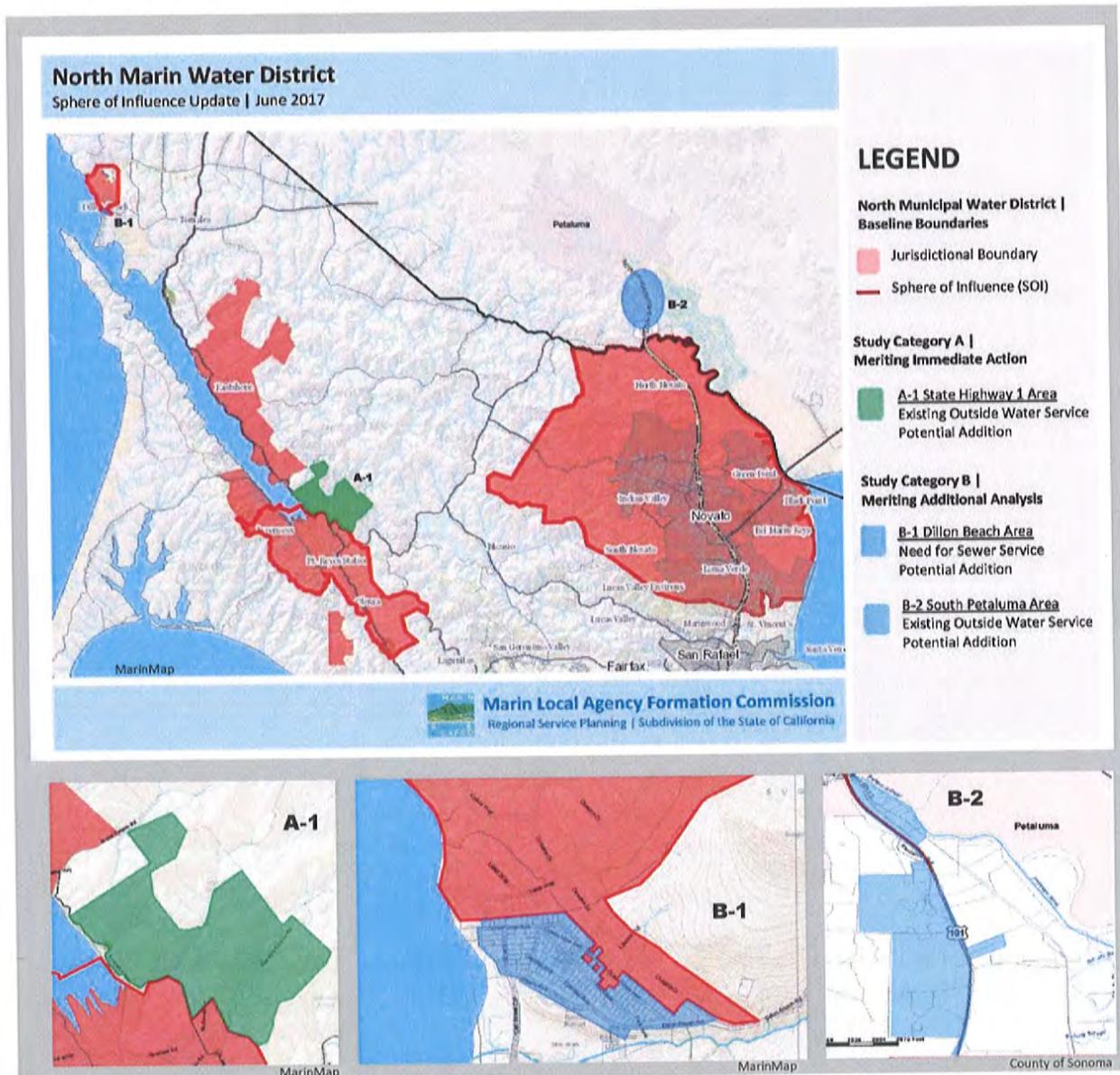
This report’s analysis on potential sphere modifications to NMWD is the first comprehensive review of the District and takes into account two distinct study category types. The first category type considers potential changes that appear warranted now and based on existing information and analysis. The second category type considers potential changes that generate some level of merit, but requires additional informational and related analysis before making specific recommendations. This latter category is consistent with the Commission’s interest to begin “telegraphing” significant matters and provide advance notice to agencies and the public with respect to potential future undertakings by Marin LAFCO.

3.1 STUDY CATEGORIES

A. Selection Criteria

As introduced in the preceding section the analysis on potential modifications to the NMWD sphere is the work of staff and divided into two categories. The first – Study Category “A” – represents those areas that existing information and analysis appears

sufficient in recommending an action (i.e., addition or subtraction from the sphere). The second – Study Category “B” – represents those areas that existing information and analysis suggests there may be merit for a modification, but given the scope of the potential change additional work is needed to reach a more informed recommendation before reaching any conclusions. An accounting of the areas selected and evaluated therein under both of categories is shown in the following map and detailed in the succeeding sections.



Study Category A | Areas Meriting Immediate Action

A review of the NMWD sphere with respect to potential modifications now based on existing information and analysis identifies one selection for Commission consideration. This selection is identified as A-1 and is detailed below.

- A-1 has been identified for immediate addition into the sphere and encompasses an approximate 2,230 acre unincorporated area located off of State Highway 1 in the West Marin service area. A-1 consists of eleven legal parcels that are all under private ownership and largely developed with commercial agricultural uses ranging from livestock to dairy operations. There are also seven residential units within A-1. The proposed modification would

A-1 spans approximately 2,230 unincorporated acres in the West Marin service area off of State Highway 1 and largely under commercial agricultural uses along with 7 residential units. It appears appropriate to add A-1 to the NMWD sphere now as a means – and among other considerations – to recognize the existing service commitments to the lands as part of pre CKH outside service agreements.

principally serve to recognize NMWD’s existing service commitments within A-1 as a result of pre CKH outside water service contracts reached by the District beginning in the late 1970s with the subject landowners; contracts that provide interruptible supplies and help mitigate against known low and poor groundwater in the region. Adding A-1 would conform to the expanded State definition of spheres of influence to emphasize the current and future NMWD service area as well as comport with the Commission’s interest – and specifically through memorializing water availability – in supporting agricultural uses in Marin County. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising A-1 as selected by staff are provided as Appendix A.

Study Category B | Areas Meriting Additional Analysis

A review of the NMWD sphere with respect to potential modifications that may be merited – and as such warrant identification in this update as a formal placeholder – but require additional information and analysis before making an informed recommendation identifies two selections for Commission consideration. These selections are identified as B-1 and B-2 and separately addressed below.

- B-1 has been identified as a placeholder for consideration in the future for possible inclusion into the sphere. It encompasses approximately 13.5 acres of unincorporated land located in Dillion Beach and within the West Marin service area. B-1 consists of 156 legal parcels that are nearly all under private ownership and largely developed with single-family residences as part of the Oceana Marin Subdivision and highlighted by the existing construction of 139 units.¹ These parcels represents the remaining portion of the Oceana Marin Subdivision that are not already connected to NMWD’s public wastewater system. Adding B-1 to the sphere, markedly, would formally signal the Commission’s interest to NMWD to proceed with the infrastructure improvements necessary to extend public sewer to these parcels and in doing so help remove the ongoing operation of private onsite septic systems within a high-density residential area along the coastline.² Adding B-1 to the sphere and the subsequent annexations, similarly, would help expand economies of scale necessary to improve community funding to cover the needed

B-1 spans approximately 14 unincorporated acres in the West Marin service area in the Dillion Beach community and marked by 139 residential units. Adding B-1 to the sphere makes notional sense in meeting the Commission’s interest in ultimately expanding public sewer services in an existing high-density area, but merits more analysis to fully assess service and funding capabilities. Accordingly, it appears appropriate to formally designate B-1 as a priority review ahead of the next schedule five-year sphere update and in doing so clearly signal LAFCO’s intent to more fully explore options for purposes of generating proactive and informing discussions.

¹ The Oceana Subdivision was originally developed in the 1910s as a seasonal community. The subdivision has transitioned over the last several decades to include more permanent residences.

² The majority of parcels comprising B-1 are less than 0.1 acres in size.

infrastructure improvements; the latter of which are attested by NMWD as significant constraints on the District's ability to assume more service responsibilities in the area at this time. To this latter end, staff agrees more analysis is merited to assess actual service and funding capacities in B-1 in step with managing public expectations, as well as whether any further expansion into the remaining part of Dillon Beach is ultimately warranted under CKH. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising B-1 are provided as Appendix B.

- B-2 has been identified as a placeholder for consideration in the future for possible inclusion into the sphere. It encompasses approximately 600 acres of unincorporated land located in southern Sonoma County and within the East Marin service area. B-2 consists of 30 legal parcels that are all under private ownership and largely developed with non-conforming residential uses immediately south of the City of Petaluma along State Highway 101. An exact number of dwelling units within B-2 is not presently available, but is reasonable to assume most of the 30 lots have at least one residence. All of these parcels have outside water service connections with NMWD with nearly all established pre CKH.³ Similar to the merits underlying A-1, the potential addition of B-2 into the sphere would recognize NMWD's existing service commitments, and as such conform to the

B-2 spans approximately 600 unincorporated acres in the East Marin service area south of the City of Petaluma in Sonoma County. It includes 30 legal parcels that are largely developed with residential uses, and are already served with water from NMWD by way of earlier outside service agreements. Adding B-2 to the sphere makes notional sense in meeting the Commission's interest in matching the sphere to reflect current service commitments, but merits more analysis due to certain and detailed externalities. Accordingly, it appears appropriate to formally designate B-2 as a priority review ahead of the next schedule five-year sphere update and in doing so clearly signal LAFCO's intent to more fully explore options for purposes of generating proactive and informing discussions.

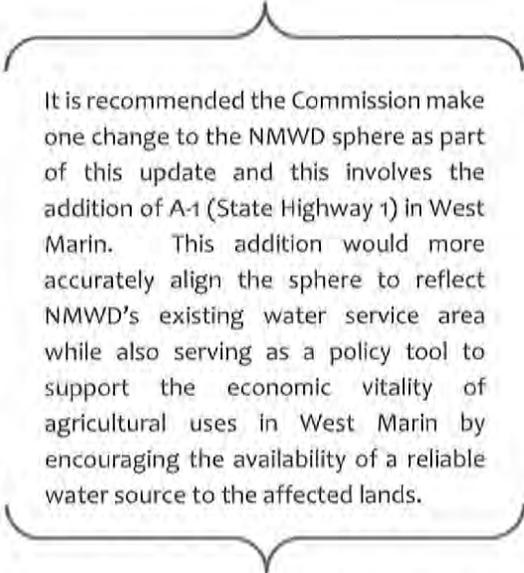
³ The Commission most recently approved two outside service connections involving 3367 and 3357 Petaluma Boulevard in southern Sonoma County at its November 4, 2015 meeting. The approval was made without conforming sphere amendments and premised on the Commission addressing a documented public safety threat as provided under Government Code Section 56133.

expanded State definition of spheres in emphasizing local agencies' current and future service areas. However, and distinct from A-1, there exist uncertainty with respect to NMWD continuing to serve all of its existing outside water connections in B-2 beyond the near term. This uncertainty is tied to NMWD's ongoing discussions with the City of Petaluma for Petaluma to ultimately assume direct service responsibility for some or all of the service connections in B-2. Should B-2 remain in NMWD's service area going forward separate questions arise meriting additional analysis. This includes whether it would be appropriate to size the sphere to accommodate any new connections and what would be the impacts therein to local land use authorities in Sonoma County. Additional and technical details – including assessor parcels and existing uses – relating to the lands comprising B-2 are provided as Appendix C.

3.2 RECOMMENDATIONS

A. Summary

The preceding analysis produces a staff recommendation for the Commission to make one modification to the NMWD sphere as part of this scheduled comprehensive update process. This recommended modification is to add all of the territory that comprises Study Category A-1 (State Highway 1) into the sphere. The addition of A-1 is consistent with CKH's underlying objective for sphere designations to reflect the current and probable future jurisdictional boundary *and* service area of the subject agencies as determined by the Commission (emphasis added). A-1 has been part of NMWD's service area in West Marin for several decades through the establishment of pre CKH outside water service agreements with the landowners. The addition of A-1 would also comport with the Commission's interest – and specifically



It is recommended the Commission make one change to the NMWD sphere as part of this update and this involves the addition of A-1 (State Highway 1) in West Marin. This addition would more accurately align the sphere to reflect NMWD's existing water service area while also serving as a policy tool to support the economic vitality of agricultural uses in West Marin by encouraging the availability of a reliable water source to the affected lands.

through memorializing water availability – in supporting existing agricultural uses in West Marin.

Similarly the preceding analysis also produces staff recommendations for the Commission to formally encourage more discussion going forward regarding the potential merits of adding Study Areas B-1 (Dillon Beach) and B-2 (South Sonoma County) to the NMWD sphere. These discussions would be anticipation of revisiting the topics in greater detail – and potentially for action – in the next five-year update cycle for reasons provided. This includes addressing the notional interest of the Commission

It is also recommended the Commission formally designate B-1 (Dillion Beach) and B-2 (South Sonoma County) as priority reviews ahead of the next schedule five-year sphere update and in doing so clearly signal LAFCO’s intent to more fully explore long-term options for purposes of generating proactive and informing discussions.

documented in this report to facilitate the expansion of NMWD’s public wastewater services in Dillon Beach and memorializing existing District water service commitments south of the City of Petaluma. Deferring these topics in earnest to the next scheduled update process would also provide NMWD the opportunity to internally engage these matters for discussion as well as provide advance notice to the affected land use authorities: County of Marin (B-1) and County of Sonoma (B-2).

B. Mandatory Statements

The following statements have been prepared in support of the above recommendations on an updated NMWD sphere and address the Commission’s mandatory review factors required under CKH. The statements collectively address the NMWD sphere as a whole and assume the recommended modifications are enacted.

Factor No. 1 | Present and Planned Land Uses in the Area

Lands in the updated NMWD sphere are predominately developed for urban type uses as planned for by the affected land use authorities that are separately subject to Commission review and oversight directly or indirectly. Less intensive uses – including rural residential, agricultural, and open-space – within the updated sphere are limited

and their inclusion directly corresponds with local proximity and need to NMWD's potable water system.

**Factor No. 2 |
Present and Probable Need for Public Facilities and Services in the Area**

Lands within the updated NMWD sphere reflect the appropriate current and future jurisdictional boundary and/or service area of the District as independently determined by the Commission.

**Factor No. 3 |
Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide**

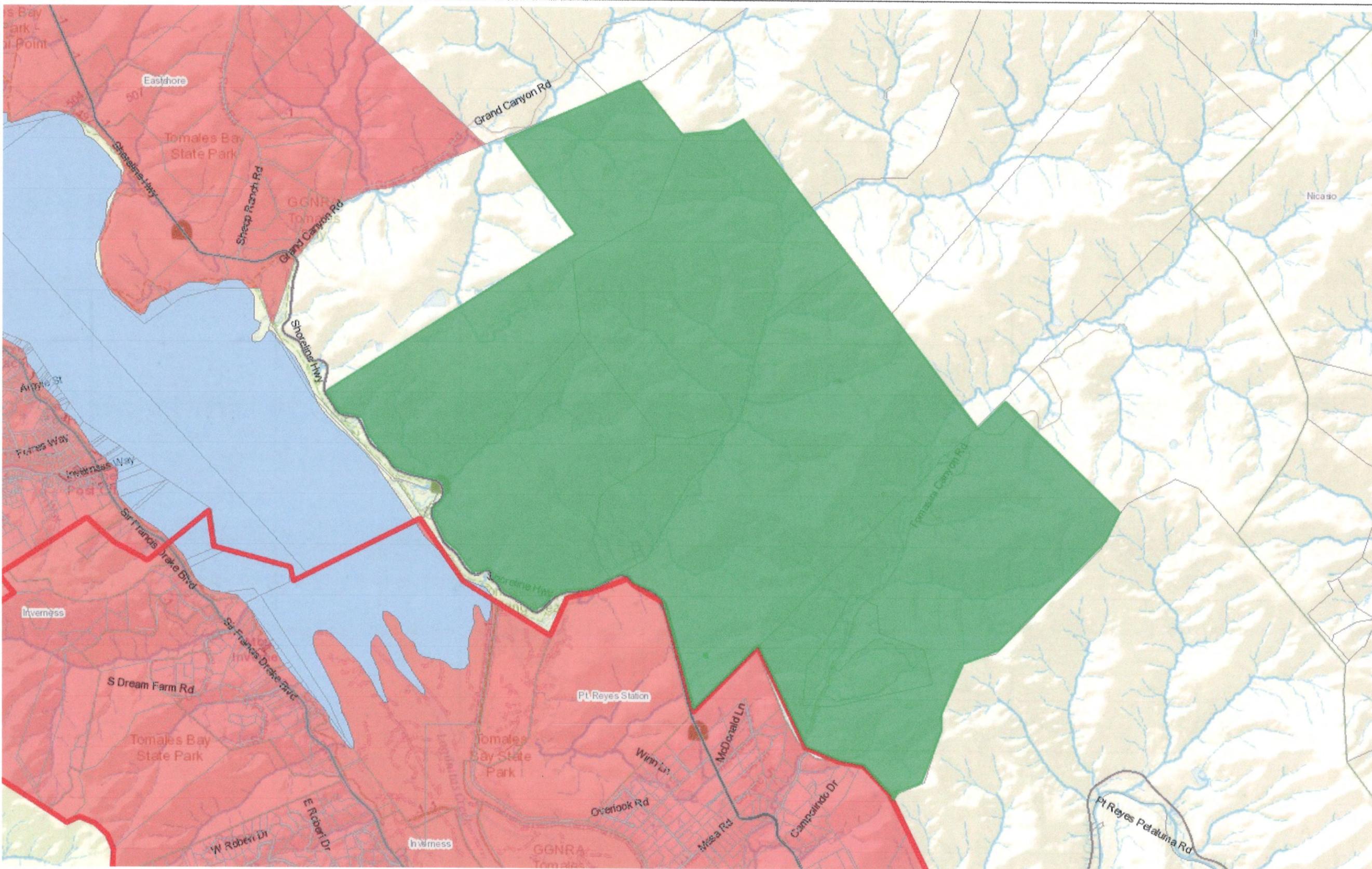
The Commission's recently completed municipal service review on countywide public water services indicates NMWD has established adequate administrative, service, and financial capacities to accommodate present and planned uses in the updated sphere. An abbreviated review of NMWD's limited wastewater options in the Dillon Beach area has also been prepared with its analysis incorporated into this update.

**Factor No. 4 |
Existence of any Social or Economic Communities of Interest in the Area if the Commission Determines they are Relevant**

Lands in the updated NMWD sphere have established social and economic interdependencies with the District that are distinct from neighboring areas and premised on the existing delivery of potable water or wastewater services. This update affirms and strengthens these ties.

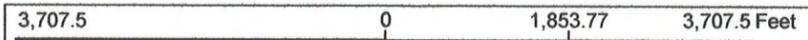
**Factor No. 5 |
Present and Probable Need for Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within or Adjacent to the Sphere**

There are no known disadvantaged unincorporated communities (DUCs) within or immediately adjacent to the updated NMWD sphere based on the statewide definition provided under CKH. Should the Commission adopt its own local DUC definition additional analysis will be required to revisit whether any lands within or immediately adjacent to the updated NMWD sphere qualify.



Legend

- Parcel Secured
- Road**
 - Freeway
 - Highway
 - Arterial
 - Collector
 - Local
 - + Railroad
 - Ramp
 - - - Trail (stairs, bike, ped, non-vehicle)
 - ⋮ Vehicular Trail
 - Pier/Dock
 - Driveway
 - Alley/Service Road
- Condominium Common Area
- Mobile Home Pad
- City
- Community
- Marin County Legal Boundary
- Ocean and Bay
- Water District Sphere of Influence**
 - District
 - Marin Municipal Water District
 - North Marin Water District
 - Stinson Beach County Water District
- Water District**
 - District
 - Bolinas Community Public Utility District
 - Coast Springs Water System
 - Estero Mutual Water Company
 - Inverness Public Utility District
 - Marin Municipal Water District
 - Muir Beach Community Services District
 - North Marin Water District
 - Stinson Beach County Water District

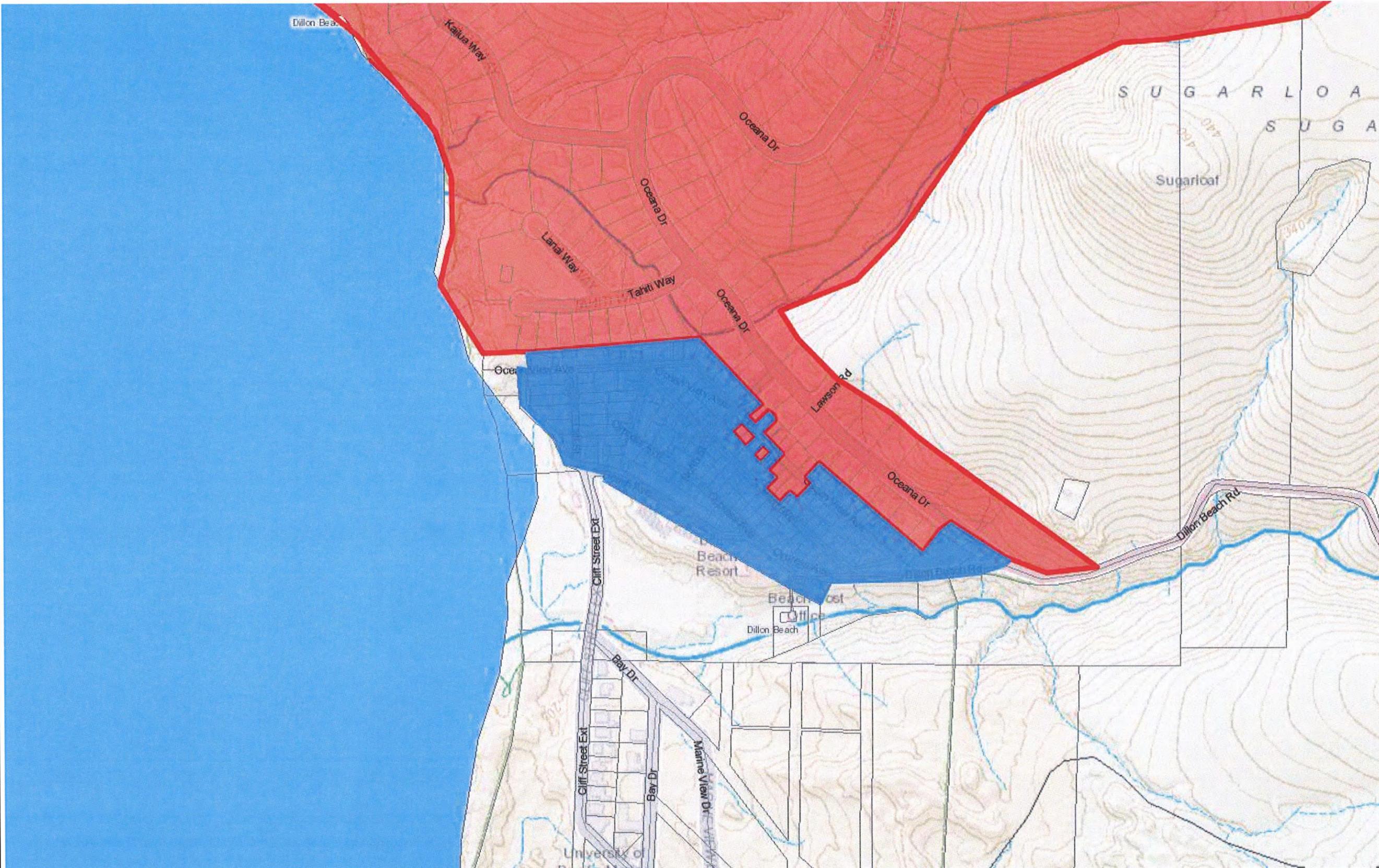


NAD_1983_HARN_StatePlane_California_III_FIPS_0403_Feet
 © Latitude Geographics Group Ltd.

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS NOT TO BE USED FOR NAVIGATION

1: 22,245

Notes



Legend

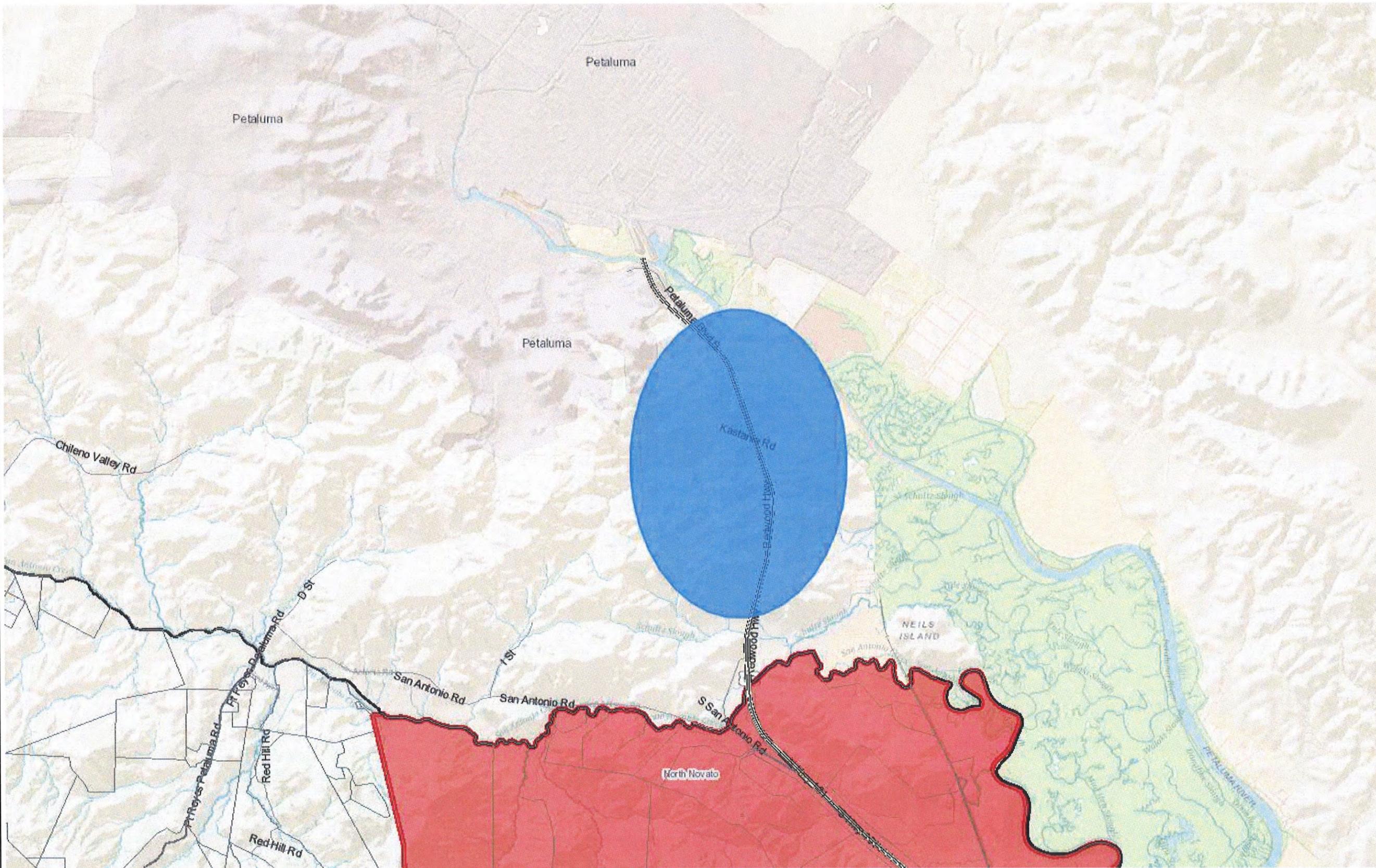
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- Road
 - Freeway
 - Highway
 - Arterial
 - Collector
 - Local
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 - Ramp
 - Trail (stairs, bike, ped, non-vehicle)
 - VehicularTrail
 - Pier/Dock
 - Driveway
 - Alley/Service Road
- Condominium Common Area
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 - Estero Mutual Water Company
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 - Marin Municipal Water District
 - Muir Beach Community Services District
 - North Marin Water District
 - Stinson Beach County Water District

1: 3,862



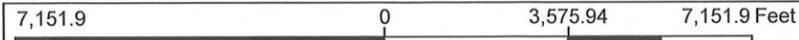
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Notes



Legend

- Parcel Secured
- Road**
 - Freeway
 - Highway
 - Arterial
 - Collector
 - Local
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 - - - Trail (stairs, bike, ped, non-vehicle)
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NAD_1983_HARN_StatePlane_California_III_FIPS_0403_Feet
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THIS MAP IS NOT TO BE USED FOR NAVIGATION

1: 42,911



Notes

DRAFT

June 7, 2017

Keene Simmons, Executive Officer
Marin Local Agency Formation Commission
1401 Los Gamos Dr., Suite 220
San Rafael, CA 94903

Re: Marin LAFCo Sphere of Influence Update-North Marin Water District (NMWD)

Dear Mr. Simmons:

Thank you for the opportunity to comment on the June 2017 Draft Sphere of Influence Update (Update). We understand that this draft report will be brought to the June 8th LAFCo Commission for discussion only followed by a formal public review and comment period with tentative final Commission action at the August 10th LAFCo meeting.

Comments to the draft report are provided as follows:

- **2.1 B (Page 16)**
NMWD's population for Novato is 61,300, West Marin is 1,700 and Oceana Marin is 400.
- **2.1 C (Page 17)**
The boundary map should be updated to show the four Sonoma parcels that are part of NMWD's service territory.
- **2.2 Sphere of Influence Part C – West Marin Service Area Map (Page 21)**
The current sphere boundary shown for the Oceana Marin service area is not correct. Specifically, the "adopted sphere" line is erroneously expanded in the north east corner of the sphere boundary.
- **3.1 A, Study Category A (Page 24)**
 - a. NMWD currently serves eight parcels outside of our West Marin service territory (immediately north of State Route 1 in Point Reyes Station). The report narrative addresses expanding our sphere of influence to incorporate nine subject parcels.
 - b. All pipeline facilities within the proposed expanded sphere of influence area are currently privately owned and maintained. Existing NMWD customers cannot be expected to incur the cost to extend any municipal water facilities in this expanded sphere of influence area.
 - c. It is our understanding that case law dictates that LAFCo would be required to serve as the lead agency and make any appropriate environmental determinations for any revisions to NMWD's sphere of

influence.

- **3.8.1 Study Category B (Page 25)**

The Update identifies Category B areas B-1 (Dillon Beach) and B-2 (Sonoma county parcels along Hwy 101 corridor) as a formal place holder for future study in advance of the scheduled 2022 Update.

- a. B-1 (Dillon Beach). There is no service relationship between NMWD and the old Dillon Beach area that is proposed as an expanded sphere of influence. There are many homes in the older Dillon Beach community and NMWD's Oceana Marin wastewater facilities do not have the reserve capacity to serve this expanded area. Furthermore, any discussion about service in this expanded area must occur community wide and not on a piece by piece basis.
- b. B-2 (Sonoma Parcels along Hwy 101). NMWD and the city of Petaluma are in ongoing discussions regarding the transfer of some NMWD customers in the So. Petaluma Blvd Industrial Area to the city. Accordingly, any sphere of influence boundary changes should be discussed after said service transfers are completed.

Thank you for the opportunity to comment.

Sincerely,

Drew McIntyre
General Manager

DM/kly

t:\gm\lafco\nmwd comments soi update 0617.doc



NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE • POST OFFICE BOX 146 • NOVATO, CALIFORNIA 94948 • (415) 897-4133 • FAX (415) 892-8043

February 13, 1990

Robert Giacomini
P. O. Box 12
Point Reyes Station, CA 94956

Joseph Mendoza
12710 State Rt. 1
Point Reyes Station, CA 94956

Sharon Bianchini
P. O. Box 116
Point Reyes Station, CA 94956

Leroy Martinelli
12215 State Rt. 1
Point Reyes Station, CA 94956

James Maslach
P. O. Box 906
Point Reyes Station, CA 94956

Stan Martinelli
1260~~Z~~ Shoreline Highway
Point Reyes Station, CA 94956

Re: Reading and Rendering Water Bills From a Private Line

Ladies and Gentlemen:

Our records show you own the following respective parcels:

| | |
|------------------------------|-----------------------|
| Robert Giacomini | A.P. #119-020-22 |
| Sharon (Bianchini) Dougherty | A.P. #119-020-20 |
| James Maslach | A.P. #119-020-10 & 18 |
| Joseph Mendoza | A.P. #119-020-11 & 17 |
| Leroy Martinelli | A.P. #119-040-04 |
| Hazel Martinelli (Steve) | A.P. #119-020-07 |

The record indicates that water service to your parcel is accomplished through privately owned pipelines owned by Leroy Martinelli and/or Sharon Dougherty. The District's facilities end at a point approximately 430 feet north of the intersection of Highway 1 and Cypress Road. At that point a pipeline owned by Leroy Martinelli extends northerly to a point approximately opposite Leroy Martinelli's home. In 1961 an easement agreement was executed between Hazel Martinelli and Alfred and Litia Bianchi which resulted in installation of an additional private line from the Martinelli home northerly to the property owned by Bianchi. This property was ultimately acquired by Sharon Bianchini (now Sharon Dougherty). Currently water service off this private line is provided to:

ATTACHMENT 4

- Leroy Martinelli - ranch home (west side of State Rt. 1)
- Stan Martinelli - ranch home (east side of State Rt. 1)
- Home on parcel owned by James Maslach
- Home on parcel owned by Joseph Mendoza
- Home/dairy ranch and associated buildings located on parcel owned by Sharon Dougherty
- Dairy ranch owned by Robert Giacomini

The District neither owns the private lines and facilities nor is responsible for their maintenance. This is a highly unusual arrangement which was passed on to the District at the time it acquired the old Downey system. The private lines and facilities attached to same are not built to District standards. The District does not warrant the quality of any water provided through said private lines and facilities nor do we accept any liability therefore.

Over the years, there has from time to time been some confusion over metering. To help sort out the responsibility for payments for water, the District is agreeable to the following:

"If private meters serving each of the above described parcels are installed, the District will read the meters and render a bill for water passing through same. Each meter will be serving one parcel with the exception of the meter which serves Sharon Dougherty's place. Water passing through that meter also serves Robert Giacomini's ranch. Therefore, the meter on Robert Giacomini's line will be used to determine the amount of water billed to Sharon Dougherty by calculating the arithmetic difference."

The additional meters that have to be installed to accomplish the metering outlined is addition of a meter on the existing private lines serving the Maslach, Mendoza and Hazel Martinelli (Steve) parcels.

Please note that by undertaking reading of these privately owned meters, the District does not assume water service to the parcels. We merely are willing to provide the limited service of dividing up the cost of water served into the head end of this private system. Furthermore, the District will not serve any water to any expansion on any property without first receiving a valid application for service and approval and construction of the necessary main extension and appurtenant water facilities from the end of the District's facility. Cost of the extension will be borne by the applicant(s) for such new service and the extension, of course, will be built in accordance with District standards.

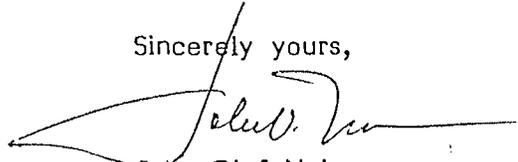
As for the existing arrangement, please again be reminded that the private lines extending north of Cypress are neither owned nor maintained by the District and should they break down, will be the responsibility of the owners of said private lines to repair. Also be advised that it is illegal for you to connect any additional properties or customers to your system or to resell any of the District's water to another party.

February 13, 1990
Page 3

I hope this will resolve the metering issues and understandings regards water service from this private system in the area for the duration. If, however, growth occurs, let this letter serve as clear notice that the District will not serve any new growth unless extension of its facilities from the vicinity of Cypress Road is paid for by the applicant. Said extension, of course, would necessarily be evaluated based on land use considerations and standards, including environmental requirements, existent at the time of, or in the event of, such an application.

Should you have any questions, please call.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John Olaf Nelson", written over a horizontal line.

John Olaf Nelson
General Manager

JON:bn

13

MEMORANDUM

To: Board of Directors

Date: June 2, 2017

From: Rocky Vogler, Chief Engineer *RV*

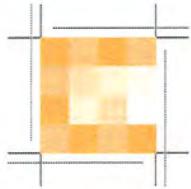
Subject: Recycled Water Central Service Area – Progress Report No. 2
(Covello Group)

R:\Folders by Job No\6000 jobs\6058\Construction Management\BOD Memos\6058 Covello Progress Report No 2 BOD Memo 6-2-17.doc

RECOMMENDED ACTION: Information only

FINANCIAL IMPACT: None, information only

An oral presentation will be provided by Mr. J.D. Brosnan, Construction Manager, with The Covello Group, regarding current pipeline installation work as part of NMWD's progress on the Recycled Water Central Service Area Expansion project. Attached is the second Construction Manager's Progress Report for Board review in preparation of the presentation provided by The Covello Group.



COVELLO
CONSTRUCTION MANAGEMENT PLUS

Novato Central Service Area Recycled Water Expansion

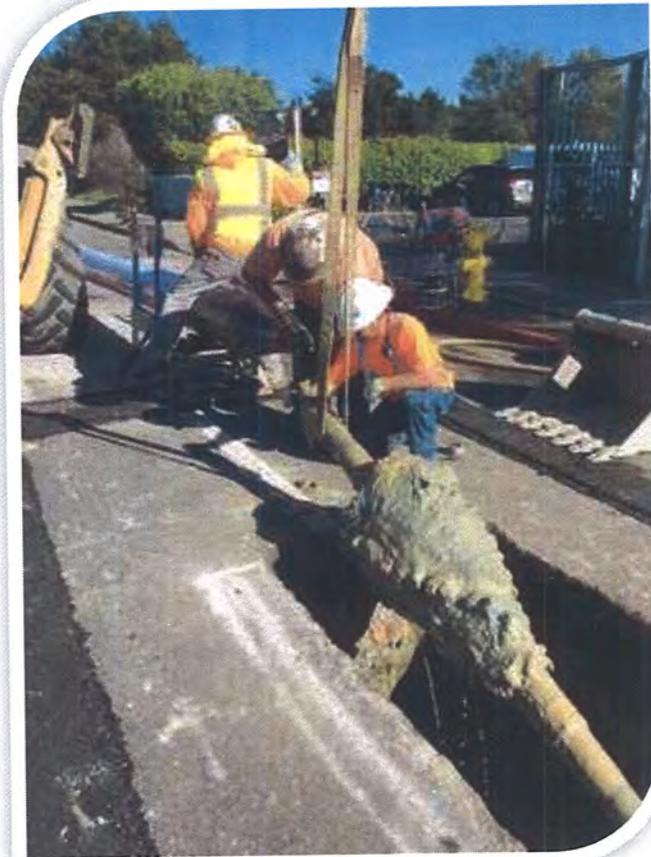
Update for the Board of Directors

June 6, 2017

J.D. Brosnan, Construction
Manager



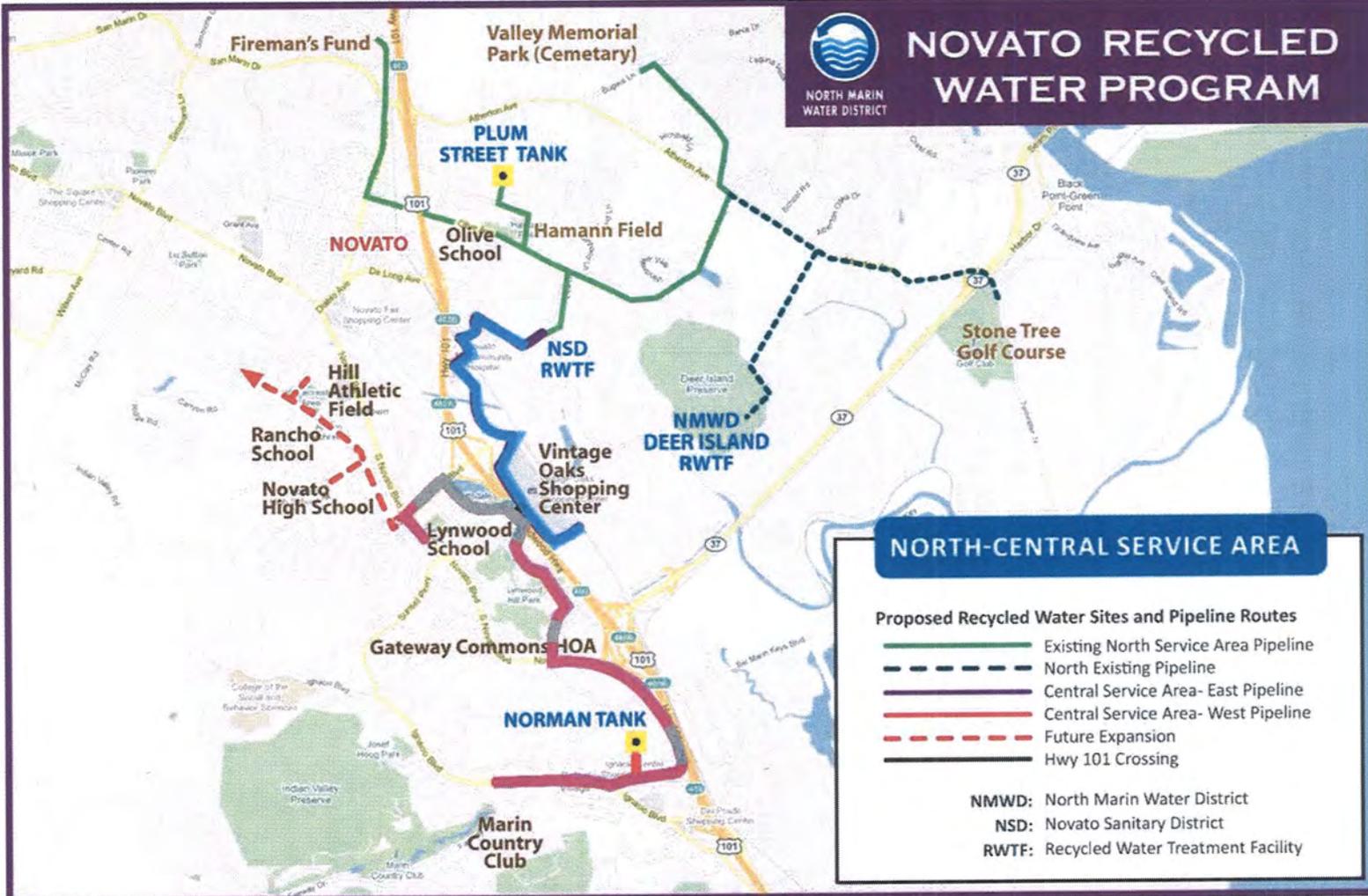
- Project Overview
- Schedule Update
- Production Summary
- Outreach
- Upcoming Challenges
- Photos





NORTH MARIN WATER DISTRICT

NOVATO RECYCLED WATER PROGRAM



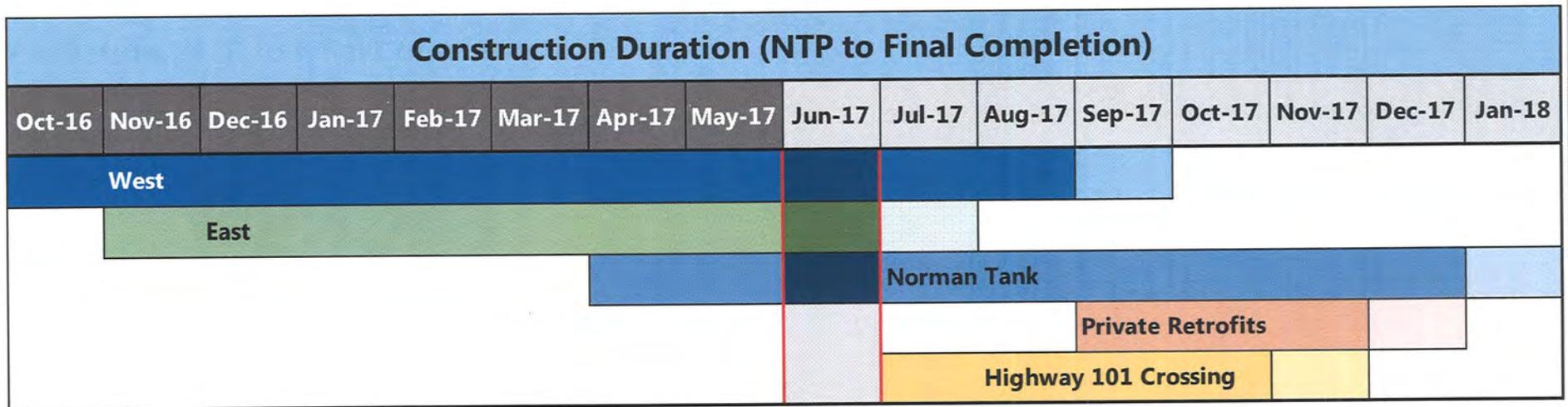
NORTH-CENTRAL SERVICE AREA

Proposed Recycled Water Sites and Pipeline Routes

- Existing North Service Area Pipeline
- North Existing Pipeline
- Central Service Area - East Pipeline
- Central Service Area - West Pipeline
- Future Expansion
- Hwy 101 Crossing

NMWD: North Marin Water District
 NSD: Novato Sanitary District
 RWTF: Recycled Water Treatment Facility

Schedule Update: May 31, 2017



Schedule Update: May 31, 2017

| Project Percent Complete Breakdown | | | | | |
|------------------------------------|-----------------|---------------|------|------------|-----|
| Project | Duration (Days) | Days Expended | Time | Production | \$ |
| West * | 319 | 247 | 77% | 97% | 89% |
| East | 240 | 212 | 88% | 91% | 75% |
| Norman Tank Rehabilitation | 225 | 30 | 13% | 0% | 0% |
| Private On-Site Retrofits | 90 | 0 | 0% | | |

* 17 Weather Days through 2/28/17

Production Summary: All Central RW Pipelines

| Production Summary | West | East | 101 Crossing | TOTAL | |
|--------------------------------|------------|------------|--------------|------------|----|
| Length Planned | 19,690 | 10,350 | 500 | 30,540 | LF |
| Length Installed as of 5/31/17 | 19,190 | 9,450 | - | 28,640 | LF |
| % Complete | 97% | 91% | 0% | 94% | |

Production Summary WEST

| <i>Central Service Area RW WEST Production Summary</i> | 16-Inch HDPE | 12-inch PVC | 12-Inch FPVC | 8-Inch PVC | TOTAL | |
|--|-----------------|----------------|-----------------|---------------|------------|----|
| Length Planned | 500 | 17,254 | 1,470 | 466 | 19,690 | LF |
| Length Installed as of 5/31/17 | - | 17,254 | 1,470 | 466 | 19,190 | LF |
| % Complete | 0% | 100% | 100% | 100% | 97% | |

Production Summary EAST

| <i>Central Service Area RW EAST Production Summary</i> | 16-Inch Steel | 16-Inch PVC | 12-Inch PVC | 8-Inch PVC | TOTAL | |
|--|------------------|----------------|----------------|---------------|------------|----|
| Length Planned | 750 | 7,300 | 2,300 | - | 10,350 | LF |
| Length Installed as of 5/31/17 | 150 | 7,000 | 2,300 | - | 9,450 | LF |
| % Complete | 20% | 96% | 100% | N/A | 91% | |

Outreach

NMWD Recycled Water Central Expansion Project

The NMWD Central Expansion Project Blog is intended as a community outreach tool, to keep the public informed with construction activities, status and information.

PAGES

[Home](#)

[West Project](#)

[East Project](#)

[Norman Tank Rehabilitation Project](#)

[Highway 101 Crossing Project](#)

[Contact Us](#)

[What to Expect](#)

BLOG ARCHIVE

▼ 2017 (3)

▼ January (3)

[S Novato Bike Path Closure](#)

[Week of 1/23/17](#)

[1/13/17 and Week of 1/16/17](#)

► 2016 (8)

TUESDAY, JANUARY 24, 2017

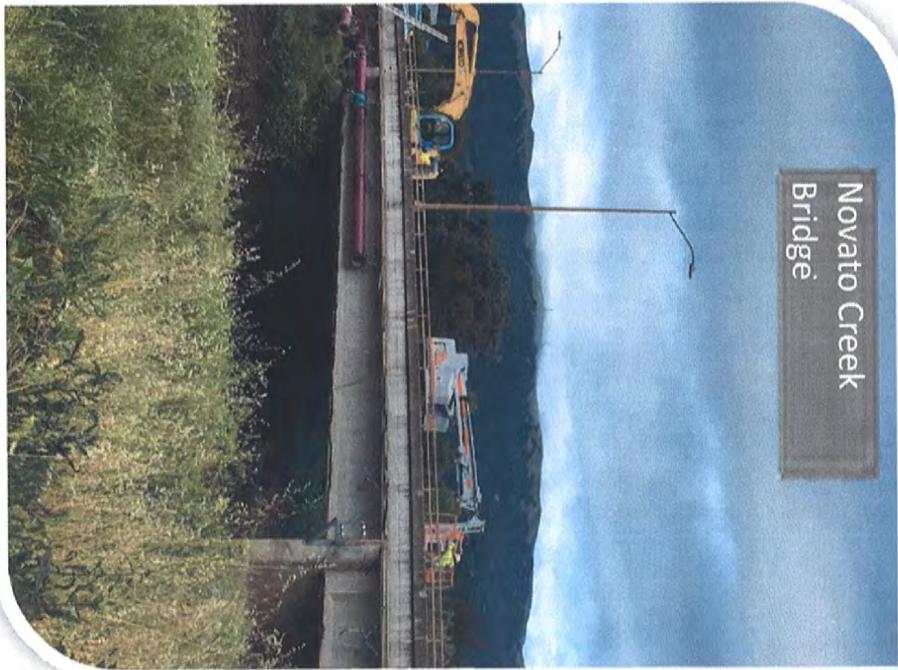
S Novato Bike Path Closure

There will be work starting on the bike path that runs from S Novato Blvd to Entrada Blvd along Hwy 101 starting soon. Weather permitting, the path will be closed from 2/6/2017 to 2/19/2017. There will then be a few weeks of work immediately following that will require the path to be closed only during work hours. During these times that the path is closed a shuttle service will be provided for bicyclists and pedestrians. The exact details are still being worked out and we will be sure to post them as soon as they are finalized. The purpose of this post is to give advanced notice to any people who may use the path on a regular basis.



Recycled Water Expansion to Novato Central Service Area

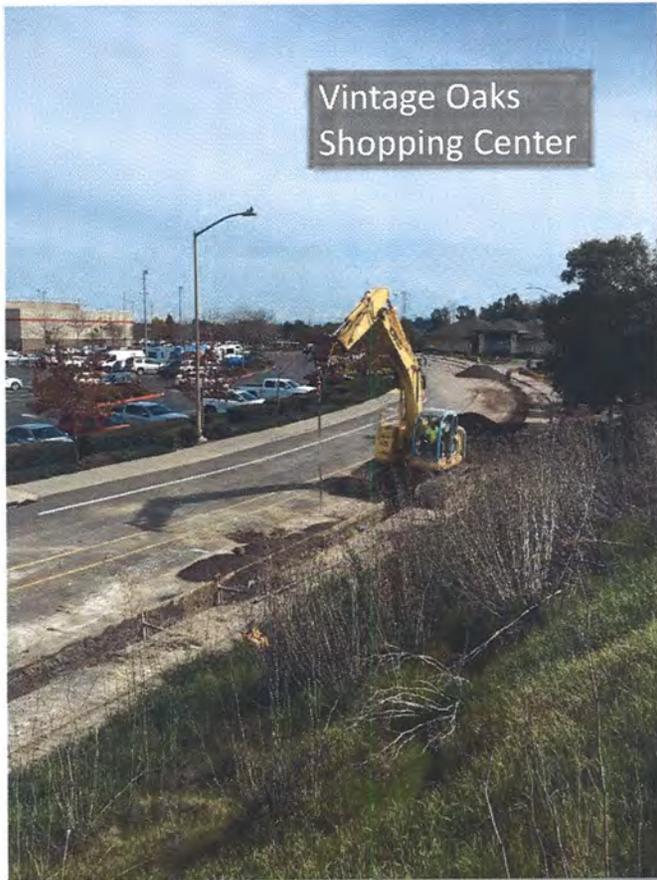




Novato Creek
Bridge



Pipe Hangers and
Bird Exclusion Netting



Vintage Oaks Shopping Center

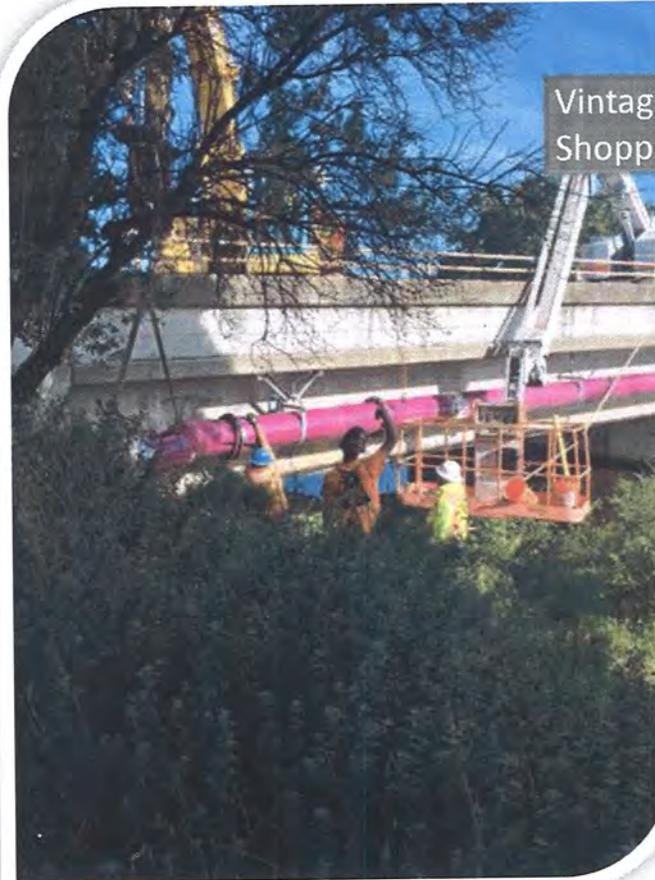


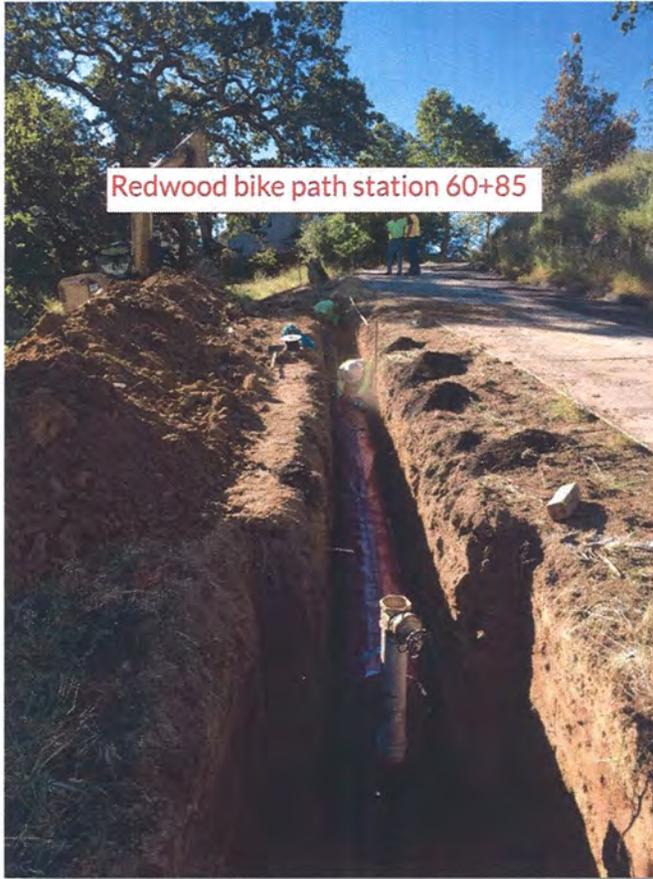
Novato Sanitary District Utility Location

Hard Rock
Excavation



Vintage Oaks
Shopping Center



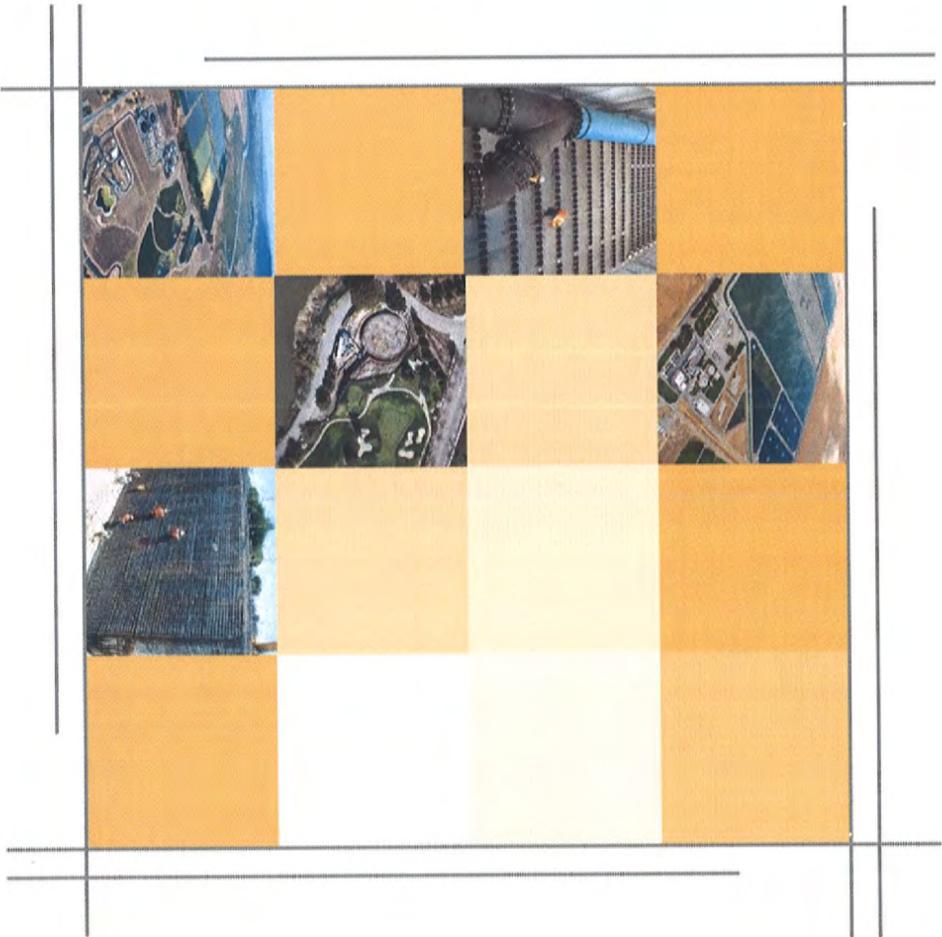


Redwood bike path station 60+85

S. Novato Blvd. Groundwater Treatment



Questions?



14

MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: Third Quarter FY 16/17 – Water Quality Report
P:\LAB\WQ Supv\WQ Reports\2017\3rd Qtr FY17 WQ Rpt.doc

June 2, 2017

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$0

The water served to the communities of Novato and Point Reyes met federal and state primary and secondary water quality standards during the third quarter of fiscal year 2016-2017

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

- Source Water
- Treatment Performance
- Distribution System Water Quality
- Novato Recycled Water

NOVATO SYSTEM

Source Water: Stafford Lake

Stafford Lake water was used as a source of drinking water in the third quarter starting on March 15th. During the time Stafford Treatment plant was not producing water, water quality was monitored on a bi-weekly basis for chemical and mineral components as well as microbiological activity. Once production of potable water started in March, monitoring of raw water was performed on a weekly basis.

Algae and plankton from the raw water intake were identified and enumerated. Total algae numbers were very low as is typical in winter months with heavy rains. Only a few species were present and none in appreciable numbers.

Treatment Performance: Stafford Treatment Plant

Stafford Treatment Plant started production for the season on March 15th. Total organic carbon (TOC) removal remained above the 25% requirement of the Enhanced Surface Water Treatment Rule. The TOC concentration was very low in the raw water at 3 mg/L; Operators were able to achieve 60% removal of TOC. Finished water TOC concentration was 1.2 mg/L well below the district's goal of 2.0 mg/L.

Distribution System: Novato

Of the 245 routine samples collected for compliance with the Total Coliform Rule, there were no coliform positive samples this quarter. Chlorine residual concentrations throughout our distribution system were good.

Average disinfection by-product concentrations were moderate and typical for this time of year.

This year NWMD performed a limited flushing program that started in February and continued through March. This year Zone 2 and upper zones were flushed as well as dead ends. Zone 1 was flushed last year and remained relatively free of sediments.

POINT REYES SYSTEM

Source Water: Coast Guard Wells

Raw water quality was good throughout the quarter. Water quality parameters affected by salt water fell slightly throughout the quarter. The sodium concentration ranged from 41 - 52 mg/L, chloride concentration decreased from 58 to 31/L, and bromide ranged from 0.13 to 0.23 mg/L. Hardness ranged from 88 to 110 mg/L.

Source Water: Gallagher Well

Gallagher well was used as a source of water only during the first two weeks of January. Chemical raw water quality was good throughout the quarter; however this well also showed the presence of coliform bacteria. The use of the well for potable water stopped and infrequent monitoring and flushing took place until the well began to be used again after the end of the quarter.

Water quality parameters affected by saltwater are very low from this source and are not prone to intrusion from seawater. Sodium concentration remained steady at around 11 mg/L, chloride at around 13 mg/L, and bromide at 0.07 mg/L. Hardness was also fairly steady around 120 mg/L mg/L.

Treatment Performance: Point Reyes Treatment Plant

Treatment was optimal throughout most of the quarter and finished water quality was good. Iron and manganese were not detected in treated water. Gallagher Well supplied most of the potable water from January 1st through January 9th and then Coast Guard Well #4 was used as the primary source of supply. Although the high quality groundwater from each of our wells is filtered

and disinfected prior to delivery to the distribution system, NMWD employs a conservative

Treatment Performance: Point Reyes Treatment Plant (continued)

multiple-barrier approach to treatment to provide the maximum safety to public health. In this case the coliform bacteria that were present in the raw water from Gallagher Well prompted us to switch to Well #4 until the coliform bacteria were cleared from the Gallagher Well. Extensive testing of the potable water produced at the Point Reyes Treatment Plant and distributed throughout the entire system showed that there were no coliform bacteria present and disinfection remained optimal.

Distribution System: Point Reyes

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

Disinfection byproducts were moderate and typical for this time of year.

NOVATO RECYCLED WATER

Deer Island Recycled Water Facility

The Deer Island plant did not produce water during the quarter.



**NORTH MARIN
WATER DISTRICT**

North Marin Water District- 3rd Quarter FY2016 / 2017

Bacteriological Quality Monitoring

Novato: 245 Samples Analyzed. No samples positive for coliform bacteria
 Point Reyes: 23 Samples analyzed. No samples positive for coliform bacteria.

Chemical Quality Monitoring

| Constituent | Units | Maximum Contaminant level | SCWA North Marin Aqueduct | Stafford Treatment Plant | Point Reyes Treatment Plant |
|----------------|----------|---------------------------|---------------------------|--------------------------|-----------------------------|
| Conductivity | umhos/cm | 900 * | 281 | 261 | 383 |
| TDS | mg/L | 500 * | 186 | 172 | 228 |
| Hardness | mg/L | - | 112 | 66.4 | 91.5 |
| Alkalinity | mg/L | - | 131 | 61.6 | 130 |
| Calcium | mg/L | - | 22.7 | 13.0 | 12.7 |
| Magnesium | mg/L | - | 14.2 | 8.64 | 15.1 |
| Copper | mg/L | 1.0* | ND | ND | ND |
| Iron | mg/L | 0.3* | ND | ND | ND |
| Manganese | mg/L | 0.05 * | ND | ND | ND |
| Zinc | mg/L | 5.0 * | ND | ND | ND |
| Sodium | mg/L | - | 17.5 | 25.1 | 43.9 |
| Chloride | mg/L | 250 * | 5.10 | 38.7 | 35.5 |
| Sulfate | mg/L | 250 * | 10.9 | 7.08 | 11.3 |
| Fluoride | mg/L | 2.0 (1.4-2.4) | 0.0920 | 0.0955 | 0.0938 |
| Nitrite as N | mg/L | 1.0 | ND | ND | ND |
| Nitrate as N | mg/L | 10 | 0.434 | 0.497 | 0.0957 |
| pH | pH units | 8.5 * | 8.34 | 8.77 | 7.20 |
| Turbidity | NTU | 5 | 0.09 | 0.23 | 0.05 |
| Color | PCU | 15 | <2.5 | <2.5 | <2.5 |
| Free Chlorine | mg/L | 4.0 | 0.74 | 1.63 | 0.91 |
| Total Chlorine | mg/L | 4.0 | 0.91 | 1.70 | 1.02 |
| Temperature | ° C | - | 14.1 | 13.7 | 13.1 |
| Odor | TON | 3 | <1 | <1 | <1 |

*Indicates secondary drinking water standard

ND = Not Detected
 NA = Not Analyzed

15

MEMORANDUM

To: Board of Directors

June 2, 2017

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – FY18 West Marin Water and Oceana Marin Sewer Budgets

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RECOMMENDED ACTION: Initial Review & Provide Direction to Staff**FINANCIAL IMPACT:** None at this time. Upon adoption, the FY18 Budgets would see:

| | |
|--|-------------|
| West Marin Water System Rate Increase | \$40,000 |
| West Marin Water System Expenditure Plan | \$1,316,000 |
| Oceana Marin Sewer System Rate Increase | \$22,000 |
| Oceana Marin Sewer System Expenditure Plan | \$426,000 |

Following for your initial review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for FY 2017/18 (FY18). Proposed for the West Marin Water System customers is a 5% rate increase. Proposed for the Oceana Marin Sewer System customers is a 10% rate increase.

INCREASE PROPOSAL DETAIL**Water Rates**

A 5% increase is recommended in both the commodity rate and the bimonthly service charge, which would increase to \$31.50 bimonthly for the typical customer with a 5/8" meter. The proposed West Marin Water increase would total \$32 annually (\$2.67 per month) for the typical residential customer (see Rate Increase Analysis on page 6 of the budget document).

A letter was mailed to each West Marin Water customer on May 12, 2017 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 is expected to generate \$40,000 in additional revenue next fiscal year.

Annual 5% increases are included in the 5-year financial plan for FY19 and beyond (see page 4) to help pay for \$5.85 million in Capital Improvement Projects scheduled over the next five years as the District moves forward with replacement of the tank that was destroyed in the Vision Fire (\$625,000), an additional well at the Gallagher site (\$300,000), addition of a Treatment Plant Solids Handling Facility (\$1,350,000), Replacement of PRE Tank #1 (\$250,000), and Upgrade of the Treatment Plant (\$2,800,000). The financial plan anticipates borrowing \$3.4 million to construct these projects over the coming five years.

Sewer Rates

The Oceana Marin Sewer System held a cash balance of \$459,000 at April 30, 2017. The Nute 2015 Master Plan update presented to the Board in January 2016 identified \$3.1 million in needed improvements to the system. The Five-Year Financial Plan includes incorporates \$1.2 million over the 5-year period. A 10% (\$8/month) increase is proposed for FY18, which will generate an additional \$22,000 per year. Annual 10% increases are included in the 5-year financial plan for FY19 and beyond to help pay for CIP program.

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 8 and June 22, and customers have been invited to attend the June 27 meeting in Point Reyes Station. The ordinance summary to be published is included on page 21. The letter on page 19 was mailed to each Oceana Marin homeowner on May 12, 2017, providing notice of the proposed sewer rate increase and inviting customers to the June 27 public hearing.

Connection Fees

The West Marin Water connection fee was last increased in August 2009. In November 2014 the Board reviewed this charge based on the updated West Marin Water Master Plan, and found the existing connection fee adequate.

The Oceana Marin Sewer connection fee was increased last year with a 2-phased approach. The fee increased from \$15,200 to \$22,600 effective September 1, 2016, and will increase to \$30,000 effective July 1, 2017, all in an effort to finance the capital improvements recommended in the aforementioned Nute Master Plan update.

One new connection is budgeted for both West Marin Water and Oceana Marin Sewer next fiscal year.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

Water

- \$550,000 to complete the bulk of the work on the \$625,000 replacement of PRE Tank #4A burned in the Vision Fire.
- \$75,000 to replace the green-sand filter media in the second of two treatment plant filters (\$75,000 was expended in FY17 to replace the media in the first filter).

Sewer

- \$40,000 is included for continued infiltration repair work to prevent rainwater from infiltrating into the collection system.
- \$80,000 is included to design and install an 8th trench in the disposal field.
- \$50,000 is included to commence the \$400,000 project to dredge and reline the treatment and storage ponds.

Future Projects

The West Marin Water 5-Year Financial Plan includes a \$1.3 million Treatment Plant Solids Handling Facility to be constructed over a two-year period commencing in FY19. Rehabilitation of Coast Guard Well #2 is also scheduled for FY19 at a cost of \$275,000. Rehabilitation of the Water Treatment Plant, budgeted at \$2.8 million, is scheduled for FY22.

For Oceana Marin Sewer, \$40,000 is budgeted each year into the future to continue infiltration repair work. \$500,000 is included commencing in FY20 to install the first of a 3-phase project to construct a parallel force main, estimated to cost \$1.3 million at completion.

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 \$407,000. This deficit assumes 100% of the \$675,000 Capital Improvement Project Budget is expended, which does not typically occur. 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 of the budget document.

FY18 water sales volume is budgeted to increase 3% compared with the current year

estimated actual. Unlike the current fiscal year, FY18 will not include mandatory water use restrictions. The West Marin system is projected to consume 62 million gallons (MG) next year, compared to 60MG estimated for the current fiscal year. Average annual consumption over the past decade is 74MG. The forecast assumes water sales volume will rise to 65MG in FY20 and remain static into the future 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 1% from the FY17 adopted budget, an increase of \$5,000, and to increase 11% from the FY17 estimated actual expense. A graphical history of operating expenditures is included on page 9. The 2017 update of the Coastal Area Annual Water Cost Comparison (page 13) shows that, even with the proposed 5% 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 14 includes an \$8/month (10% - to \$87/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 17. Operating expenditures, before depreciation and the proposed \$25,000 Vulnerability Study, are budgeted to increase 10% from the FY17 adopted budget, and to increase 3% from the FY17 estimated actual expense. The proposed Wastewater System Vulnerability Study will identify facilities in Oceana Marin to be included in Marin County's 2017 Multi-Jurisdictional Local Hazard Mitigation Plan, thereby making Oceana Marin eligible for Federal Emergency Management Agency (FEMA) grant funds.

A graphical history of Oceana Marin operating expenditures is shown on page 18. The 2017 update of the Coastal Area Annual Sewer Cost Comparison (page 22) shows that, when the County 1% allocation of AB8 tax revenue is included as a ratepayer cost, and assuming approval of the recommended 10% sewer service charge increase, Oceana Marin sewer service cost will continue to rank first among the six coastal sewer agencies surveyed.

The West Marin Water and Oceana Marin Sewer budgets will be reviewed again at the June 20 meeting. A public hearing to consider the proposed water rate increases and to adopt the water and sewer budgets is then scheduled for June 27 in Point Reyes Station.

Proposed

BUDGET

Initial Review

**West Marin Water
&
Oceana Marin Sewer**
FISCAL YEAR
2017-18

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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&
OCEANA MARIN SEWER**

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CAPITAL IMPROVEMENT PROJECTS

5/25/17

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| | | FY17 Budget | FY17 Est Actual | FY18 | FY19 | FY20 | FY21 | FY22 |
|-------------------------------------|--|------------------|------------------|------------------|--------------------|--------------------|------------------|--------------------|
| 7. WEST MARIN WATER SYSTEM | | | | | | | | |
| 2.6263.20 | a. Replace PRE Tank #4A (25K gal w/82K gal) | \$450,000 | \$75,000 | \$550,000 | | | | |
| | b. Green Sand Filter Media Replace | \$75,000 | \$75,000 | \$75,000 | | | | |
| 2.6609.20 | c. New Gallagher Well #2 | \$100,000 | \$0 | | \$100,000 | \$200,000 | | |
| | d. PB Replace in Sync w/ County Paving | | | \$50,000 | | \$50,000 | | \$50,000 |
| 2.6601.32 | e. TP Solids Handling (Note 5) | | | | \$600,000 | \$700,000 | | |
| | f. Abandon Downey Well | | | | \$50,000 | \$100,000 | | |
| | g. Rehab Coast Guard Well #2 | | | | \$275,000 | | | |
| | h. PRE Tank #1 Replacement | | | | | | \$250,000 | |
| | i. Treatment Plant Modifications Design/Construct (Note 6) | | | | | | | \$2,800,000 |
| | j. Other West Marin Water System Expenditure | \$0 | \$18,000 | | | | | |
| | | \$625,000 | \$168,000 | \$675,000 | \$1,025,000 | \$1,050,000 | \$250,000 | \$2,850,000 |
| 8. OCEANA MARIN SEWER SYSTEM | | | | | | | | |
| 8.8672.28 | a. Infiltration Repair | \$40,000 | \$35,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$40,000 |
| 8.7163.00 | b. Design/Install 8th Disposal Trench (300') | \$50,000 | \$0 | \$80,000 | | | | |
| 8.7085.02 | c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs) | \$20,000 | \$40,000 | \$20,000 | | | | \$20,000 |
| 8.7164.00 | d. Tahiti Way Power Relocation | \$20,000 | \$0 | \$20,000 | | | | |
| 8.7165.00 | e. North St Lift Station Communication Upgrade | \$30,000 | \$30,000 | | | | | \$50,000 |
| 8.7166.00 | f. ACP Sewer Reline (6"@ 3,000') | \$50,000 | \$0 | | | | | |
| 8.7167.00 | g. Dosing Siphon Repairs | \$0 | \$57,000 | | | | | |
| | h. Pond Dredging & Relining | | | \$50,000 | \$350,000 | | | |
| | i. Parallel Force Main (1st of 3 Segments) | | | | | \$100,000 | \$300,000 | \$100,000 |
| | | \$210,000 | \$162,000 | \$210,000 | \$390,000 | \$140,000 | \$340,000 | \$210,000 |

CAPITAL IMPROVEMENT PROJECTS

5/25/17

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| | FY17 Budget | FY17 Est Actual | FY18 | FY19 | FY20 | FY21 | FY22 |
|--|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|
| LESS FUNDED BY LOANS/GRANTS/OTHER | | | | | | | |
| e. WM Treatment Plant Solids Handling (Note 5) | | | | (\$600,000) | | | |
| g. WM TP Modific Design/Construct (Note 6) | | | | | | | (\$2,800,000) |
| | \$0 | \$0 | \$0 | (\$600,000) | \$0 | \$0 | (\$2,800,000) |
| SUMMARY - NET PROJECT OUTLAY | | | | | | | |
| West Marin Water | \$625,000 | \$168,000 | \$675,000 | \$425,000 | \$1,050,000 | \$250,000 | \$50,000 |
| Oceana Marin Sewer | \$210,000 | \$162,000 | \$210,000 | \$390,000 | \$140,000 | \$340,000 | \$210,000 |
| NET PROJECT OUTLAY | \$835,000 | \$330,000 | \$885,000 | \$815,000 | \$1,190,000 | \$590,000 | \$260,000 |
| Total Number of District Projects | 11 | 11 | 8 | 6 | 6 | 3 | 5 |
| STUDIES & SPECIAL PROJECTS | | | | | | | |
| 2.4061.00 f. Digitize West Marin Water Facility Maps | \$35,000 | \$17,000 | \$18,000 | | | | |
| 8.4062.00 h. Oceana Marin Vulnerability Study | | | \$25,000 | | | | |
| | \$35,000 | \$17,000 | \$43,000 | \$0 | \$0 | \$0 | \$0 |
| WEST MARIN WATER DEBT SERVICE | | | | | | | |
| j. EDA Loan | \$3,000 | \$3,000 | \$2,000 | \$0 | | | |
| k. PRE-1 Revenue Bond | \$15,000 | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$0 | |
| l. PR-6 Revenue Bond | \$13,000 | \$12,000 | \$13,000 | \$13,000 | \$12,000 | \$13,000 | \$12,000 |
| m. TP Solids Handling Bank Loan | \$71,000 | \$71,000 | \$71,000 | \$71,000 | \$71,000 | \$71,000 | \$71,000 |
| n. TP Solids Handling Add'l Bank Loan (Note 5) | | | | \$42,000 | \$42,000 | \$42,000 | \$42,000 |
| o. TP Modifications Loan (Note 6) | | | | | | | \$197,000 |
| | \$102,000 | \$100,000 | \$100,000 | \$140,000 | \$139,000 | \$126,000 | \$322,000 |
| NET PROJECT OUTLAY & DEBT SERVICE | \$937,000 | \$430,000 | \$985,000 | \$955,000 | \$1,329,000 | \$716,000 | \$582,000 |

Note 5 - \$1.25M WM Water Solids Handling Facility partially funded by bank loan (\$660,000 remaining). Additional \$600K to be borrowed in FY19 to complete project.

Note 6 - \$2.8M WM TP Project funded by debt and /or grant funds.

**WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2017/18**

| | Proposed Budget 2017/18 | Estimated Actual 2016/17 | Adopted Budget 2016/17 |
|--|---|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 | Water Sales | \$743,000 | \$771,000 |
| 2 | Misc Service Charges | 7,000 | 7,000 |
| 3 | Total Operating Income | \$817,000 | \$778,000 |
| OPERATING EXPENDITURES | | | |
| 4 | Source of Supply | \$13,000 | \$22,000 |
| 5 | Pumping | 36,000 | 37,000 |
| 6 | Operations | 61,000 | 42,000 |
| 7 | Water Treatment | 130,000 | 147,000 |
| 8 | Transmission & Distribution | 129,000 | 140,000 |
| 9 | Consumer Accounting | 29,000 | 23,000 |
| 10 | Water Conservation | 6,000 | 20,000 |
| 11 | General Administration | 86,000 | 108,000 |
| 12 | Depreciation Expense | 192,000 | 190,000 |
| 13 | Total Operating Expenditures | \$682,000 | \$729,000 |
| 14 | NET OPERATING INCOME (LOSS) | \$68,000 | \$49,000 |
| NON-OPERATING REVENUE/(EXPENSE) | | | |
| 15 | PR-2 County Tax Allocation | \$51,000 | \$48,000 |
| 16 | Miscellaneous Revenue | 4,000 | 4,000 |
| 17 | Interest Revenue | 16,000 | 6,000 |
| 18 | Bond & Loan Interest Expense | (34,000) | (34,000) |
| 20 | Total Non-Operating Income/(Expense) | \$37,000 | \$24,000 |
| 21 | NET INCOME/(LOSS) | \$105,000 | \$73,000 |
| OTHER SOURCES/(USES) OF FUNDS | | | |
| 22 | Add Depreciation Expense | \$192,000 | \$190,000 |
| 23 | Connection Fees | 31,000 | 23,000 |
| 24 | Capital Improvement Projects | (168,000) | (625,000) |
| 25 | Bond & Loan Principal Payments | (67,000) | (67,000) |
| 26 | Total Other Sources/(Uses) | (\$12,000) | (\$479,000) |
| 27 | CASH INCREASE/(DECREASE) | \$93,000 | (\$406,000) |

WEST MARIN WATER
5-Year Financial Forecast

| # | BASIC DATA | Actual 2014/15 | Actual 2015/16 | Est Actual 2016/17 | Projected 2017/18 | Projected 2018/19 | Projected 2019/20 | Projected 2020/21 | Projected 2021/22 |
|-----------------------------|------------------------------------|--------------------|--------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Active Meters | 778 | 780 | 781 | 782 | 783 | 784 | 785 | 786 |
| 2 | Avg Commodity Rate/1,000 Gal | \$8.74 | \$9.62 | \$9.57 | \$10.20 | \$10.72 | \$11.28 | \$11.85 | \$12.46 |
| 3 | Potable Consumption (MG) | 64 | 57 | 60 | 62 | 64 | 65 | 65 | 65 |
| INCOME | | | | | | | | | |
| 4 | Commodity Charge | \$562,195 | \$544,743 | \$574,000 | \$632,000 | \$686,000 | \$733,000 | \$770,000 | \$810,000 |
| 5 | Bimonthly Service Charge | 166,938 | 168,775 | 169,000 | 178,000 | 187,000 | 196,000 | 206,000 | 216,000 |
| 6 | Connection Fee | 22,800 | 0 | 31,000 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 |
| 7 | PR-2 County Tax Allocation | 45,378 | 49,365 | 51,000 | 53,000 | 55,000 | 57,000 | 59,000 | 61,000 |
| 8 | Interest | 5,027 | 10,025 | 16,000 | 12,000 | 9,000 | 8,000 | 1,000 | 3,000 |
| 9 | Miscellaneous | 10,572 | 11,377 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| 10 | TOTAL INCOME | \$813,571 | \$784,285 | \$852,000 | \$909,000 | \$971,000 | \$1,028,000 | \$1,070,000 | \$1,124,000 |
| EXPENDITURES | | | | | | | | | |
| 11 | Operating Expenditures | \$469,147 | \$462,242 | \$483,000 | \$498,000 | \$494,000 | \$509,000 | \$524,000 | \$540,000 |
| 12 | Water Purchased from MMWD | 6,651 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Miscellaneous | 3,363 | 596 | 1,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| 14 | Bond & Loan Debt Service | 104,576 | 99,555 | 101,000 | 100,000 | 140,000 | 139,000 | 126,000 | 322,000 |
| 15 | TOTAL EXPENDITURES | \$583,737 | \$562,393 | \$585,000 | \$603,000 | \$639,000 | \$653,000 | \$655,000 | \$867,000 |
| | NET INCOME | \$229,834 | \$221,892 | \$267,000 | \$306,000 | \$332,000 | \$375,000 | \$415,000 | \$257,000 |
| OTHER SOURCES/(USES) | | | | | | | | | |
| 16 | Capital Improvement Projects | (\$1,279,605) | (\$215,749) | (\$168,000) | (\$675,000) | (\$1,025,000) | (\$1,050,000) | (\$250,000) | (\$2,850,000) |
| 17 | Grant/Loan Proceeds | 1,177,912 | 0 | 0 | 0 | 600,000 | 0 | 0 | 2,800,000 |
| 18 | Net Change in Working Capital | 99,793 | (9,894) | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | INCREASE (DECREASE) IN CASH | \$227,934 | (\$3,751) | \$99,000 | (\$369,000) | (\$93,000) | (\$675,000) | \$165,000 | \$207,000 |
| CASH BALANCE | | | | | | | | | |
| 20 | Operating Reserve | \$188,241 | \$245,289 | \$356,000 | \$639,000 | \$645,000 | \$0 | \$150,000 | \$372,000 |
| 21 | System Expansion Reserve | 823,221 | 762,422 | 751,000 | 99,000 | 0 | 0 | 0 | 0 |
| 22 | Liability Contingency Reserve | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 | 69,000 | 99,000 | 99,000 |
| 23 | Bond Redemption Reserve | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 15,000 | 0 |
| 24 | TOTAL CASH BALANCE | \$1,140,462 | \$1,136,711 | \$1,236,000 | \$867,000 | \$774,000 | \$99,000 | \$264,000 | \$471,000 |
| 25 | Depreciation Expense | \$157,937 | \$189,039 | \$192,000 | \$195,000 | \$206,000 | \$223,000 | \$241,000 | \$245,000 |

**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 and Bimonthly Service Charge increases of 5% are proposed effective 7/1/17. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter. Note that the FY2015/16 Average Commodity Rate included a drought surcharge.
- 3 Consumption projection assumes 60MG in FY17, 62MG in FY18, 64MG in FY19, and 65MG annually thereafter.
- 4 Average Commodity Rate multiplied by Potable Consumption.
- 5 Bimonthly service charge shown to increase 5% annually after FY17. Details of the rate increase structure to be determined at annual budget hearings.
- 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 projected to increase 3% per year.
- 8 Projected available funds invested at 1.00%
- 9 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous income.
- 11 3% annual increase in Operating Expenditures assumed after FY17. FY17 & FY18 include \$17K & \$18K respectively to Digitize WM Water Facility Maps.
- 14 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond paid off in 2015; 2) 1980 PRE-1 \$240,000 revenue bond fully amortized in 2020; 3) 1981 PR-6 \$217,800 revenue bond fully amortized in 2021; plus an Economic Development Administration \$46,000 5% 40-year loan paid off in 2017. FY19 includes debt service on \$600K loan to finance completion of Solids Handling Facility, and FY22 includes debt service on \$2.8M to finance the TP Rehab.
- 15 Total Expenditures excludes depreciation.
- 16 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 17 FY19 \$600,000 loan to complete the Solids Handling and PRE Storage projects; FY20 \$2.8M for Treatment Plant Rehabilitation.
- 20 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 21 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 22 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.
- 23 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.

West Marin Water Rate Increase Analysis

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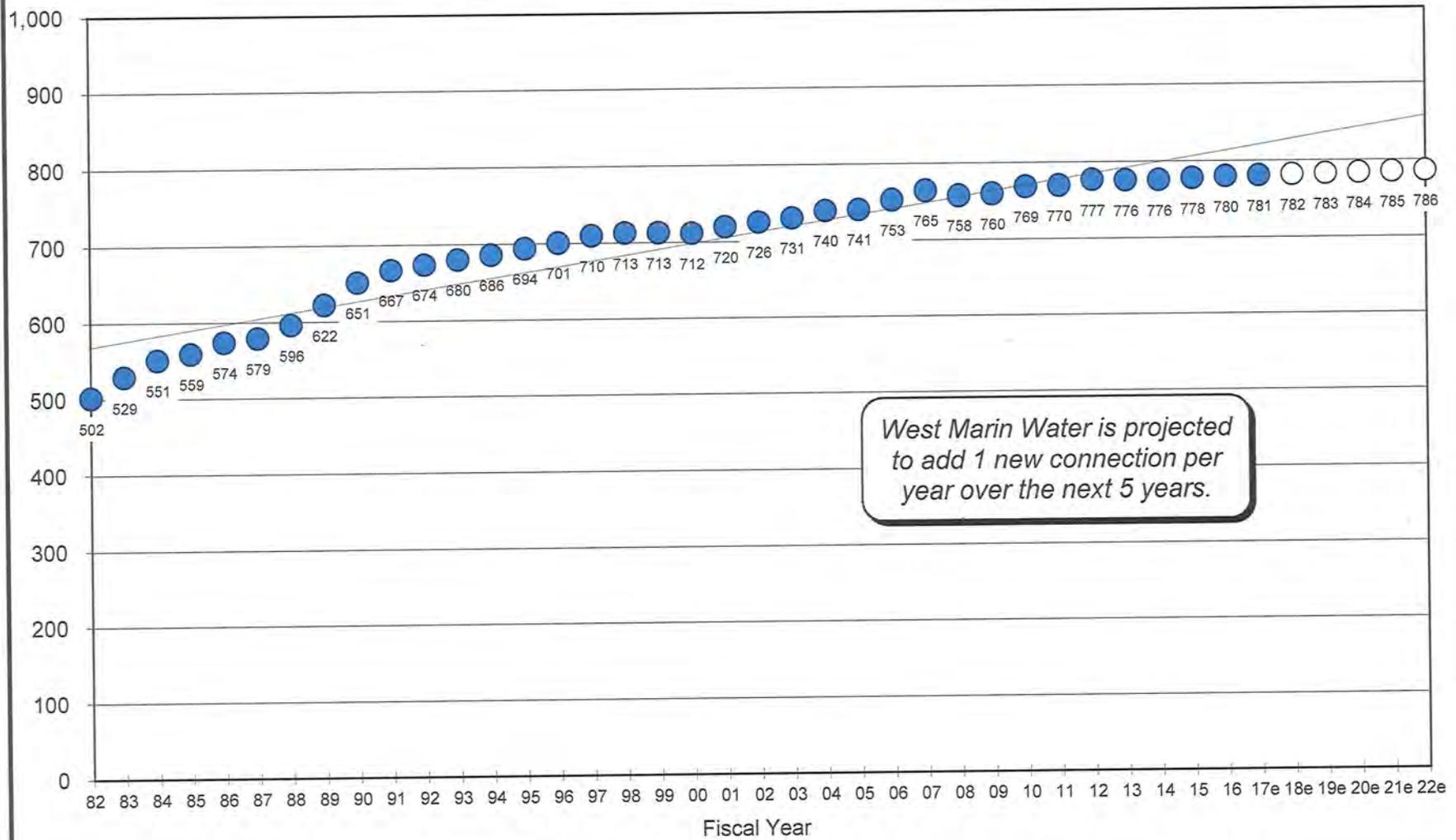
5/31/17

Annual Residential Impact (based on 51,600 gallons water use)

| | | Commodity Rate | Annual Commodity Charge | | Annual Service Charge | | Annual Tax Allocation ¹ | = | Total Annual Cost | Annual \$ Increase | % Increase |
|---|----------|----------------|-------------------------|---|-----------------------|---|------------------------------------|---|-------------------|--------------------|------------|
| Point Reyes Station | Current | \$8.14 | \$420 | + | \$180 | + | \$59 | = | \$659 | | |
| | Proposed | \$8.55 | \$441 | + | \$189 | + | \$59 | = | \$690 | \$30 | 4.6% |
| Inverness Park, Bear Valley, Silver Hills | Current | \$8.35 | \$431 | + | \$180 | + | \$59 | = | \$670 | | |
| | Proposed | \$8.77 | \$453 | + | \$189 | + | \$59 | = | \$701 | \$31 | 4.6% |
| Olema | Current | \$8.94 | \$461 | + | \$180 | + | \$0 | = | \$641 | | |
| | Proposed | \$9.39 | \$485 | + | \$189 | + | \$0 | = | \$674 | \$32 | 5.0% |
| PRE Zone A | Current | \$8.35 | \$431 | + | \$276 | + | \$0 | = | \$707 | | |
| | Proposed | \$8.77 | \$453 | + | \$285 | + | \$0 | = | \$738 | \$31 | 4.3% |
| PRE Zone B | Current | \$13.58 | \$701 | + | \$276 | + | \$0 | = | \$977 | | |
| | Proposed | \$14.26 | \$736 | + | \$285 | + | \$0 | = | \$1,021 | \$44 | 4.5% |
| Outside Services | Current | \$11.40 | \$588 | + | \$180 | + | \$0 | = | \$768 | | |
| | Proposed | \$11.97 | \$618 | + | \$189 | + | \$0 | = | \$807 | \$38 | 5.0% |
| Weighted Average | Current | \$9.04 | | | | | | | \$706 | | |
| | Proposed | \$9.49 | | | | | | | \$738 | \$32 | 4.6% |

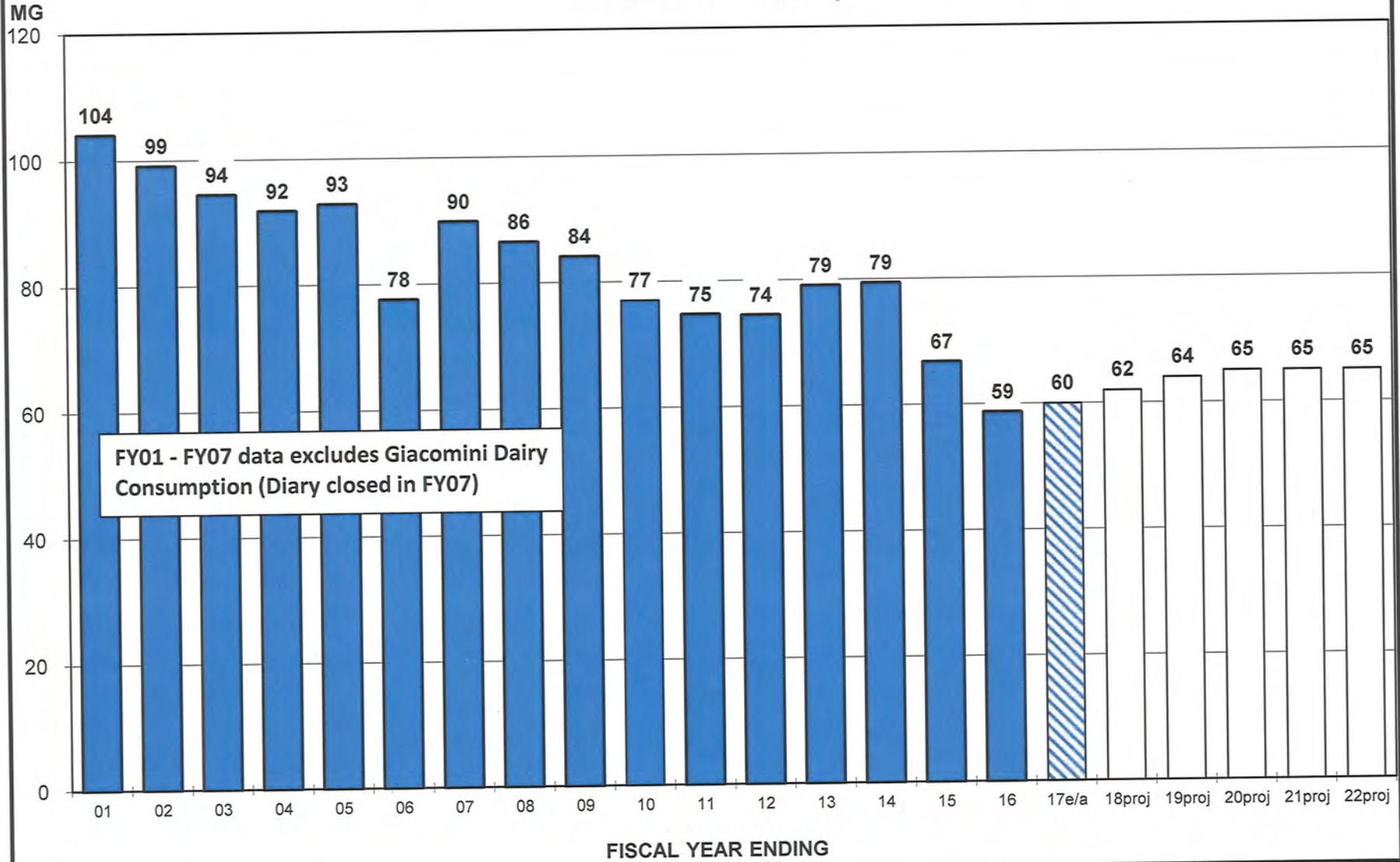
¹ Annual Tax is a County tax allocation enacted subsequent to Proposition 13 to compensate for the O&M tax revenue previously received from customers residing within the PR-2 Improvement District.

West Marin Water Active Service Connections @ June 30

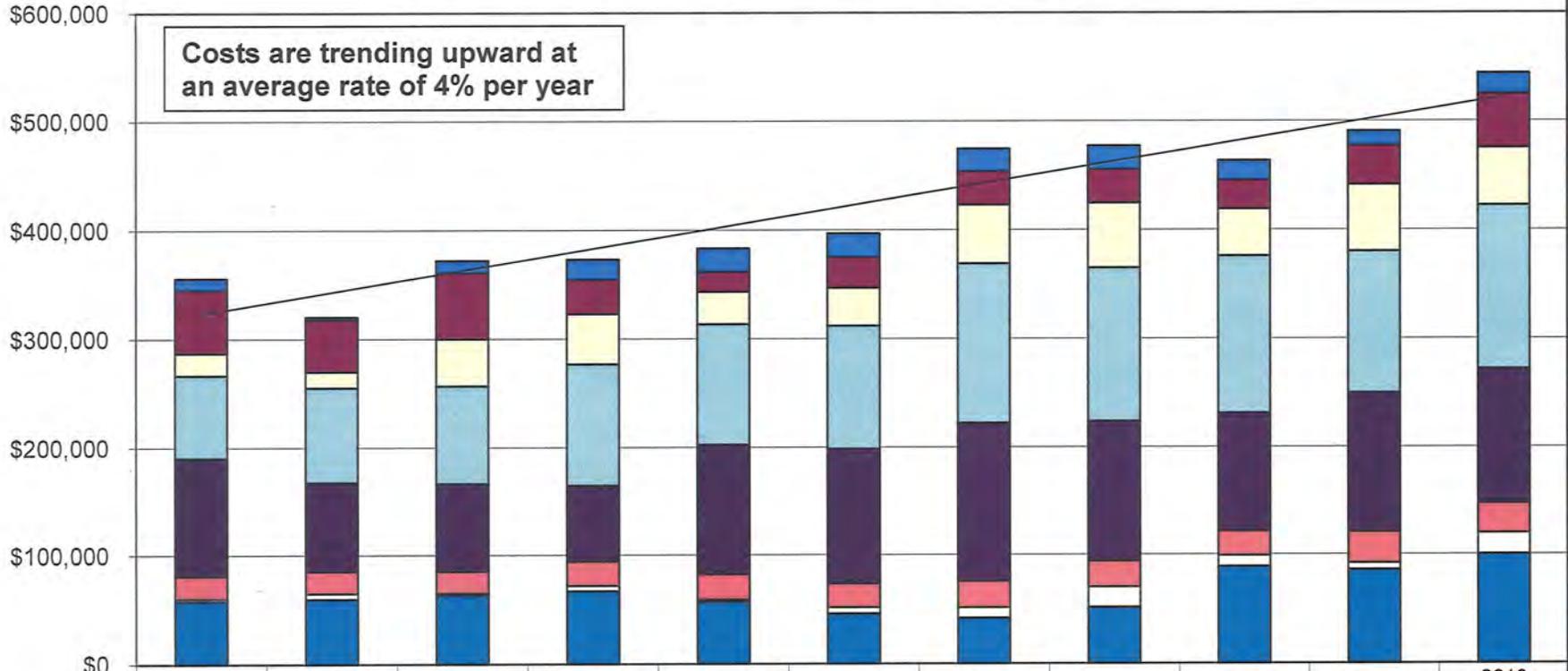


West Marin Water is projected to add 1 new connection per year over the next 5 years.

West Marin Potable Water Billed Consumption Net of Giacomini Dairy



West Marin Water Operating Expenditures



Costs are trending upward at an average rate of 4% per year

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 e/a | 2018 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| ■ Source | \$11,106 | \$2,319 | \$11,364 | \$18,907 | \$21,495 | \$22,161 | \$21,183 | \$21,862 | \$18,290 | \$13,000 | \$19,000 |
| ■ Pumping | \$57,375 | \$47,801 | \$60,516 | \$31,092 | \$18,226 | \$28,195 | \$30,514 | \$30,657 | \$26,199 | \$36,000 | \$50,000 |
| □ Operations | \$20,340 | \$14,970 | \$42,962 | \$45,965 | \$29,609 | \$34,466 | \$53,916 | \$59,531 | \$43,184 | \$61,000 | \$53,000 |
| ■ Treatment | \$76,588 | \$87,871 | \$90,739 | \$112,531 | \$111,205 | \$113,619 | \$146,415 | \$141,132 | \$144,473 | \$130,000 | \$150,000 |
| ■ T & D | \$109,186 | \$82,386 | \$81,052 | \$70,274 | \$120,093 | \$124,721 | \$146,566 | \$129,737 | \$109,484 | \$129,000 | \$125,000 |
| ■ Cons Acctg | \$21,045 | \$20,285 | \$20,232 | \$22,108 | \$23,367 | \$21,947 | \$24,334 | \$23,457 | \$22,646 | \$29,000 | \$27,000 |
| □ Wtr Consvr | \$2,187 | \$5,338 | \$1,883 | \$5,266 | \$2,008 | \$5,857 | \$9,791 | \$18,960 | \$9,986 | \$6,000 | \$20,000 |
| ■ G & A | \$57,828 | \$59,500 | \$63,234 | \$66,880 | \$56,945 | \$45,861 | \$41,561 | \$51,463 | \$88,982 | \$86,000 | \$100,000 |
| Total | \$355,655 | \$320,470 | \$371,982 | \$373,023 | \$382,948 | \$396,827 | \$474,280 | \$476,799 | \$463,244 | \$490,000 | \$544,000 |



**NORTH MARIN
WATER DISTRICT**

May 12, 2017

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146

PHONE
415.897.4133

EMAIL
info@nmwd.com

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** that would take effect on July 1, 2017. It also provides information about a **Public Hearing scheduled on June 27, 2017**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

HOW MUCH IS THE PROPOSED RATE INCREASE?

A 5% increase in the cost of water is proposed, which would result in an average increase of \$2.67 per month (\$32 annually) for the typical (median) single-family residential customer who consumes 51,600 gallons of water annually. Those using less than the median would see an increase less than \$32 annually, and those using more would pay more. The increase for non-residential customers (commercial, institutional and irrigation accounts) would vary based on water use and meter size. The median non-residential account would also see an annual 5% cost increase. A detailed description of the proposed water rate increases is included on page 3.

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

REASON FOR THE PROPOSED INCREASE

The District's mission is to provide an adequate supply of safe, reliable and high-quality water at reasonable cost consistent with good conservation practices and minimum environmental impact. Maintaining and renovating the infrastructure of the rural West Marin Water System is expensive. Today the system includes 26 miles of pipeline, over 1 million gallons of finished water storage distributed across 13 tanks, 7 pump stations, 168 fire hydrants, a multitude of valves, 3 wells, and a water treatment plant, all designed to serve 781 customers. Sufficient revenue to finance the ongoing system operation and renovation must be generated.

DIRECTORS: JACK BAKER • RICK FRAITES • MICHAEL JOLY • STEPHEN PETERLE • JOHN SCHOONOVER

OFFICERS: DREW MCINTYRE, General Manager • KATIE YOUNG, District Secretary • DAVID L. BENTLEY, Auditor-Controller • ROCKY VOGLER, Chief Engineer

ADDITIONAL INFORMATION

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

A public hearing before the NMWD Board of Directors to consider the proposed rate increase is scheduled for 7:00 pm, Tuesday, June 27, 2017, 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 27, 2017 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

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

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

Sincerely,



Drew McIntyre
General Manager

| PROPOSED | | | |
|---|-----------------|-----------------|-------------------|
| West Marin Water System Rate Changes | | | |
| EFFECTIVE JULY 1, 2017 | | | |
| | <u>Existing</u> | <u>Proposed</u> | <u>% Increase</u> |
| BIMONTHLY SERVICE CHARGE | | | |
| For STANDARD 5/8 x 3/4-INCH METER..... | \$30.00 | \$31.50 | 5% |
| For 1-inch residential meter for fire service..... | \$34.00 | \$35.70 | 5% |
| For 1-inch meter..... | \$60.00 | \$63.00 | 5% |
| For all meters in Paradise Ranch Estates..... | \$46.00 | \$47.50 | 3% |
| QUANTITY CHARGE | | | |
| <u>Residential Rate Per Dwelling Unit</u> | | | |
| First 400 gallons per day..... | \$8.14 | \$8.55 | 5% |
| From 401 to 900 gallons per day..... | \$11.28 | \$11.84 | 5% |
| From 901+ gallons per day..... | \$18.09 | \$18.99 | 5% |
| <u>Commercial, Institutional & Irrigation Rate</u> | | | |
| November 1 through May 31..... | \$8.23 | \$8.64 | 5% |
| June 1 through October 31..... | \$11.38 | \$11.95 | 5% |
| PLUS A HYDRAULIC ZONE CHARGE/1,000 GAL | | | |
| <u>Zone</u> | | | |
| 1 Point Reyes Station..... | \$0.00 | \$0.00 | 0% |
| 2 Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0' - 365')..... | \$0.21 | \$0.22 | 5% |
| 3 Olema..... | \$0.80 | \$0.84 | 5% |
| 4 Upper Paradise Ranch Estates (Elevation 365'+)..... | \$5.44 | \$5.71 | 5% |
| Additional Commodity Rate for Consumers Outside the Improvement District Boundary..... | \$3.26 | \$3.42 | 5% |

2017 COASTAL AREA WATER COST COMPARISON

6/1/2017

Comparison of NMWD's Charges with Other Agencies Based on Rates and Charges in Effect on 6/1/17
 "Typical" Single Family Residence (5/8" x 3/4" Meter) Using 51,600 Gallons Annually

| Agency | No. of Water Services | Bimonthly Service Charge | Commodity Rate per 1,000 Gallons | Annual Water Cost ¹ | Water Bond Tax Rate per \$100/AV | Annual Tax Cost ² | Total Annual Cost |
|---------------------------------------|-----------------------|--------------------------|----------------------------------|--------------------------------|----------------------------------|------------------------------|-------------------|
| Bolinas Community PUD | 587 | \$205.33 | \$1.34/\$2.01/\$4.01 (3) | \$1,310 | \$0.002 | \$482 (4) | \$1,792 |
| California Water Coast Springs | 255 | \$52.81 | \$8.26/\$8.88 | \$1,714 (5) | - | - | \$1,719 |
| Estero Mutual Water District | 141 | \$207.83 | \$7.86/\$11.56/\$75.76 (6) | \$1,587 | - | - | \$1,587 |
| Stinson Beach Co Water | 731 | \$77.10 | \$2.61/\$6.26 (7) | \$615 | \$0.003 | \$647 (8) | \$1,262 |
| Bodega Bay PUD | 1,058 | \$61.82 | \$7.73 (9) | \$508 | - | \$367 (10) | \$874 |
| Muir Beach Community Services | 151 | \$49.92 | \$9.20 (11) | \$533 (12) | - | \$300 (13) | \$833 |
| Inverness PUD | 515 | \$100.00 | \$3.07/\$4.61 (14) | \$766 | - | - | \$766 |
| → NMWD West Marin Service Area | 781 | \$31.50 (15) | \$9.49 (16) | \$679 | - | \$61 (17) | \$739 |

Notes:

- (1) Median annual consumption for West Marin Service Area single-family detached home is 51,600 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 \$493,950 (average 2016/17 AV on 544 single family homes in Bolinas less \$7,000 homeowner exemption) and tax rate of \$0.0023/\$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 \$276,487 for Bolinas in 2016/17 of which 100% is credited to the water fund amounting to \$440 per service.
- (5) In 2016 the PUC agreed to consolidate Cal Water's Redwood Valley rates with its "Bayshore District" (South Bay) rates. Roughly 2,000 connections in the Redwood Valley District, of which Coast Springs is a part, are now combined with Bayshore's 54,000 connections, resulting in a significant rate reduction for Coast Springs customers.
- (6) First 25 cubic meters bimonthly @ \$2.075/cm; next 15 cm @ \$3.051/cm. Drought surcharge of \$20.00/cm for use in excess of 40 cm.
- (7) 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 @ \$21.20/Ccf; 40 and above Ccf @ \$27.54/Ccf.
- (8) Based on weighted average tax rate of \$0.0034/\$100 AV and home with net AV of \$1,275,689 (average 2016/17 AV on 659 single family homes in Stinson Beach less \$7,000 homeowner exemption). Stinson Beach also shares in 1% County levy. This "allocation" is projected at \$630,535 in 2016/17 of which 70% is credited to the water fund amounting to \$604 per service.
- (9) \$61.82 bi-monthly water svc charge for 0-800 cubic feet, then \$6.51/100 cubic feet for 801-2,500 cubic feet, then \$7.43/100 cubic feet over 2,500 cubic feet.
- (10) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at \$388,136 for 16/17, of which 100% was allocated to water amounting to \$367 per service.
- (11) \$49.92/bimonthly flat rate includes 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.
- (12) 25% of revenue is allocated to capital improvements.
- (13) The annual \$300 charge is collected via water billings and is allocated to capital improvements.
- (14) 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.
- (15) Includes a proposed bi-monthly increase of \$1.50.
- (16) Rate shown is weighted average of Point Reyes Station, Olema, Bear Valley/Inverness Park & Paradise Ranch Estates and includes a Proposed 5% 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.
- (17) West Marin Service Area receives allocation of the 1% County levy projected at \$47,000 in 2016/17, amounting to \$61 per service.

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2017/18**

| | Proposed Budget 2017/18 | Estimated Actual 2016/17 | Adopted Budget 2016/17 |
|---|--|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 Monthly Sewer Service Charge | \$239,000 | \$216,000 | \$214,000 |
| 2 Misc Service Charges | 0 | 1,000 | 0 |
| 3 Total Operating Income | \$239,000 | \$217,000 | \$214,000 |
| OPERATING EXPENDITURES | | | |
| 4 Sewage Collection | \$63,000 | \$53,000 | \$50,000 |
| 5 Sewage Treatment | 60,000 | 60,000 | 58,000 |
| 6 Sewage Disposal | 38,000 | 45,000 | 33,000 |
| 7 Consumer Accounting | 2,000 | 2,000 | 2,000 |
| 8 General Administration | 53,000 | 26,000 | 27,000 |
| 9 Depreciation Expense | 51,000 | 43,000 | 47,000 |
| 10 Total Operating Expenditures | \$267,000 | \$229,000 | \$217,000 |
| 11 NET OPERATING INCOME (LOSS) | (\$28,000) | (\$12,000) | (\$3,000) |
| NON-OPERATING REVENUE/(EXPENSE) | | | |
| 12 OM-1/OM-3 Tax Allocation | \$56,000 | \$54,000 | \$52,000 |
| 13 Interest Revenue | 4,000 | 6,000 | 2,000 |
| 14 Miscellaneous Revenue | 0 | 0 | 0 |
| 15 Miscellaneous Expense | 0 | (1,000) | |
| 16 Total Non-Op Income/(Expense) | \$60,000 | \$60,000 | \$54,000 |
| | NET INCOME/(LOSS) | \$48,000 | \$51,000 |
| OTHER SOURCES/(USES) OF FUNDS | | | |
| 17 Add Depreciation Expense | \$51,000 | \$43,000 | \$47,000 |
| 18 Connection Fees | 30,000 | 30,000 | 30,000 |
| 19 Capital Improvement Projects | (210,000) | (162,000) | (210,000) |
| 20 Total Other Sources/(Uses) | (\$129,000) | (\$89,000) | (\$133,000) |
| 21 CASH INCREASE/(DECREASE) | (\$97,000) | (\$41,000) | (\$82,000) |

OCEANA MARIN SEWER
5-Year Financial Forecast

| # | BASIC DATA | Actual 2014/15 | Actual 2015/16 | Est Actual 2016/17 | Projected 2017/18 | Projected 2018/19 | Projected 2019/20 | Projected 2020/21 | Projected 2021/22 |
|-----------------------------|------------------------------------|-------------------|-------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Number of Connections | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 |
| 2 | Monthly Service Charge | \$68.00 | \$71.00 | \$78.00 | \$86.00 | \$95.00 | \$105.00 | \$116.00 | \$128.00 |
| INCOME | | | | | | | | | |
| 3 | Monthly Service Charge | \$186,864 | \$195,461 | \$216,000 | \$239,000 | \$265,000 | \$294,000 | \$326,000 | \$362,000 |
| 4 | OM-1/OM-3 Tax Allocation | 48,360 | 52,609 | 54,000 | 56,000 | 58,000 | 60,000 | 62,000 | 64,000 |
| 5 | Connection Fees | 15,200 | 32,198 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| 6 | Interest Revenue | 2,323 | 3,638 | 6,000 | 4,000 | 3,000 | 1,000 | 2,000 | 0 |
| 7 | Miscellaneous Revenue/(Expense) | 203 | 370 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 8 | TOTAL INCOME | \$252,950 | \$284,276 | \$307,000 | \$330,000 | \$357,000 | \$386,000 | \$421,000 | \$457,000 |
| 9 | OPERATING EXPENDITURES | \$132,624 | \$159,131 | \$189,000 | \$195,000 | \$201,000 | \$207,000 | \$213,000 | \$219,000 |
| OTHER SOURCES (USES) | | | | | | | | | |
| 10 | Capital Improvement Projects/Other | (63,023) | (7,547) | (162,000) | (210,000) | (390,000) | (140,000) | (340,000) | (210,000) |
| 11 | Net Change in Working Capital | 4,004 | 1,864 | | | | | | |
| 12 | INCREASE (DECREASE) IN CASH | \$61,307 | \$119,462 | (\$44,000) | (\$75,000) | (\$234,000) | \$39,000 | (\$132,000) | \$28,000 |
| 13 | TOTAL CASH BALANCE | \$344,202 | \$464,000 | \$420,000 | \$345,000 | \$111,000 | \$150,000 | \$18,000 | \$46,000 |
| 14 | Depreciation Expense | \$49,860 | \$48,193 | \$43,000 | \$51,000 | \$62,000 | \$82,000 | \$89,000 | \$106,000 |

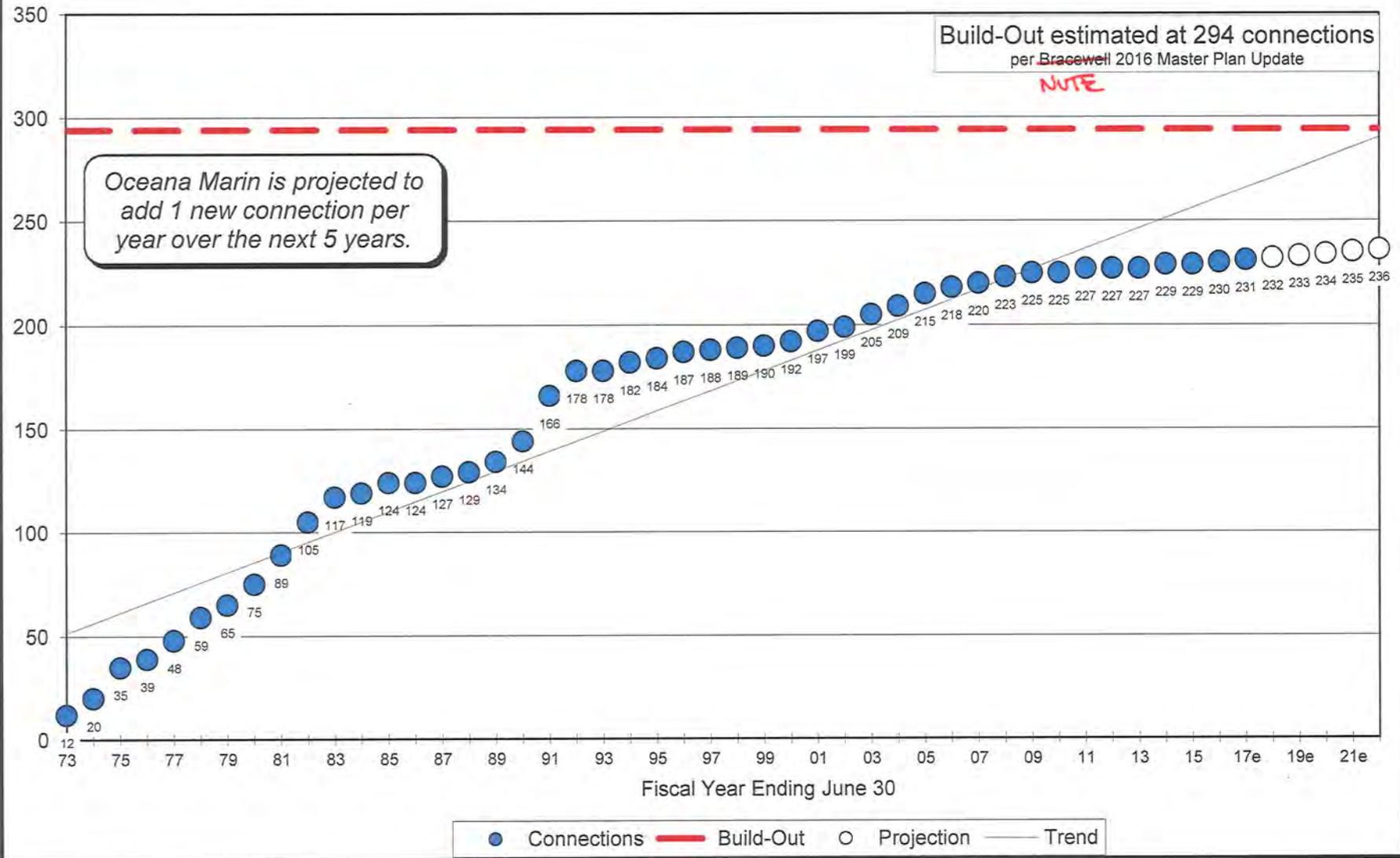
15

OCEANA MARIN SEWER

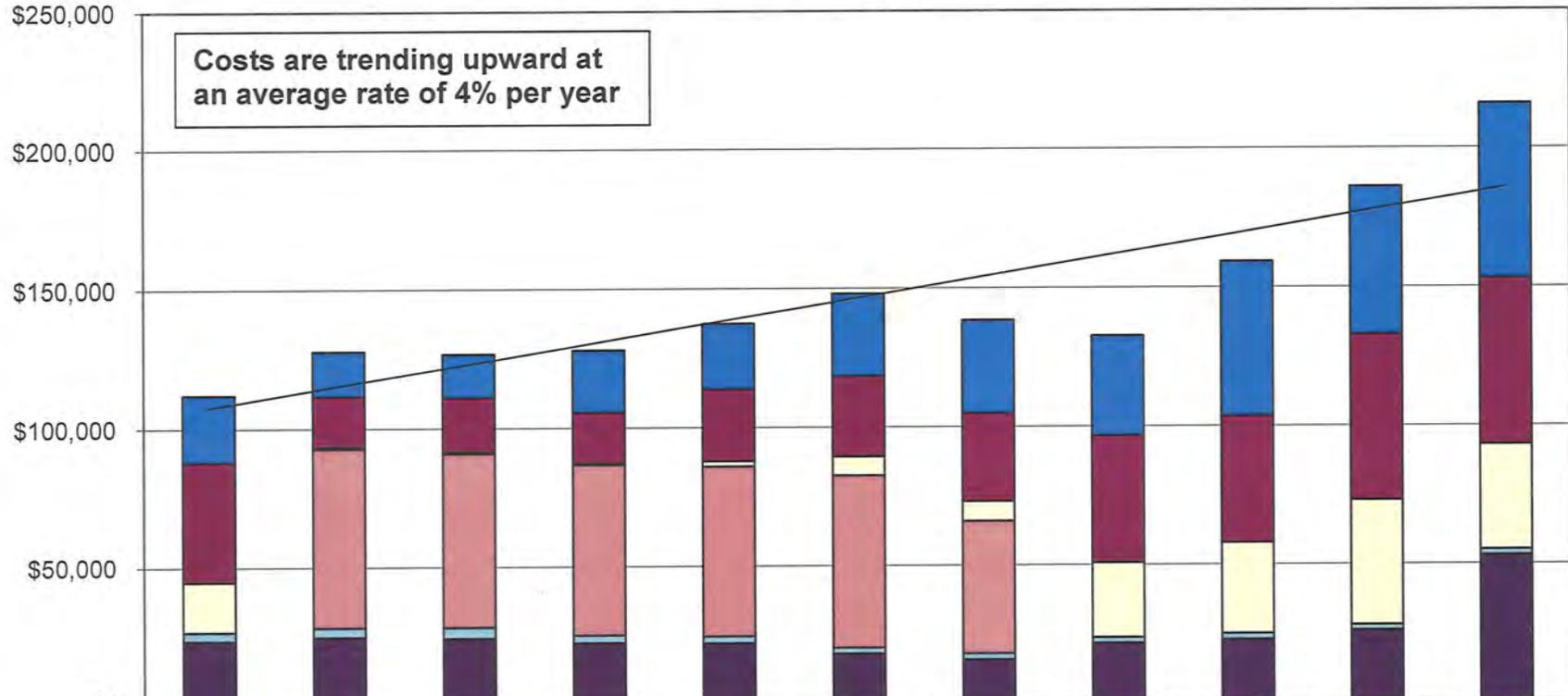
NOTES

- # KEY
- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 294 dwelling units.
 - 2 Proposed 10% annual increases to build cash to fund the \$350,000 Pond Relining project commencing in FY18 and Phase 1 of the \$500,000 Parallel Force Main project commencing in FY20.
 - 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 Connection fee to increase to \$30,000 on 7/1/17. Assumes connections occur in OM-3 Units 1 or 5 which are subject to the connection fee.
 - 6 Projected available funds invested at 1.00%
 - 9 Operating expenditures projected to increase 3% annually after FY17. Excludes depreciation expense.
 - 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
 - 13 Cash available for operation, maintenance and improvements

Oceana Marin Growth Active Sewer Connections at June 30



Oceana Marin Operating Expenditures



Costs are trending upward at an average rate of 4% per year

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 e/a | 2018 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Collection | \$24,088 | \$16,309 | \$15,748 | \$22,503 | \$23,687 | \$29,703 | \$33,587 | \$36,189 | \$55,475 | \$53,000 | \$63,000 |
| Treatment | \$43,307 | \$18,142 | \$19,474 | \$18,470 | \$25,928 | \$29,021 | \$31,901 | \$45,727 | \$45,868 | \$60,000 | \$60,000 |
| Disposal | \$18,024 | \$797 | \$719 | \$489 | \$1,972 | \$6,895 | \$7,257 | \$27,022 | \$32,850 | \$45,000 | \$38,000 |
| Contract Ops | | \$64,467 | \$62,755 | \$61,592 | \$61,215 | \$62,281 | \$47,803 | \$0 | \$0 | \$0 | \$0 |
| Cons Acctg | \$3,189 | \$3,429 | \$3,952 | \$2,778 | \$2,636 | \$2,162 | \$2,235 | \$2,091 | \$2,131 | \$2,000 | \$2,000 |
| G & A | \$23,491 | \$24,801 | \$24,228 | \$22,359 | \$22,052 | \$18,099 | \$15,735 | \$21,604 | \$22,807 | \$26,000 | \$53,000 |
| Total | \$112,099 | \$127,945 | \$126,876 | \$128,191 | \$137,490 | \$148,161 | \$138,518 | \$132,633 | \$159,131 | \$186,000 | \$216,000 |



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146

PHONE
415.897.4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

May 12, 2017

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2017. It also provides information about a **Public Hearing scheduled on June 27, 2017**, at which time written and oral comments will be considered and a vote on the increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$78/month (\$936/year). A **10% increase** is proposed equaling \$8/month (\$96/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is rendered annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$8 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for fiscal year 2017/18 of \$1,032 (\$86 per month for July 2017 through June 2018).

Why are rates being increased?

In January 2016 the District concluded a Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 231 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The Oceana Marin system held a cash balance of \$369,000 at March 31, 2016. The proposed rate increase, if enacted, would generate \$22,176 of additional revenue annually (\$96/year X 231 customers). As you can likely surmise, additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. The entire Master Plan Update is available for review at: <http://www.nmwd.com/pdfs/agenda/011916.pdf>.

Included in next fiscal year's proposed budget is a hazard mitigation plan which, when completed, may assist in allowing the District to obtain low-interest rate loan and grant funds to assist in paying for some of the improvements.

DIRECTORS: JACK BAKER • RICK FRAITES • MICHAEL JOLY • STEPHEN PETTERLE • JOHN SCHOONOVER

OFFICERS: DREW MCINTYRE, General Manager • KATIE YOUNG, District Secretary • DAVID L. BENTLEY, Auditor-Controller • ROCKY VOGLER, Chief Engineer

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 7:00 pm, Tuesday, June 27, 2017, at the Dance Palace (503 B Street) in Point Reyes Station.

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

Your written protest must be received prior to the close of the June 27, 2017 public hearing. Written protests must be signed by the property owner and must include a description of the parcel (parcel number or service address). Send or deliver written protests to:

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

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

Sincerely,



Drew McIntyre
General Manager

NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
OCEANA MARIN SEWER SERVICE CHARGES
FISCAL YEAR 2017-2018
AND INTENT TO COLLECT ON TAX ROLL

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. 34 on June 27, 2017, fixing its charges for sewerage services for the fiscal year 2017-2018 in the amount of \$86 per month (\$1,032 per year) per parcel (a proposed increase of \$8 per month - \$96 annually), and further intends to elect to collect such charges on the tax roll as it did for fiscal year 2016-2017 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 27, 2017 at 7:00 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 the proposed increase in charges for sewage services set for in said report.

Dated: May 30, 2017

Publish: June 9 and June 23, 2017 in the Point Reyes Light

2017 COASTAL AREA SEWER COST COMPARISON

6/1/2017

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 6/1/17

| Agency | No. of Sewer Services | Monthly Service Charge | Annual Tax Revenue ⁽¹⁾ | Annual Total |
|--|-----------------------|-------------------------------|-----------------------------------|------------------|
| > NMWD Oceana Marin | 231 | \$86.00 ⁽²⁾ | \$217 ⁽³⁾ | \$1,249 < |
| Marshall Community Wastewater System | 52 | \$95.78 ⁽⁴⁾ | \$0 | \$1,149 |
| Bolinas Community PUD | 163 | \$89.42 | \$0 ⁽⁵⁾ | \$1,073 |
| Tomales Village CSD | 107 | \$72.45 ⁽⁶⁾ | \$75 ⁽⁷⁾ | \$944 |
| Stinson Beach Co Water - Inspection Only | 710 | \$39.65 ⁽⁸⁾ | \$247 ⁽⁹⁾ | \$723 |
| Bodega Bay PUD | 1,014 | \$59.32 | \$0 ⁽¹⁰⁾ | \$712 |

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) Includes proposed increase of \$8/month.
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$50,000 for 2016/17 which equates to \$217 per service.
- (4) 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.
- (5) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$49,000 for 2016/17 which equates to \$211 per service.
- (6) Based on home with net AV of \$493,950 (average 2016/17 AV on 544 single family homes in Bolinas less \$7,000 homeowner exemption) and tax rate of 0.0023¢/\$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 \$276,487 for Bolinas in 2016/17 of which 100% is credited to the water fund.
- (7) Includes proposed increase of \$9.45 month to be effective 7/1/17.
- (8) Based on home with net AV of \$360,934 (average 2016/17 AV on 107 single family homes in Tomales) and tax rate of 2¢/\$100 AV.
- (9) 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.
- (10) Based on allocation of 1% County levy. This "allocation" was projected by the County of Marin at \$630,535 for 2016/17 of which 30% was allocated to sewer amounting to \$266 per service.
- (11) Based on share of 1% County levy. This "allocation" by the County of Sonoma was estimated at \$388,136 for 16/17 of which 100% was allocated to water (0% to sewer).

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North Bay Watershed Association

Board Meeting Notice

June 2nd, 2017

9:30 a.m. – 11:30 a.m.
901 Sherman Ave
Novato, CA 94945

Board Meeting Agenda

- | | |
|---|---------|
| 1. Call to Order | 9:30 am |
| <i>Jack Gibson, Chair</i> | |
| 2. Public Comment | |
| 3. Approval of the Agenda | 1 min |
| <i>Approve</i> | |
| 4. Approval of Minutes | 5 min |
| <i>Approve</i> | |
| 5. Treasurer's Report | 1 min |
| <i>Accept</i> | |
| 6. Summer 2017 NBWA Newsletter | |
| <i>Information and questions</i> | |
| 7. Re-Oaking the Valleys | 9:45 |
| New strategies for local biodiversity and resilience | |
| <i>Robin Grossinger, Senior Scientist</i> | |
| <i>San Francisco Estuary Institute</i> | |
| 8. Climate Change and the North Bay | 10:30 |
| <i>Dr. Andrew Gunther Ph.D., Executive Coordinator</i> | |
| <i>Bay Area Ecosystems Climate Change Consortium</i> | |
| 9. Items of Interest | 11:20 |
| 10. Items for the Next Agenda | 11:25 |
| <ul style="list-style-type: none"> • Marin Stormwater Resource Plan <i>Terri Flashing, Marin County</i> • Central Marin Sanitation Agency Facilities Tour <i>Jason Dow, General Manager, CMSA</i> | |

Next Meeting

July 7th, 2017
9:30 a.m. – 11:30 a.m.
Central Marin Sanitation Agency
1301 Anderson Drive
San Rafael, CA 94901

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



**TECHNICAL ADVISORY COMMITTEE
MONDAY: JUNE 5, 2017**

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

9:00 a.m. (Note Location)

1. Check In
2. Public Comment
3. Water Supply Conditions and Temporary Urgency Change Order
4. Sonoma Marin Saving Water Partnership
 - a. Water Production Relative to 2013 Benchmark
 - b. State's Long-Term Water Conservation Framework Update
 - c. Model Water Efficient Landscape Ordinance Workshop (MWELo) – June 27
5. Biological Opinion Status Update
6. Items for next agenda
7. Check Out

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

Table 1: Monthly Water Use Relative to 2013 Benchmark

| Water Retailer | April 2017 (Gallons) | 2013 Benchmark (Gallons) | Savings Relative to 2013 Benchmark | April 2017 GPCD* | FY 2015/2016 Conservation Standard |
|--------------------|-------------------------|-----------------------------|--|---------------------|--|
| Cal Am | 16,625,000 | 23,030,000 | 28% | 62 | 25% |
| Cotati | 13,903,108 | 26,328,761 | 47% | 64 | 20% |
| Marin Municipal | 484,243,913 | 693,942,974 | 30% | 85 | 20% |
| North Marin | 145,665,531 | 240,000,000 | 39% | 79 | 24% |
| Petaluma | 179,218,050 | 249,139,449 | 28% | 96 | 16% |
| Rohnert Park | 96,745,162 | 143,000,000 | 32% | 74 | 16% |
| Santa Rosa | 392,074,384 | 575,718,337 | 32% | 76 | 16% |
| Sonoma | 36,737,419 | 64,388,242 | 43% | 106 | 28% |
| Valley of the Moon | 47,965,267 | 85,656,565 | 44% | 67 | 20% |
| Windsor | 62,330,083 | 96,513,934 | 35% | 76 | 16% |
| SMSWP Total | 1,475,507,917 | 2,197,718,262 | 33% | 81 | 19% |

* GPCD is provided as information only

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

| Water Retailer | Aggregate June 2015 to Date (Gallons) | 2013 Benchmark (Gallons) | Savings Relative to 2013 Benchmark | FY 2015/2016 Conservation Standard |
|--------------------|---|-----------------------------|--|--|
| Cal Am | 461,835,514 | 585,097,000 | 21% | 25% |
| Cotati | 479,740,049 | 623,483,303 | 23% | 20% |
| Marin Municipal | 13,875,889,093 | 17,344,833,588 | 20% | 20% |
| North Marin | 4,676,396,796 | 6,162,000,000 | 24% | 24% |
| Petaluma | 4,646,358,287 | 6,036,731,345 | 23% | 16% |
| Rohnert Park | 2,596,341,666 | 3,181,000,000 | 18% | 16% |
| Santa Rosa | 10,292,673,426 | 13,554,095,942 | 24% | 16% |
| Sonoma | 1,053,729,665 | 1,420,857,551 | 26% | 28% |
| Valley of the Moon | 1,448,702,746 | 1,991,558,303 | 27% | 20% |
| Windsor | 1,865,800,994 | 2,409,379,666 | 23% | 16% |
| SMSWP Total | 41,397,484,756 | 53,350,724,174 | 22% | 19% |



Russian River Biological Opinion Update – June 2017

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.

Fish Flow Project

On August 19, 2016, the Water Agency released the Draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. Open House workshops were held in August 2016 and public hearings were held in Santa Rosa, Cloverdale and Guerneville. The public comment period closed on March 10, 2017. About 450 comment letters were received, including a few hundred form letters. Water Agency staff have begun organizing and responding to comments. It is anticipated that the Final EIR will be released in 2017.

Dry Creek Habitat Enhancement Project

This spring, staff is evaluating the impact to existing habitat enhancement projects of the recent large storms and high flows. Staff is conducting field studies for the remaining Mile 2 and 3 sites, in preparation for construction, which is anticipated to begin on June 15. Planning, preliminary field investigation and design are under way for Miles 4 through 6.

The US Army Corps is using information from Mile 2-6 to complete two feasibility studies that should pave the way for federal funding. The first Army Corps study under the Continuing Authorities Program (CAP) will help complete Miles 2 and 3. A draft CAP study was recently completed and recommends Army Corps construction of reach 4a (total length 0.4 miles) at a total federal cost of \$3.28 million. The second Army Corps effort for Mile 4-6 planning, called a General Investigation (GI) Ecosystem Restoration study, has less funding restrictions and should be completed by 2018.

Fish Monitoring

Summer 2017 monitoring of outgoing young salmon and steelhead is underway, with rotary screw traps installed in Austin Creek, Dry Creek and at Mirabel. Additional monitoring will take place at the mouth of Dutch Bill Creek, by seining in the estuary and through the installation of Passive Integrated Technology (PIT) antennas in the mainstem lower river and at project locations in Dry Creek.

Russian River Estuary Management Project

The 2017 Lagoon Management Period began on May 15 and will end on October 15. The draft 2017 Outlet Channel Adaptive Management Plan is currently being reviewed by regulatory agencies. The plan includes channel management and fisheries and water quality monitoring. A community meeting was held in mid-May to discuss the outcomes from last year's Lagoon Management Period and to describe the 2017 plan. In addition, there was a presentation on how harbor seals and other pinnipeds use the estuary and beach. About 60 people attended the meeting.

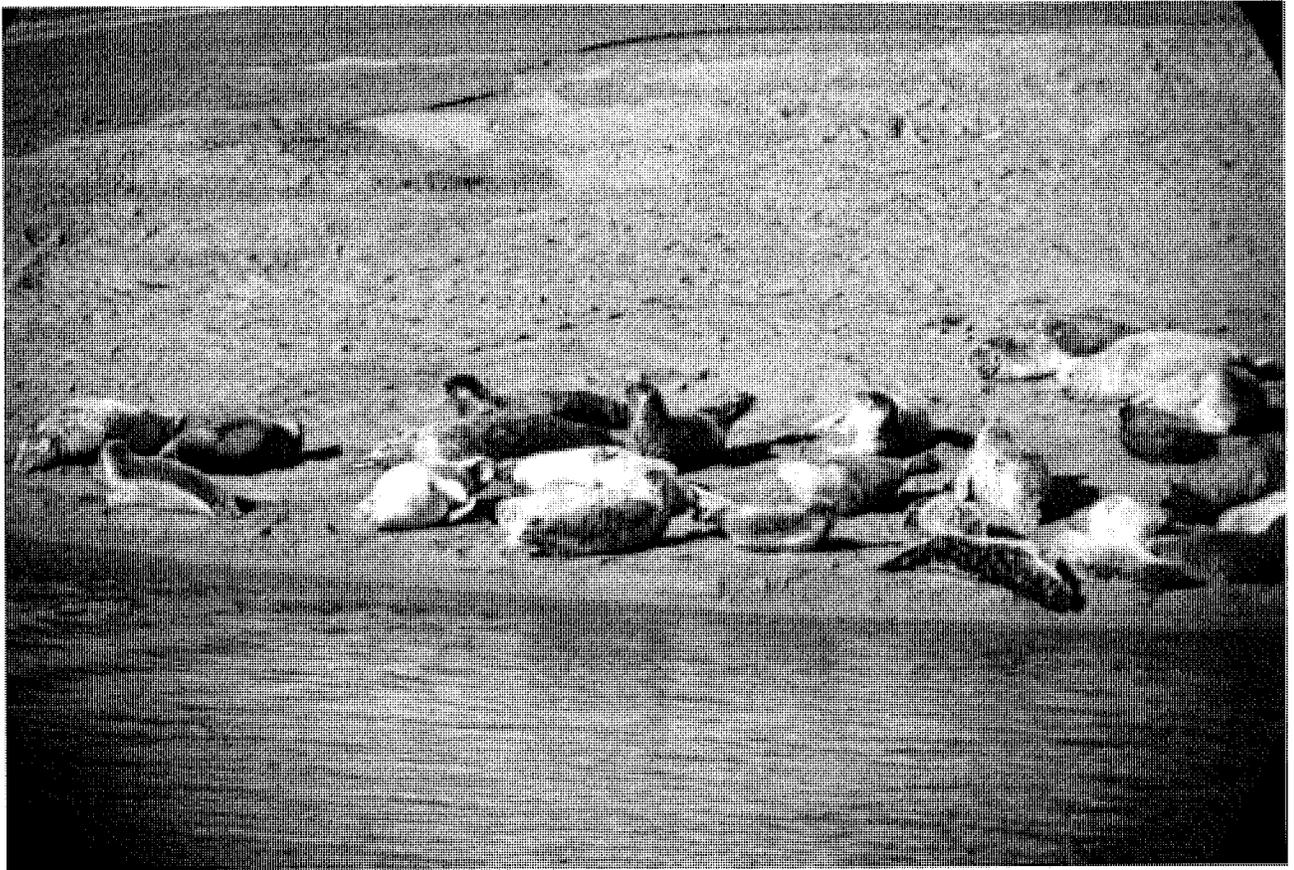
The Stewards of the Coast and Redwoods, which coordinates volunteers to monitor harbor seals and other pinnipeds, are continuing to seek new volunteers for this citizen science program.

Interim Flow Changes

The Water Agency received a Temporary Urgency Change Order (Order) from the State Water Board on Friday, May 19th. The Order allows the Water Agency to comply with the Biological Opinion flow requirements through October 15th.

Public Outreach, Reporting & Legislation

- The annual Estuary Management Project Community Meeting was held on May 15. About 60 people attended.
- The Biological Opinion Annual Report, 2015, will be submitted to NMFS this month. Work on the 2016 report is underway.



Harbor seals and seal pups on Goat Rock State Park beach, at mouth of Russian River

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DISBURSEMENTS - DATED JUNE 1, 2017

ITEM #18

Date Prepared 5/30/17

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:

| <u>Seq</u> | <u>Payable To</u> | <u>For</u> | <u>Amount</u> |
|------------|-------------------------------|---|---------------|
| 1 | Aberegg, Michael | Drafting Services: Hamilton Cottage (Balance Remaining on Contract \$31,795) | \$715.00 |
| 2 | Alpha Analytical Labs | Lab Testing | 144.00 |
| 3 | Aqua-Aerobic Systems | Replacement Aerator for O.M. Pond Unit #1 | 1,402.26 |
| 4 | Asbury Environmental Services | Used Oil Recycling | 120.00 |
| 5 | Athens Administrators | June Workers' Comp Admin Fee | 1,000.00 |
| 6 | AT&T | Internet Service @ PRTP | 80.00 |
| 7 | BlackPoint Tree Service | Remove Leaning Oak Tree @ Entrance to STP | 3,000.00 |
| 8 | Bold & Polisner | Potter Valley Relicensing (\$2,205), Hemlock Main Extension (\$420) & AEEP Permit/Design (\$378), LAFCO (\$672) & Retiree Rehiring (\$210) | 3,003.00 |
| 9 | CDW-Government | PLC Battery Backup (2) | 222.40 |
| 10 | Cole-Parmer Instrument | Hi Temperature Battery (Lab) | 72.26 |
| 11 | Core Utilities | Consulting Services: April IT Support (\$5,000), Website Water Production Data Revision (\$275), Correct Crossed Meters (\$50) & Integrate AMI Data into CORE Billing (\$6,375) | 11,700.00 |
| 12 | Corrpro | Replacement Rectifier for Pt. Reyes Tank #2 | 706.56 |
| 13 | Covello Group | Prog Pymt#9: RW Central Project Management (Balance Remaining on Contract \$530,697) | 96,687.63 |
| 14 | Ebrahimi, Jordan | Novato "Cash for Grass" Rebate Program | 400.00 |
| 15 | Equarius Waterworks | AMI Meters (62) & AMI Registers (140) | 36,157.63 |
| 16 | Filippi, Connie | Exp Reimb: CalPERS Retirement Enrollment Training. Mileage (\$52), Parking (\$10) & Bridge Toll (\$5) | 67.43 |

| Seq | Payable To | For | Amount |
|-----|------------------------------|--|------------|
| 17 | Fisher Scientific | Buffer (\$53) & Iron Standard (Lab) | 81.75 |
| 18 | GHD | Prog Pymt#10: Water District Cathodic Protection Design Review (Balance Remaining on Contract \$29,219) | 916.00 |
| 19 | Grainger | Safety Goggles, Calibration Gas for Docking/Calibration Station (\$626), 1" Pipe, Couplings (10) & Combination Cordless Tool Kit (\$563) | 1,238.02 |
| 20 | Hach | Calcium Indicator (Lab) | 41.02 |
| 21 | Irish & Son Welding | Welding Services | 520.00 |
| 22 | Kehoe, Chris | Exp Reimb: Safety Boots | 200.00 |
| 23 | LabWorks Equipment Service | Service on Autoclave (Lab) | 475.00 |
| 24 | | Childcare Reimbursement | 416.66 |
| 25 | Maltby Electric | Motor Cord Connector & 130' Motor Lead Cord for O.M. Aerator (\$143) | 153.31 |
| 26 | McIvor, Brenda | Novato "Toilet Rebate" Program | 200.00 |
| 27 | Pace Supply | Meter Spuds (27) | 199.53 |
| 28 | Point Reyes Prop Mgmt Assn | May HOA Fee (25 Giacomini Rd) | 75.05 |
| 29 | Ramudo, Pablo | Exp Reimb: Mileage (\$60), Registration (\$65) & Toll (\$5) for BAWWA Tour & Meeting | 130.46 |
| 30 | Rivas, Sandra and Sergio | Novato "Washer Rebate" Program | 50.00 |
| 31 | Rossi, Kaylina | Novato "Cash for Grass" Rebate Program | 400.00 |
| 32 | Roy's Sewer Service | Locate Ridge Road Sewer Alignment | 1,750.00 |
| 33 | Scott Technology Group | Admin Photocopier Maintenance (4/30/17-4/29/18) | 1,643.51 |
| 34 | Shell | Weed Wacker Fuel (7 gal) | 20.84 |
| 35 | Shirrell Consulting Services | May Dental Insurance Admin Fee | 322.05 |
| 36 | Shirrell Consulting Services | April Dental Expense | 5,487.53 |
| 37 | Sonoma County Water Agency | April Contract Water | 216,697.78 |

| Seq | Payable To | For | Amount |
|-----|----------------------------|--|----------------------------|
| 38 | Sparks, Cary & Augustus | Novato "Toilet Rebate" Program | 200.00 |
| 39 | Staples Advantage | File Folders (24), Post-it Notes (12), Manilla Folders (100) (\$68), Sugar, Coffee (305 oz) (\$100), Dishwasher Soap, Copy Paper (60 Letter Size Reams) (\$236) & Drafting Stool (\$96) (Volger) | 558.35 |
| 40 | Tedford, Bette | Novato "Washer Rebate" Program | 50.00 |
| 41 | Thatcher of California | Ferric Chloride (10 tons) | 4,276.20 |
| 42 | Township Building Services | April Janitorial Services | 1,822.84 |
| 43 | Univar | Sodium Hypochloride (424 gal) | 1,614.96 |
| 44 | USA BlueBook | Sump Pump Check Valves for STP | 247.49 |
| 45 | Valley Memorial Park | Novato "Toilet Rebate" Commercial Program | 300.00 |
| 46 | Verizon California | AMI Watersmart Tablet Computer | 610.24 |
| 47 | Vogler, Albert Rocky | Exp Reimb: ACWA Monterey Conference. Registration (\$699), Hotel (\$762), Mileage (\$166) & Bridge Toll (\$7) | 1,633.58 |
| | | TOTAL DISBURSEMENTS | <u>\$397,810.34</u> |

The foregoing payroll and accounts payable vouchers totaling \$397,810.34 are hereby approved and authorized for payment.



Auditor-Controller

5/30/17

Date



General Manager

5/30/17

Date

DISBURSEMENTS - DATED MAY 18, 2017

Date Prepared 5/16/17

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:

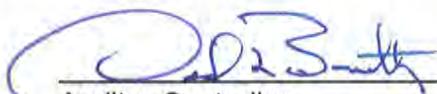
| Seq | Payable To | For | Amount |
|--------|-------------------------------------|--|------------|
| 53048* | State Water Resources Control Board | Lab Certification 8/1/17-7/31/19 (ELAP Fees) | \$6,145.00 |
| 1 | Able Tire & Brake | Tire Repair | 34.73 |
| 2 | All Star Rents | Propane (12 gal) (STP) | 38.56 |
| 3 | Alphagraphics | Postage Spring 2017 WaterLine (Novato-\$3,053 & WM-\$214) | 3,266.25 |
| 4 | AT&T | Leased Lines | 618.31 |
| 5 | AYS Engineering Group | Prog Pymt#7: Consultation, Monitoring, Soil Profiling & Testing for Oceana Marin Disposal Fields Proj (Balance Remaining on Contract \$12,408) | 340.00 |
| 6 | Backflow Distributors | DCDA Repair Parts | 492.79 |
| 7 | Bank of Marin | Bank of Marin Loan Principal & Interest (Pymt 67 of 240) | 46,066.67 |
| 8 | Big 4 Rents | Rental of Canopies (8) (\$680), Tables (16), Chairs (150) (\$315), Cold Drink Dispensers (3), Podium & P.A. System (Open House on 4/21/17) | 1,468.52 |
| 9 | Building Supply Center | Washers & Conduit & Fitting to Repair Olema Tank Telemetry Line (\$37) | 38.72 |
| 10 | Clipper Direct | Commuter Benefit Program (1) | 46.00 |
| 11 | Cole-Parmer Instrument | Wireless Logger (\$298) & Battery Replacement (Lab) | 370.53 |
| 12 | Costco Wholesale | Supplies for Open House: Canopy (\$217), Cake, Food, Drinks, Utensils (\$193) & Posters (\$33) | 461.06 |
| 13 | Cozier, Kisstrin | Novato "Toilet" Rebate Program | 100.00 |
| 14 | Dell Computers | Replacement PC (Vogler) | 1,499.93 |

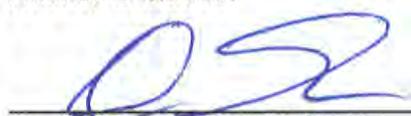
| Seq | Payable To | For | Amount |
|-----|------------------------------|---|--------------|
| 15 | Diggs, James | Retiree Exp Reimb (May Health Ins) | 356.39 |
| 16 | Equarius Waterworks | AMI Gateway Collector | 9,493.75 |
| 17 | ERS Industrial Services | Replacement of Filter Media for Filter #1 @ P RTP | 21,976.89 |
| 18 | Evoqua Water Technologies | Service on Deionization System (Lab) | 227.50 |
| 19 | Ferguson Waterworks | 12" Butterfly Valve | 1,106.70 |
| 20 | First Class Service Trucking | Pick-up & Delivery of 26" Concrete Pipe (25') | 550.00 |
| 21 | Fisher Scientific | Wire Probe (Lab) | 141.66 |
| 22 | Frontier Communications | Leased Lines | 1,429.46 |
| 23 | Ghilotti Construction | Prog Pymt#6: RW Exp Central Service Area (Balance Remaining on Contract \$1,505,840) | 1,834,841.16 |
| 24 | | Cafeteria Plan: Uninsured Medical Reimbursement | 74.40 |
| 25 | Grainger | Inspection Mirror, 25" Anvil (\$1,308), Trigger Spray Bottles, Window Squeegees & Handle, Ratcheting Wrench Set (\$683) & 2" Coupling | 2,094.08 |
| 26 | Hach | Reagents (STP) | 456.11 |
| 27 | Hardy Diagnostics | Control Organisms (Lab) | 214.86 |
| 28 | Hiner, Marge | Novato "Cash for Grass" Rebate Program | 200.00 |
| 29 | Jacobs, Mark | Novato "Toilet" Rebate Program | 100.00 |
| 30 | Kessler, Sue | Retiree Exp Reimb (May Health Ins) | 304.16 |
| 31 | | Cafeteria Plan: Uninsured Medical Reimbursement | 15.67 |
| 32 | | Childcare Reimbursement | 416.66 |
| 33 | Marin Landscape Materials | Shredded Bark (12 yds) (\$658) & Concrete (44 sacks) (\$329) | 986.70 |
| 34 | Marin County Ford | Motor Oil (7 qts) (\$32), Oil Filter, Air Filter, Tail Light Assembly (\$93) & Diagnose Oil Leak (\$145) | 292.85 |
| 35 | Marin Trophies & Treasures | Retirement Plaque (DeGabriele) | 103.08 |

| Seq | Payable To | For | Amount |
|-----|------------------------------|---|------------|
| 36 | Mertens, Heinz | Novato "Toilet" Rebate Program | 300.00 |
| 37 | Minuteman Press | Recycled Water Vinyl Decals (125) | 542.70 |
| 38 | Moore, Doug | Retiree Exp Reimb (May Health Ins) | 927.54 |
| 39 | Moreno, Joseph | Novato "Cash for Grass" Rebate Program | 400.00 |
| 40 | Mountain Cascade | Prog Pymt#4: RW Expansion Central Service Area Phase B (Balance Remaining on Contract \$2,550,165) | 680,518.25 |
| 41 | North Bay Gas | Nitrogen (\$467), April Cylinder Rental (\$136), Acetylene (\$105), Carbon Dioxide (\$139) & Oxygen (\$76) | 965.90 |
| 42 | Novato Chevrolet | Tailgate Handle Trim | 24.01 |
| 43 | Office Depot | Desk Nameplate (Joly) | 23.86 |
| 44 | On Line Resource Corporation | Refund Overpayment on Closed Account | 79.95 |
| 45 | Pace Supply | Threaded Outlets (2), Dismantling Joint (\$475), Saddle (\$452), Bolts (9), Bushings (4), Gaskets (20) (\$47) & Valve (\$494) | 1,552.91 |
| 46 | Pini Hardware | Key, Fluorescent Light, Pump Sprayer, Black Spray Paint, Rake Head, Toolbox Cantilever (\$36), Mosquito Egg Diffuser, White Electrical Tape, Hand Cleaner, Sanitizer, Plumbing Supplies, Silicone Caulk & Pipe Coupling | 164.46 |
| 47 | Protection Engineering | Primer (24 qts) & Coal Tar Tape (32-6" x 50') (\$1,162) | 1,750.41 |
| 48 | Ramudo, Pablo | Exp Reimb: Attendance of ACWA WQ Committee Meeting in Monterey on 5/9/17 | 205.02 |
| 49 | Rogers Machinery | Air, Oil, Separator Filters (\$303) for Two Air Compressors @ STP | 472.69 |
| 50 | Roth, Joan | Refund Alternative Compliance Reg 15 Deposit | 315.00 |
| 51 | Schaeffer-Johnson, Sandra | Novato "Toilet" Rebate Program | 300.00 |
| 52 | Sonoma County Water Agency | District Reallocation of FY16 North Bay Water Reuse Authority Budget | 173,000.00 |
| 53 | Sparks, Cary & Augustus | Refund Alternative Compliance Reg 15 Deposit | 630.00 |

| Seq | Payable To | For | Amount |
|-----|------------------------------|--|------------------------------|
| 54 | SpeedTech Lights | Light Bar (\$225) & Extension Cable (2016 Nissan Frontier) | 242.73 |
| 55 | Stafford, Vernon | Retiree Exp Reimb (May Health Ins) | 304.16 |
| 56 | Summerhays, Kim | Novato "Washer" Rebate Program | 50.00 |
| 57 | Syar Industries | Asphalt (6 tons) | 968.15 |
| 58 | Synectic Technologies | Quarterly Phone System Maintenance | 446.70 |
| 59 | United Rentals | Jackhammer Air Line Connector | 66.84 |
| 60 | United Parcel Service | Delivery Service: Sent Signed Utility Agreement Amend 1 to CalTrans & Disbursement Reg #1 to State, Sent Back Tools for Repair, Atmosphere Tester for Repair, Meter Reading Device for Repair & Disbursement Reg #2 to State | 84.06 |
| 61 | USA BlueBook | Dispensers (8) (\$182), Buffer & Electrode Storage Solution (STP) | 368.58 |
| 62 | US Bank | April Safekeeping Fee- Treasury Securities | 80.00 |
| 63 | Van Bebber Bros | 5/16" Plate-26" Disc for Pipe Testing (2) | 258.07 |
| 64 | Verizon Wireless | Cellular Charges: Data (\$345), Airtime (\$82) & iPhones for Construction & FSR On-Call (\$70) (17) | 496.60 |
| 65 | Volvo Construction Equipment | Oil, Air, and Fuel Filters | 283.66 |
| 66 | Waste Management | Misc Debris | 55.57 |
| 67 | Western Weather Group | Wireless Modem Replacement (\$650) & Assorted Equipment for NSD Irrigation Field CIMIS Weather Station | 899.74 |
| | | TOTAL DISBURSEMENTS | <u>\$2,803,146.71</u> |

The foregoing payroll and accounts payable vouchers totaling \$2,803,146.71 are hereby approved and authorized for payment.


 Auditor-Controller _____ Date 5/16/17


 General Manager _____ Date 5/16/17

DISBURSEMENTS - DATED MAY 25, 2017

Date Prepared 5/23/17

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 5/15/17 PPE | \$127,102.31 |
| EFT* | US Bank | Federal & FICA Taxes 5/15/17 PPE | 57,819.49 |
| EFT* | State of California | State Taxes & SDI 5/15/17 PPE | 10,228.31 |
| EFT* | CalPERS | Pension Contribution 5/15/17 PPE | 34,719.94 |
| EFT* | US Bank | April Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$738 & Other \$450) (Less Interest of \$109) | \$1,991.00 |
| 1 | Allied Electronics | Hatch Alarm Switch for Olema Tank | 250.04 |
| 2 | Allied Fluid Products | Fittings & Hose for Emergency Service Connections | 5,969.94 |
| 3 | Alpha Analytical Labs | Lab Testing | 18.00 |
| 4 | American Family Life Ins | May Employer Accident, Disability & Cancer Insurance | 3,668.39 |
| 5 | Asbury Environmental Services | Used Oil Recycling | 165.00 |
| 6 | Athens Administrators | Replenish Checks Written (5/1-5/15/17) (\$12,266), Prepayment of Medical Expenses Incurred (\$25,905) & April Workers' Comp Bill Review Fees (\$780) | 38,951.13 |
| 7 | AT&T | Leased Lines | 65.88 |
| 8 | Bay Area Barricade Service | Reflective Safety Cones for Work Crews (72) | 1,135.34 |
| 9 | Berner, Robert | Refund Overpayment on Closed Account | 18.44 |
| 10 | Bobcat of Santa Rosa | New Compact Track Loader w/Bucket, Dust Control Water Tank, 72" Sweeper Broom & Dozer Blade (Budget \$90,000) | 68,320.86 |
| 11 | California Water Service | March-May Water Services (0 Ccf) (Oceana Marin) | 26.62 |

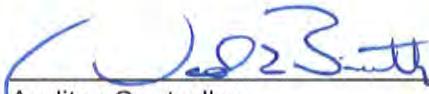
| Seq | Payable To | For | Amount |
|-----|-------------------------------|--|-----------|
| 12 | Calpico | Anodes (12) (\$1,836) & Clamps (300) | 2,779.77 |
| 13 | Caltest Analytical Laboratory | Lab Testing | 35.00 |
| 14 | Campways | Retractable Tonneau Cover for '16 Nissan | 1,645.25 |
| 15 | Clipper Direct | Adjustment to June Invoice | 20.00 |
| 16 | Comcast | May Office Internet Connection | 151.12 |
| 17 | Cummings Trucking | Rock (\$2,581) (66 yds) & Sand (\$888) (16 yds) | 3,469.27 |
| 18 | DecoTech Systems | Security Camera Software Update & Cameras (2) (STP) | 489.58 |
| 19 | Direct Line | May Telephone Answering Service | 127.90 |
| 20 | Downtown Ford Sales | 2017 F350 4X4 (Budget \$28,000) | 37,020.52 |
| 21 | Fedak & Brown | Progress Billing #2: FY17 Audit (Balance Remaining on Contract \$13,170) | 1,800.00 |
| 22 | Ferguson Waterworks | 3" Water Meter for BioMarin | 2,845.72 |
| 23 | Golden Gate Petroleum | Gas (\$2.54/gal) & Diesel (\$2.29/gal) | 1,970.86 |
| 24 | Grainger | Socket Set (\$310) & 5-Row Socket Tray, Shop Vac Filters (4), Rolling Tool Box (\$87) (C. Kehoe) | 500.61 |
| 25 | Hach | Pump Tubing (STP) | 36.01 |
| 26 | High-Purity Standards | Chlorite Standard (Lab) | 53.17 |
| 27 | Lincoln Life | Deferred Compensation PPE 5/15/17 | 14,750.72 |
| 28 | | Cafeteria Plan: Uninsured Medical Reimbursement | 306.82 |
| 29 | Marin County Recorder | Election Date Change Fee | 2,076.83 |
| 30 | Marin Reprographics | Bond Prints (150, 11x17, \$65) & (105, 24x36, \$109) | 180.98 |
| 31 | McLellan, WK | Misc Paving | 15,382.16 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|--|-----------|
| 32 | | Cafeteria Plan: Uninsured Medical Reimbursement | 504.00 |
| 33 | Miller Pacific Engineering | Prog Pymt#7: PRE Tank 4A Geotechnical Services (Balance Remaining on Contract \$19,680) | 1,510.00 |
| 34 | MRC Global | 24" Motorized Valve Repair (San Carlos Way) | 1,574.68 |
| 35 | Nationwide Retirement Solution | Deferred Compensation PPE 5/15/17 | 1,364.00 |
| 36 | Neopost USA | Postal Meter Ink Cartridge | 185.52 |
| 37 | Noll & Tam Architects | Prog Pymt #3 & #4: NMWD Headquarters Upgrade Master Plan (Balance Remaining on Contract \$72,769) | 11,676.11 |
| 38 | Nute Engineering | Prog Pymt#2: Engineering Services Ignacio West RW Extension (Balance Remaining on Contract \$45,383) | 4,122.50 |
| 39 | Office Depot | Board & Staff Member Desk Plates (9) | 214.73 |
| 40 | Pace Supply | Hydrants (3) (\$909), Bolts (71), Gaskets (51) (\$268), 6" Clamp (\$229), Double Check Valves (2)(\$232), Hydrant Caps (6) (\$590), Pressure Backflow Valves (2) (\$989), Elbows (7), Meter Boxes (6) (\$233), Couplings (16) (\$1,153), Flanges (3), Nipples (26) (\$666), Meter Spuds (13) (\$96) & Corp Stops (\$194) | 5,983.53 |
| 41 | Peterson Trucks | Diagnose Oil Leaks & Repair ('02 Int'l Dump Truck) (\$4,540), Top Mirror Bracket ('06 Int'l 4300 Crew) (\$148), Exhaust Pipe Clamps (4), Mirror ('02 Int'l 5 yd Dump Truck) (\$106) & Bulk hose & Fittings to Make 2 Air Lines for Equipment Trailer | 4,878.92 |
| 42 | NMWD Petty Cash | Petty Cash Reimbursement: Safety Snacks (\$50), Safety Bucks (\$3) & Desk Pad (\$8) | 60.49 |
| 43 | PG&E | Power: Bldg/Yard (\$3,104), Rectifier/Controls (\$604), Pumping (\$18,729), Treatment (\$133) & Other (\$75) | 22,645.82 |

| Seq | Payable To | For | Amount |
|-----|---|---|----------|
| 44 | Rad, Samareh | Refund Overpayment on Open Account | 970.55 |
| 45 | Rebelo, Frank Jr. | Refund Excess Advance for Construction Over Actual Job Cost (Eucalyptus Ave Fire Hydrant) | 7,900.01 |
| 46 | Sebastopol Bearing & Hydraulic | High Pressure Pump Suction Hose & Clamps (3) | 18.07 |
| 47 | Sequoia Safety Supply | Safety Goggles (48) (\$154), Sunscreen (50), Lens Wipes (200) & Insect Repellent Towelettes (50) (\$56) | 253.15 |
| 48 | Sierra Chemical | Chlorine (2,000 lbs) | 1,304.52 |
| 49 | Silverado Avionics | New Radio for '16 Nissan Frontier | 1,379.89 |
| 50 | Telstar Instruments | Calibrate Rosemont Pressure Transmitters @ STP, Perform Calibration Checks on 2 Total Flow Meter @ STP & PRTP | 2,350.00 |
| 51 | TPx Communications (formerly TelePacific) | May Telephone Charges | 665.76 |
| 52 | US Bank Credit Card | PC Memory Chip (\$125) (Landeros), FSR & On-Call Phone Cases (2) (\$54), Business Lunch Parking (DeGabriele) (\$5), Phone Charger (\$14) (Const), IJ Rate Increase Notice (\$148), RF Meter (\$180), Sandwiches for Open House (\$1,476), Electrical Insulating Compound (\$380), Torch Wrench & Oil Filter (\$380), Service on Emergency Escape Bottles (\$78) (STP), PC Monitor (2) (\$282) (STP) & Data Loggers for Novato Creek Stream Habitat Survey (\$1,656) (Less Credit of \$550 for Cancelled General Manager Leadership Summit Conference) | 4,532.74 |
| 53 | Verizon Wireless | CIMIS Weather Station Data Transfer Fee | 15.04 |

| Seq | Payable To | For | Amount |
|----------------------------|-------------------|-----------------------------------|--------------------------|
| 54 | Verizon Wireless | April AMI Gateway Cellular Charge | 563.44 |
| 55 | VWR International | Parts for Autoclave Repair | 107.96 |
| TOTAL DISBURSEMENTS | | | <u>510,874.41</u> |

The foregoing payroll and accounts payable vouchers totaling \$506,341.67 are hereby approved and authorized for payment.

 _____
 Auditor-Controller Date 5/23/17

 _____
 General Manager Date 5/23/17

cc BOD Misc



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146

May 26, 2017

PHONE
415.897.4133
EMAIL
info@nmwd.com
WEB
www.nmwd.com

Caltrans, District 4
Attn: Lagunitas Creek Bridge Project
Eric DeNardo, Office of Environmental Analysis, MS-8B
111 Grand Avenue
Oakland, CA 94623

RE: Draft Environmental Impact Report
State Route 1 Lagunitas Creek Bridge Project

Dear Mr. DeNardo:

This correspondence includes the North Marin Water District's (District) comments on the Draft Environmental Impact Report for the proposed State Route 1 Lagunitas Creek Bridge Project.

The District provides water to our West Marin Service Area, which includes Point Reyes Station, Olema, Inverness Park and Paradise Ranch Estates. The District's water source is groundwater wells located east of West Marin Elementary School and adjacent to the Coast Guard housing subdivision. The sole connection feeding water from the distribution system encompassing Point Reyes Station to the other communities is via an 8-inch steel pipeline suspended underneath the existing Lagunitas Creek bridge deck.

Assuming the State opts to construct one of the Alternative 2, 3 or 4 options, the existing 8-inch water main will require temporary relocation during the construction to continue providing water service for District customers as well as fire flow. Prior to completion of the State's bridge project, the water main will need to be permanently affixed to the new bridge. Accordingly, we respectfully request that any new design continue to accommodate said water main.

The District appreciates the opportunity to comment on this important project. Please contact me directly if you have additional questions. I can be reached at 415-761-8945, or at rvogler@nmwd.com.

Sincerely,

Rocky Vogler
Chief Engineer

RV:edm
R:\Folders by Job Not\8000 jobs\8912 Lagunitas Crk Bridge ReplaceldEIR Lagunitas Creek Bridge Project response.docx

MEMORANDUM

To: Board of Directors

June 2, 2017

From: Alicia Manzoni, Consumer Services Supervisor 

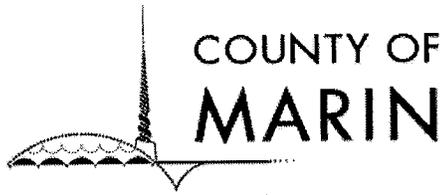
Subj: Closing Bills Erroneous Amounts

\\nmwdsrv1\administration\cons_srv\memo\closing bills.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$1,642 Foregone Revenue

The District suffered a computer glitch with its closing bills (final billing to customers who closed their account) dated 5/5/17. 54 final bills were calculated in gallons instead of cubic feet. The error arose as the District transitioned from cubic feet meters to gallon meters with the AMI program. This problem was discovered after the closing bills were mailed, and has since been fixed by our IT Consultant, Core Utilities.



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You are here: Home > Departments > Marin County Civil Grand Jury > Reports and Responses > Marin's Retirement Health Care Benefits

Marin's Retirement Health Care Benefits

Jay Hamilton-Roth, 2016-17 Foreperson, Marin County Civil Grand Jury



Featured Links

- Contact Us
- Frequently Asked Questions
- Marin County Grand Jury Brochure
- Marin Grand Jury Application
- Accomplishments
- Listing of Forms
- Form to Request an Investigation (English)
- Marin Chapter California Grand Jurors' Association
- California Grand Jurors' Association

Marin County Civil Grand Jury

Information

Reports

Grand Jury Report - Marin's Retirement Health Care Benefits

Marin's Retirement Health Care Benefits May 10, 2017
 Marin's Retirement Health Care Benefits: the Money Still Isn't There (Summary)
 Podcast

Responses

| From | Date |
|---------------------------------------|------------------------------|
| Central Marin Police Authority | Response Due August 17, 2017 |
| Central Marin Sanitation Agency | Response Due August 17, 2017 |
| City of Belvedere | Response Due August 17, 2017 |
| City of Larkspur | Response Due August 17, 2017 |
| City of Mill Valley | Response Due August 17, 2017 |
| City of Novato | Response Due August 17, 2017 |
| City of San Rafael | Response Due August 17, 2017 |
| City of Sausalito | Response Due August 17, 2017 |
| County of Marin | Response Due August 17, 2017 |
| Dixie Elementary School District | Response Due August 17, 2017 |
| Kentfield Fire Protection District | Response Due August 17, 2017 |
| Kentfield School District | Response Due August 17, 2017 |
| Larkspur-Corte Madera School District | Response Due August 17, 2017 |
| Las Gallinas Valley Sanitary District | Response Due August 17, 2017 |
| Marin Community College District | Response Due August 17, 2017 |

| | |
|---|------------------------------|
| Marin Municipal Water District | Response Due August 17, 2017 |
| Marin/Sonoma Mosquito & Vector Control District | Response Due August 17, 2017 |
| Marinwood Community Services District | Response Due August 17, 2017 |
| Mill Valley School District | Response Due August 17, 2017 |
| North Marin Water District | Response Due August 17, 2017 |
| Novato Fire Protection District | Response Due August 17, 2017 |
| Novato Sanitary District | Response Due August 17, 2017 |
| Novato Unified School District | Response Due August 17, 2017 |
| Reed Union School District | Response Due August 17, 2017 |
| Ross School District | Response Due August 17, 2017 |
| Ross Valley Fire Department | Response Due August 17, 2017 |
| Ross Valley Sanitary District | Response Due August 17, 2017 |
| Ross Valley School District | Response Due August 17, 2017 |
| San Rafael City Schools | Response Due August 17, 2017 |
| San Rafael Sanitation District | Response Due August 17, 2017 |
| Shoreline Unified School District | Response Due August 17, 2017 |
| Southern Marin Fire Protection District | Response Due August 17, 2017 |
| Tamalpais Union High School District | Response Due August 17, 2017 |
| Tiburon Fire Protection District | Response Due August 17, 2017 |
| Town of Corte Madera | Response Due August 17, 2017 |
| Town of Fairfax | Response Due August 17, 2017 |
| Town of Ross | Response Due August 17, 2017 |
| Town of San Anselmo | Response Due August 17, 2017 |
| Town of Tiburon | Response Due August 17, 2017 |

If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), (415) 473-3232 (TDD/TTY), or by email at least five days in advance of the event. Copies of documents are available in alternative formats upon request.

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Annual water hike continues to fund large projects

By Anna Guth
05/25/2017

North Marin Water District plans to raise rates for West Marin customers on July 1, the second annual hike in a multi-year plan to raise funds for major system improvements. The \$32- per-year increase for median customers is the same amount as last year's raise, though the district says users may see even slightly higher bills this year due to higher water consumption.

A public hearing on the rate change will take place on June 27 at the Dance Palace.

Since North Marin's rates in Point Reyes Station, Olema and Paradise Ranch Estates are relatively low—the median annual consumption for single-family homes is consistent with rates in Inverness and Bodega Bay, at \$676, and much lower than the median \$1,210 for Bolinas residents—the district does not expect much dispute. (Before last year's rate increase, just one customer sent a brief letter of protest.)

"Aging infrastructure is common across the U.S., and our water system is not immune to that," said Drew McIntyre, who took over as the district's general manager this month. "However, we believe that having minimal rate increases helps reduce huge spikes in the future. We like to make our full plan public so customers know why the increases are not just for one year, but rather for multiple-year periods."

The increases, which are consistent with previous projections for a five percent annual increase through 2022, are expected to bring an extra \$40,000 annually. That revenue is meant to help fund significant system improvements, including the construction of wells and a solids-handling facility, along with upgrades to the Point Reyes Station treatment plant.

Some improvements are already underway. With funds generated by last year's rate increase, the district replaced one filter at the treatment plant, at a cost of \$75,000. The district plans to replace another filter for the same price in 2019.

The most expensive project underway is the replacement of a water tank in Paradise Ranch Estates that burned over two decades ago in the Mount Vision Fire. The project was originally estimated to cost \$525,000, but is now projected to cost \$650,000.

According to David Bentley, the district's chief financial officer, the price estimate changed once the details of the project were hammered out. And, he said, as the economy picks up, contractors have more work and won't come down as easily on bids.

The project, currently in the design phase, will likely be finished by June 2018. "We're especially anxious to be moving forward with the Paradise Ranch Estate tank, as we've been talking about that one for a while," Mr. McIntyre said.

In order "to maintain financial stability" for the ongoing projects, the time frame and budget for other proposals have been adjusted. For instance, the construction of a \$300,000 second well on the Gallagher Ranch was postponed a year. That project is meant to curb the district's use of old wells at its Coast Guard site when they suffer from salinity intrusion.

Plans for a \$1.3 million solids-handling facility—which would provide the district with more tanks so that certain residue materials can settle and be disposed of offsite rather than directly onto the land—now factor in some possible cost-cutting measures.

The water district hopes to lower the cost of the latter project by around 20 percent by expanding an easement on the Coast Guard property. Currently, the district must cross the Coast Guard property to reach a small parcel of land where it plans to build the facility. An expanded easement would lower construction costs, Mr. McIntyre said, allowing the district better access to the paved road.

According to the financial plan for the upcoming year, the district believes it will still likely need to borrow around \$600,000 to fund construction of the handling facility.

Finally, further improvements to the treatment plant itself, which was built in the '60s and '70s, have been pushed back a year to 2021. Those upgrades are estimated to cost a whopping \$2.8 million, for which the water district plans to take out a loan.

For now, the district is encouraging customers to consider their overall consumption, as it's anticipating a 3 percent rise in usage this year. "When the news is about a drought every day, people start conserving," Mr. Bentley said. "So we expect increases now that the state has declared the crisis to be over."

For perspective, the projected usage for the year is still almost half the average volume consumed in the first 10 years of this century.

Editorial: Pension plan needs to choose reality over risk

POSTED: 05/25/17, 11:48 AM PDT | UPDATED: 4 DAYS AGO 9 COMMENTS

Bay Area News Group

There's more bad news to come from CalPERS, the nation's largest pension plan.

In December, the board of the California Public Employees' Retirement System approved the phase-in of a rate increase for the state and local government agencies that provide most of its funding.

But it won't be enough to shore up the ailing system. That's why next month the board will begin a review process that's likely to lead to approval as early as December of another increase.

That's right. Even as state and local governments across California struggle to figure out how they're going to cut services and reduce staffing to pay for the first round of increases, they're likely to face another one.

As painful as it will be, there are no responsible options. If CalPERS doesn't act, the problem will only get worse.

It's pay now, or pay more later.

We're in this pickle because, in the early years of this century, state and local governments locked in major pension increases for workers, while CalPERS relied on unrealistic investment forecasts to help fund them.

The investment forecasts didn't pan out and, as a result, CalPERS today has only about 64 percent of the assets it should to pay for benefits employees have already earned.

That's approaching dangerous territory where a sharp economic downturn would leave the pension plan unable to recover.

That's also the system's lowest funding ratio at any time except 2009, in the depth of the Great Recession. The only thing that saved the system then was that it was fully funded just before the downturn.

In two years, the funding ratio slipped to 61 percent.

In other words, we know we're due, actually overdue, for another recession and, this time, CalPERS is horribly positioned to absorb the shock.

Meanwhile, CalPERS continues to overestimate the potential returns of its investments. In December, the system board agreed to slowly lower its investment forecast from an annual 7.5 percent to 7 percent. To make up for that reduction, CalPERS approved the contribution rate increase.

But the board hasn't gone nearly far enough. CalPERS' consultant says board members should anticipate only an average 6.2 percent annual investment return over the next 10 years. Hence, they need to raise contribution rates even further.

That means even more belt-tightening at the state and local governments: fewer jobs, more labor concessions and/or more tax increases. Labor leaders and many local officials will protest. They'll ask CalPERS to wait, or soften the blow.

For far too long, CalPERS board members have capitulated to those pleas. They ignored their professional staff's advice and kept banking on unrealistic investment forecasts. That's one reason we're in this mess.

As we've said before, the solution is to fix the system, not continue denying reality.

The Independent Journal is a Bay Area News Group newspaper.

Marin Voice: Are Marin voters running out of generosity toward tax increases?

By Michael Hartnett

POSTED: 05/26/17, 1:57 PM PDT | 22 COMMENTS

Are Marin's voters finally developing tax fatigue? On May 2, Greenbrae voters quietly rejected a measure that would have doubled a parcel tax to improve medians. Last November, voters voted down Measure A, a sales tax to fund child care for low-income children, and Measure B, a parcel tax increase for Kentfield schools.

In addition, Measure E, a parcel tax increase for Mill Valley schools, and Measure G, a bond measure for Novato schools, were seriously contested and barely squeaked by.

There has been opposition to Transportation Authority of Marin's attempts to raise the statewide sales tax limit for transportation projects. MMWD's third double-digit rate increase in water rates wasn't warmly received either.

Usually these taxes pass routinely. As a result we now have parcel taxes for schools, sewers and other services that are often five times what they were 20 years ago.

ADVERTISING

The state sales tax was 4 percent in 1963, the year I was born. The rate is now over 9 percent in some Marin cities, as a result of taxes levied for roads and public safety.

Overall, county revenues from property taxes have outpaced inflation, yet the cost of permits and other services continues to rise. The condition of our roads is poor and traffic is worse than ever. Are we getting our money's worth?

Most of our public schools rank highly, but not much better than 20 years ago when parcel taxes were a fraction of what they are now. With every tax increase there seems to be diminishing returns.

Chances are that these taxes are used for salaries, pensions and retiree benefits despite proponents' claims.

Campaign mailers have common themes: Severe cuts in education or services will occur if this tax measure fails. Supporters claim endorsements from numerous elected officials and "community leaders."

Expensive campaign consultants package these measures to the voters. Polls are taken to determine just how much of a tax increase voters might support. Often "sweeteners" are added to the original measure to win over skeptical voters.

SMART train supporters added a bike path. Measure A added health care, though nearly every child is covered by existing programs.

Writing an opposing ballot argument means bucking the political establishment. Getting the message out relies on small contributions and volunteers.

In the rare event that a tax measure fails, supporters simply place it on the ballot again.

SMART took three tries to pass, essentially wearing down an outgunned opposition.

For too long, many well-off Marin voters supported these taxes because they can afford them. Senior citizens and renters vote for parcel taxes they do not pay. In doing so, they hurt middle class and first-time homebuyers that are already struggling to cope with the high cost of living here. Sales taxes hurt local merchants, as they diminish purchasing power.

Voting against these tax measures does not mean one doesn't care about children, the poor or the environment. It is about setting limits on spending and better prioritization.

Advertisement

Our elected officials need to take care of basic problems such as roads, traffic and crime before starting more pet projects. They need to get serious about shoring up pensions, not just making cosmetic changes.

Before supporting a tax measure, ask if these things have been done.

Ask for a long-term budget plan. Supporters shouldn't get the benefit of the doubt any more.

Citizens for Sustainable Pension Plans, Marin United Taxpayers Association and the newly formed Coalition of Sensible Taxpayers have done an excellent job in publicizing these issues, but it is ultimately up to the voters. Our quality of life is at stake.

Michael Hartnett of Greenbrae has been involved with the Marin United Taxpayers Association. He was a leading opponent of the 2016 Measure A countywide tax for low-income child care. In 2006, he was the Republican nominee for Marin's seat in the state Assembly.

Marin watchdog growls over public sector retiree health costs



Marin County Administrator Matthew Hymel said a trust set up to cover retiree health costs has generated more than \$10 million. (Robert Tong/Marin Independent Journal)

By **Richard Halstead**, *Marin Independent Journal*

POSTED: 05/21/17, 5:31 PM PDT | UPDATED: 2 MINS AGO 8 COMMENTS

At a time of increased scrutiny of pension costs, most public agencies in Marin have allowed their unfunded retiree health care liabilities to rise over the past five years, according to the Marin County Civil Grand Jury.

Its report, titled “Marin’s Retirement Health Care Benefits: The Money Still Isn’t There,” compares the retiree health care liabilities of 39 government agencies in 2016 with their liabilities in 2012.

“While some Marin agencies continue to reduce their unfunded OPEB liability, we are concerned that many agencies still have not done so,” the grand jury states in its report, issued last week.

Other postemployment benefits, or OPEB, principally consist of health care benefits, but can also include life insurance, disability, legal services and other costs.

“This problem has been escalating for years and will not be magically gone tomorrow,” the grand jury writes. “Left unchecked, the growing liabilities may eventually challenge agencies’ fiscal health.”

The grand jury recommends that Marin agencies adopt a formal policy for how they plan to meet their funding obligations and if necessary prioritize cost containment strategies to reduce or eliminate retiree health care benefits for future employees.

Twenty-three of the agencies that the grand jury looked at increased their unfunded liabilities by a total of \$41.9 million. The other 16 decreased their liabilities by \$108.1 million; that included the county of Marin, which reduced its unfunded liabilities by \$88.3 million.

The collective unfunded retiree health care liabilities of the 39 agencies amounted to \$540 million in 2016, down from \$606.1 million in 2012. Most of that decrease, however, was attributable to the reduction in the county of Marin's unfunded liabilities. If the county of Marin is removed from the equation, the unfunded liabilities of the remaining 38 agencies increased to \$245.7 million in 2016, up from \$223.4 million in 2012.

Five of Marin's 11 municipalities — Belvedere, Larkspur, Novato, San Rafael and Tiburon — have allowed their retiree health care liabilities to increase since 2012, with Belvedere seeing the biggest increase.

All but five of the county's 13 school districts — Kentfield, Larkspur-Corte Madera, Ross Valley, Tamalpais Union High School and Marin Community College — have seen their retiree health care liabilities increase. Mill Valley, Reed Union and Novato Unified had the biggest increases. The College of Marin saw the biggest decrease.

Only four of the 14 special districts the grand jury looked at — Central Marin Sanitation Agency, the Marin Municipal Water District, the Novato fire district and the Tiburon fire district — saw a decrease in their retiree health care liabilities. Ross Valley Sanitary and Central Marin police had the biggest increases.

The grand jury says that while much attention has been paid lately to a looming unfunded pension crisis across America, "Less commonly reported is the looming unfunded OPEB crisis."

The grand jury said that while the unfunded pension liability for the 39 agencies it examined amounts to \$956.3 million, their unfunded retiree health care benefits total \$540 million.

In January 2016, state Controller Betty Yee estimated the state's unfunded liability for OPEB at \$74.1 billion.

The grand jury notes that unlike pensions, health care benefits are typically not guaranteed or protected by state law, so governments have much more latitude to scale back health care benefits and share benefit-related costs with retirees.

PLANNING AHEAD

The grand jury recommends that all public agencies prefund their retiree health care benefit obligations rather than paying the annual cost of health care benefits as they come due. Money set aside for future benefit liabilities can be earning an investment return until it is needed, thus reducing overall liabilities.

The grand jury report shows that prefunding was key to the large decreases in liabilities realized by the county of Marin and the College of Marin between 2012 and 2016. The county of Marin also capped retiree health care benefit levels for some of its employees. The money that Marin County sets aside to cover retiree health care costs goes into a trust.

"Since we set up the trust, we've earned over \$10 million," said Marin County Administrator Matthew Hymel.

The grand jury says at least three school districts in Marin — Mill Valley, San Rafael Elementary and San Rafael High School districts — have established substantial reserve funds to bank money to cover retiree health care benefits. The

grand jury recommends using a trust instead, however, since a trust is usually required to ensure that assets won't be used for some other purpose or attached by a creditor.

Corte Madera Town Manager Todd Cusimano said his town has been able to reduce its retiree health care liabilities by about 17 percent since 2012 by switching from pay-as-you-go to prefunding and eliminating retiree health care benefits for new employees.

Corte Madera now pays an additional \$500,000 a year into a trust to cover future liabilities.

"We're approaching almost \$2 million in our trust," Cusimano said. He estimates that at this pace the town's retiree health care benefits will be fully funded in 16 years.

In its report, the grand jury provides a long list of strategies for containing retiree health care costs.

Richard Tait of Mill Valley, a member of Citizens for Sustainable Pension Plans, a Marin-based public pension reform group, said, "However, a significant majority only apply to newer employees. As most of the unfunded liability results from obligations to current employees and existing retirees, we wish that reforms for current employees had received more attention."

Tait said, for example, one strategy that should have been mentioned is raising the age for lifetime benefit eligibility from age 50 to 60.

Nevertheless, Tait congratulated the grand jury "for reporting the magnitude of the unfunded retiree health liability facing Marin public agencies."

Kent Lake water flow study to look at fish impact



Water runs off the spillway from Peters Dam at Kent Lake near Lagunitas. (IJ photo/Robert Tong)

By **Mark Prado**, *Marin Independent Journal*

POSTED: 05/22/17, 8:59 PM PDT | UPDATED: 4 HRS AGO 0 COMMENTS

With one report saying the state is facing an unprecedented loss of fish species, a local group has won \$158,000 to look at how water released from Kent Lake affects local coho salmon and steelhead trout.

The Marin Municipal Water District — the agency that operates the Kent Lake reservoir — is under a 1995 state Water Resources Control Board order to release water periodically to aid federally endangered coho salmon and threatened steelhead trout. Peters Dam was built across Lagunitas Creek in 1954 to create a water supply, but resulted in less water for the species.

Now the Olema-based Salmon Protection and Watershed Network has received the \$158,000 grant from the Wildlife Conservation Board to look at timing of the water releases. The cost of the study is \$223,000, with the \$65,000 difference being provided by SPAWN members and volunteers.

“This study is intended to provide recommendations to water managers who can maximize the benefit of stream releases by fine tuning the amounts, magnitude, frequency and seasonality needed to best activate floodplains downstream that allow juvenile salmon to grow and flourish,” said Preston Brown, SPAWN’s watershed conservation director. “We know a lot more now than we did almost a quarter century ago when water releases were mandated.”

SPAWN officials said it could be the current water releases — which are generally based on rainfall — are maximizing habitat for fish, but they think it is worth a hard look.

“We are not working with SPAWN on this grant, but we support scientific analysis regarding flows in Lagunitas Creek watershed,” said Lon Peterson, water agency spokesman.

He noted the agency’s Lagunitas Technical Advisory Committee is the venue to discuss water flows. SPAWN intends to bring its findings to that committee.

SPAWN will join the University of California, Berkeley, and use topographic mapping, hydraulic modeling, real-time hydrologic measurements and comparisons of current and historic flow as part of the study set to start later this year.

“All this does is inform, there are no requirements,” said Todd Steiner, who heads the fish protection group.

The grant announcement for Marin comes as a new report shows nearly half of California’s diverse types of native salmon and trout are headed toward extinction in 50 years unless environmental trends are reversed, according to a team of scientists.

Nearly three-fourths — 21 of 31 types — will disappear unless people figure out how to manage harm linked to dams, water diversions, habitat damage, global warming and other problems, said the scientists from UC Davis and the CalTrout conservation group in the recently released report.

The bleak outlook was softened by a note of hope: Scientists say there is time to save the fish.

Government, landowners, regulators, farmers, water agencies and others need to mount a series of long-term measures to make the fish more resilient by improving their habitat from headwaters to rivers to bays, the group said.

So far only one member of California’s diverse salmon family — a big spotted fish called the bull trout — has disappeared. The bull trout was last seen in 1975 in the McCloud River north of Redding. With 31 remaining salmon types, California has the most diversity of any state in the lower 48 states.

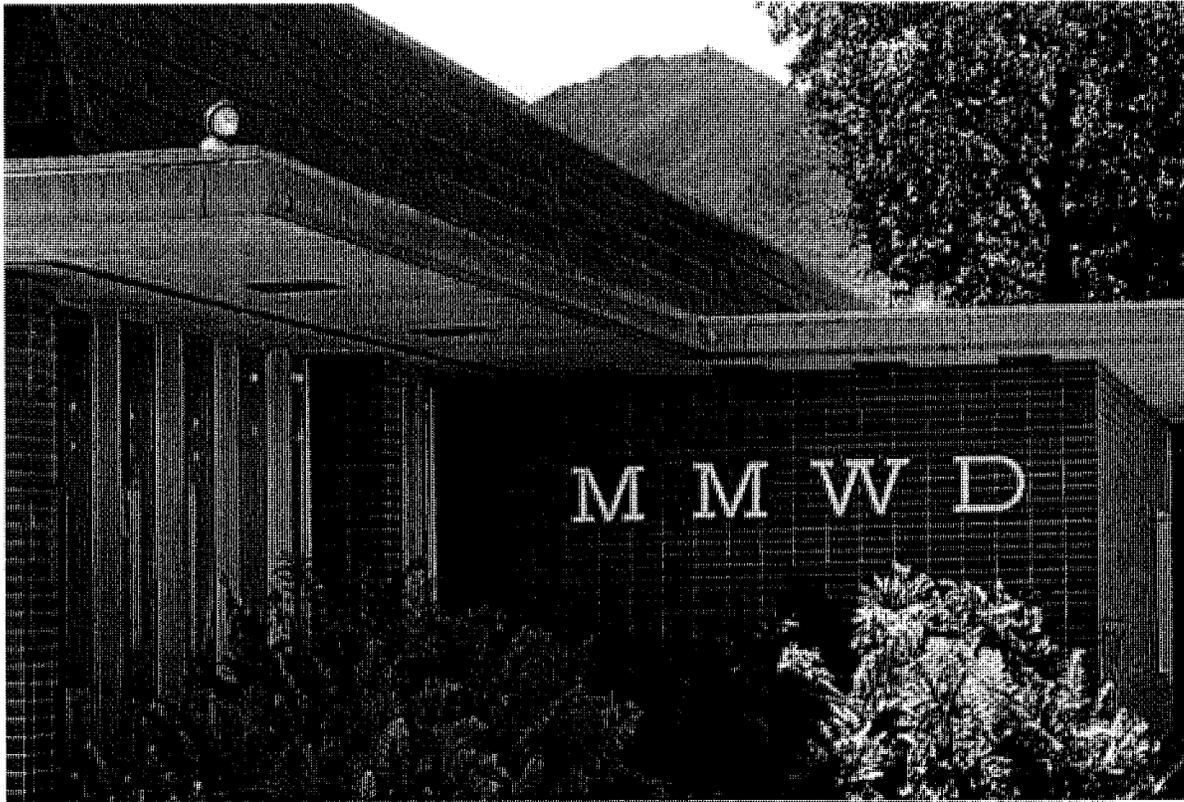
“If we don’t act, we face losing our native salmon, steelhead and trout species,” said Curtis Knight, executive director of CalTrout, a nonprofit group. “This would be tragic, not just because we would lose these iconic species, their beauty, their mystery, but

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as importantly, we would lose what they signify — cold, clean water, healthy rivers, a better California.”

The Bay Area News Group contributed to this report.

MMWD sets water rate hike for July 1; second hike subject to hearing



The Marin Municipal Water District board modified its rate hike plan to 7 percent this year. IJ photo — Jeff Vendsel

By **Mark Prado**, *Marin Independent Journal*

POSTED: 05/17/17, 6:12 PM PDT | UPDATED: 2 HRS AGO 2 COMMENTS

Water rates for most of Marin will go up July 1, but a second hike in 2019 is less certain after the Marin Municipal Water District board wrestled with the increases this week.

The water utility's initial plan was to raise water rates on July 1 and again on July 1, 2018, increases totaling 14 percent. Hikes in 2015 and 2016 resulted in an increase of 27 percent as water, service and watershed management fees were imposed.

But after a community backlash to the latest proposal, the district modified its rate hike plan to 7 percent this year and then consideration of a 7 percent hike on July 1, 2019. That plan was approved by the board Tuesday night after a three-hour hearing in Corte Madera. Before a 2019 increase is considered, the board will notify the public and hold a hearing no later than June 1, 2019.

The vote was unanimous, but the final wording was the subject of debate. Board member Larry Bragman wanted to eliminate the wording for a 2019 rate hike and conduct a brand new round of notification to ratepayers before it is considered.

"I'm not comfortable predicting the future given what we have gone through in the past," said Bragman, who cited public trust as a concern. But the notification via mail would have cost roughly \$200,000 and other

board members balked. They also noted the second rate hike would be subject to debate.

“We are simply revisiting this, we are not committing to the 7 percent in July 2019,” said board member Cynthia Koehler.

The potential 2019 rate hike plan — which will look at water demand levels to determine the necessity of the increase — was massaged enough to win a vote from Bragman.

As part of what the board adopted, staff also will look into establishing a “super saver” rate that could reduce charges for those customers with low water usage. The utility has been criticized for raising rates while people conserve water, which has led to less revenue for the utility.

Susan Kirsch of the Coalition of Sensible Taxpayers said the agency appears to be listening.

“COST recognizes the MMWD board’s move to reduce the proposed four-year rate hike as a step in the right direction,” she said. “Further, we applaud the 1,000-plus ratepayers who sent in the rate protest form.”

In theory, a majority of property owners within the agency’s service area could have protested the planned increases in writing via the rate protest forms to nullify the hikes. But critics say the process is cumbersome and makes it difficult to get the majority needed to reject the plan. There are 61,675 service connections in the district and about 190,000 customers between Sausalito and San Rafael. Still, about 1,000 people have submitted a protest.

As part of new rules passed along with the rate increase for this year, the utility will increase the qualifying threshold for low-income

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assistance to 60 percent of Marin County’s median income. For example, to be eligible currently, a household with four people cannot exceed an annual gross income of \$61,500. The newly recommended amount would be \$73,800.

Also, there will be an increase in the allotment of Tier 1 — the lowest rate — water from 6,732 gallons to 8,976 gallons for people with qualifying medical conditions. About 280 customers now qualify.

The ordinance also will have the district reduce jobs from 245 to 240 by no later than July 1, 2019.

Marin Municipal paid an average of \$138,000 per employee in salary and benefits this fiscal year. The average salary is \$98,000. The agency says it’s district policy to pay the average of the salaries for comparable positions at 18 Bay Area entities, including the city of San Rafael and the Central Marin Sanitation Agency.

The agency says money is needed to improve the district's aging water system, parts of which date back more than 100 years. Forty-six percent of the agency's 911 miles of pipeline are more than 50 years old. The utility is the oldest water district in the state, chartered in 1912.

Locals register concerns about bridge project

By Anna Guth
05/17/2017

Residents and business owners who will be affected by the replacement of Point Reyes Station's Green Bridge spoke out at a public meeting last Wednesday night, when Caltrans presented a draft environmental impact report for the project.

The over 400-page document, released in late April, details the specifics of the replacement and is subject to a public comment period until June 9. With construction slated to begin in 2019, there will be additional opportunities for input, including after Caltrans selects a final bridge design by the end of the year.

A new accelerated schedule for the construction was warmly received by some attendees at the meeting, held at the Marconi Conference Center. "This was the answer to our prayers," Cathleen Dorinson, who represented Mainstreet Moms in a stakeholder working group Caltrans convened last year, said after the meeting.

Yet the compressed timeline, which would shorten construction from an estimated three years to one year and possibly lessen overall impacts, doesn't come without a hitch: a total closure of the crossing for weeks during the summer season.

There are currently three primary design alternatives on the table for the bridge's replacement—a three-span, short steel-truss bridge, a three-span concrete bridge and a full-span steel-truss bridge. All of them would be larger than the existing structure in order to meet current standards for earthquake resistance. They all increase weight-bearing capacity to accommodate the size of modern trucks and have larger shoulders and sidewalks for safety purposes.

All design options would also entail temporarily converting the surrounding area into a construction zone and environmental impacts to sensitive habitat and native species like the Western pond turtle, coho salmon and steelhead trout.

The report includes a range of avoidance, minimization and mitigation efforts, such as containing in-water work from the stream, putting up fencing around the most sensitive areas, erecting temporary barriers to reduce noise and dust pollution, reseeding native plants, replacing trees and wetlands restoration.

Caltrans will not receive notification that the project indeed complies with the California Environmental Quality Act until it submits its final environmental impact report, which will include the preferred bridge alternative as well as the responses to the public comments made on the draft version.

Caltrans first introduced the project back in 2015, after engineers determined that the 1929 structure does not meet current standards for earthquake resistance. Soon after, the community appeared to be largely opposed to a replacement, with many advocating for a retrofit instead. Though the agency evaluated this option, it has since abandoned it, saying that a retrofit would entail replacing the bridge piece by piece, with no guarantee that the final structure's integrity would be on par with today's standards.

The stakeholder working group, which included representatives from the county fire department, the business and farming communities, Caltrans, the Point Reyes Station Village Association, and the county parks and public works departments, met three times in 2016.

"We said, 'Three years—no way,'" Ms. Dorinson said. "[Caltrans] had to learn who we are in the stakeholder group. They aren't used to building rural bridges, especially over streams that are in ecologically sensitive areas. But we got their attention when we told them that the bridge is used by so many tourists, bicyclists, horses, hay and milk and two-story cattle trucks."

Though the conventional construction timeline for the short steel-truss bridge is still evaluated in the draft environmental impact report, Caltrans makes clear that it primarily serves as a point of comparison. That schedule would eliminate the need for a full closure, with Caltrans building a temporary two-lane bridge next to the Green Bridge, but would effectively double the impact to the community and natural environment because of its longer timeframe.

Without a temporary bridge, Caltrans would shut down the southern entrance to town for two to three weeks. The closure would necessitate a nine-mile detour through Olema, and would inconveniently coincide with the busy summer tourist season—both to lessen impacts to aquatic life and allow workers better access resulting from less stream flow.

Though the report says Caltrans would provide necessary emergency personnel and create a traffic management plan if a temporary closure is required, people at Wednesday's meeting expressed strong concerns about it.

"I'm very concerned with the effect on public safety and health services during a time period where there is no access to and from Point Reyes," an Inverness resident said. "Living on the Pacific slope side of this community, we depend on public services—the Sheriff's Office, the fire services—for mutual aid, and so we are going to need extra provisioning of equipment and personnel to ensure rapid access."

If Caltrans chooses the full-span, steel-truss bridge on an accelerated schedule, there are not one, but two ways construction can proceed: a longitudinal move-in, in which the new bridge would be built near the site and transported a short distance, and a transverse slide-in, in which the new bridge would be built next to the old bridge and slid sideways into place.

The transverse slide-in would be the most time-efficient approach, but is only possible for the full-span steel-truss design. Yet the report says that design—which would include crossbars anywhere from 20 to 30 feet high stretching over the bridge—would have an adverse visual impact that would not comport with either the local community plan or the Local Coastal Program.

Several people on Wednesday expressed a preference for the concrete bridge with the longitudinal move-in, not only because it would cost just \$8 million in taxpayer dollars—compared to \$12.6 million for the costliest option, the three-span, short steel-truss bridge built with the conventional schedule.

"I've been told [the concrete bridge] is the strongest, and has the best visibility for traffic and landscape, with no visual obstructions," Chuck Eckart, who represented the Point Reyes Village Association on the stakeholder group, said on Wednesday. "It's the cheapest, the most maintenance-free, the narrowest of all alternatives, and has a construction time of one year."

Mr. Eckart also voiced his preference to not have trusses on the concrete bridge, an ornamental addition Caltrans suggested as a possibility. His comments were seconded by Ms. Dorinson and Britt Stitt, an Inverness resident and retired construction contractor, during a conversation with the Light after the meeting.

Beyond the bridge design, issues of access—and the anticipated disruption caused by a full year of construction—remained contentious.

"I learned that the staging for the construction would be at my doorstep by reading through the 400-page document, in which there are three sentences about my business," Mary Whitney, owner of the Point Reyes Animal hospital for over 20 years, said at the meeting. "The construction has the potential to put me completely out of business. So why hasn't Caltrans contacted me?"

In addition to using part of the veterinarian office's parking lot as staging space, the agency would use vacant areas at the corner of Levee Road and Highway 1 just north of Marin Sun Farms, and at the corner of Highway 1 and B Street. The report says the animal hospital's parking lot would be reconfigured to allow the business to continue operating and that Caltrans would work to curtail impacts to animals there, and may even help temporarily relocate them.

Caltrans chief of environmental analysis Stephen Galvez-Abadia, addressing Ms. Whitney's concerns toward the end of the meeting, acknowledged the "concern that she had not been approached." "In terms of right of way, technically we cannot approach the property owners before we complete the environmental process. Then we can do that," he said.

One Inverness resident suggested moving the staging area further from the animal hospital, but the idea was shot down by Jodi Ketelsen, the project's environmental manager who was leading Wednesday's meeting, because of the need for the staging area to be close to the actual construction zone.

There are modest differences in the extent of construction and size of the staging area required by each option, though the differences only amount to roughly a third of an acre.

Ms. Ketelsen said Caltrans was recording all the comments made at Wednesday's meeting and that the final environmental report would reflect them.

Ms. Whitney and two other members of the public requested that the comment period be extended to allow more time to peruse the lengthy report and present concerns to Caltrans.

Amanda Eichstaedt, who represented the business community in the stakeholder working group, acknowledged Caltrans' efforts to listen to the community. "I've served on many county and agency working groups, and I would like to commend Caltrans for doing a good job. A lot of the comments that came out of the public scoping process did make their way into the documents that we are talking about today. This wasn't blowing hot air; it was the real deal," she said.

Several others present rehashed the issue of a retrofit, claiming that Caltrans had not sufficiently explored the option. One Point Reyes resident questioned whether there was a need for the bridge to change at all. "You're proposing a bridge for 50,000 people. I mean, what are we talking about here, military vehicles?" he said.

Ms. Dorinson, however, was in favor of the undertaking. "I'll tell you what: I won't cross that bridge at the same time as a two-story cattle truck any more, since I joined the committee. No one really knows [what it can hold]," she said. "I'm all for preventative measures. From my perspective, if there's a big earthquake and there's massive destruction, we are so far down the list. Caltrans will have to focus on areas where there are millions of people, not a thousand."

Marin IJ Editorial: MMWD needs to keep its promise on 2019 rates

POSTED: 05/31/17, 10:41 AM PDT | UPDATED: 1 DAY AGO 1 COMMENT

Among the five directors on the Marin Municipal Water District, the last one to have campaigned among voters for their job is Larry Bragman, who was elected in 2014. His initial recommendation that the board hold off on its approval of a planned 7 percent increase in 2019 may be reflective of his proximity to his experience on the campaign trail.

His colleagues — all of whom won their latest terms without having to campaign for re-election — saw things differently.

MMWD board veteran Cynthia Koehler said the board would hold another round of public hearings before following through with the 2019 increase, even though it was tentatively approved in the board's May 16 vote.

The board's majority didn't want to have to hold another protest-vote process, a state-required procedure that has cost the district \$200,000 to follow.

That's a significant price for a flawed process, following the state's voter-approved Proposition 218 procedure that public utility districts are required to follow before approving rate increases.

In order to halt a proposed increase, the number of protest votes has to amount to a majority.

It is not like a traditional election, where the majority is based on 50 percent of those who actually cast their votes. Under Proposition 218, a majority is better than half of those eligible to vote. Ratepayers who don't care enough to vote are automatically counted as "yes" votes because they didn't file protests.

To the district's credit, MMWD published a coupon in one of its customer newsletters that advised ratepayers of the proposed increases.

Most local public utilities don't make filing a protest that easy. The coupon made it a lot easier for ratepayers to file a protest vote, but even with this voter-friendly measure, only about 1,000 ratepayers — a fraction of MMWD's customers — sent in protest votes.

This steep uphill challenge for opponents of rate hikes almost assures that rates are going to be approved. But it is a process that at least informs ratepayers of proposed increases before they are approved. The process, however, underscores the importance of elected directors being responsive to their constituents.

While district staff and some directors made a strong case for the district needing to increase its revenue to help cover costs it's facing in replacing older pipes and facilities and for personnel, directors heard the frustration of many of its ratepayers.

That frustration is not unexpected. Ratepayers have been whipsawed by the district's mixed messages.

While following the district's push for conservation, by cutting back on their water use ratepayers have reduced the district's income. That led to last year's approval of a two-pronged increase that boosted rates 27 percent, including fees for water, service and managing the district's watershed.

Then complying with the state's emergency order to reduce water use during the drought, the district came back with another round of increases.

Ratepayers have been using less water, but paying more for each drop.

In the board's May 16 vote, it approved a 7 percent increase in July and a 7 percent increase in July 2019, but agreed to revisit that last increase before putting it on ratepayers' bills. Koehler said the board would reopen public debate on the increase and vote again before imposing it. The increases may be preordained, but the board's success in keeping that public promise will depend on its open-minded process for those 2019 hearings.

These back-to-back-to-back-to-back rate increases follow the 2012 renewal of the district's fireflow fee. That's a charge on property tax bills to upgrade water lines to make them less vulnerable to an earthquake and to improve water flow to areas that border open spaces to help protect them from wildland fires.

Assurances that the 2019 rate increase is not a certainty ultimately won Bragman's backing. But it likely isn't going to quell ratepayers' gripes about their rising water bills.

Novato's Dietrich Stroeh, Golden Gate Bridge board president, dies at 80



Dietrich Stroeh, who headed the MMWD at the time of the great drought of the late 1970s, is the "hero" of a book called "The Men Who Made It Rain." (IJ photo/Robert Tong) 2006

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Novato's Dietrich Stroeh, Golden Gate Bridge board president, dies at 80

By **Mark Prado**, *Marin Independent Journal*

POSTED: 05/31/17, 1:35 PM PDT | UPDATED: 2 HRS AGO 6 COMMENTS

Dietrich Stroeh of Novato, president of the Golden Gate Bridge district Board of Directors and a Marin civic leader, died in his sleep overnight, bridge officials announced Wednesday. He was 80.

Mr. Stroeh, an engineer by trade, had been on the bridge board since 1997 and was in his first year of a two-year term as president. Under his leadership, the district created a financial planning process to maintain the operations and build reserves for capital projects, such as the planned suicide barrier.

"We're all going to tremendously miss Diet," said bridge General Manager Denis Mulligan. "I'm personally going to miss him. He was a statesman. He was an amazing human being, with a great sense of humor, very accomplished, and an incredible ability to get things done."

Mr. Stroeh arrived in Marin from Pasadena at the age of 4 and lived in Novato until his death. He was a graduate of San Rafael High School and the College of Marin, then earned a civil engineering degree from the University of

Nevada, Reno.

He served as an airman in the U.S. Air Force and was the Marin Municipal Water District's general manager from 1974 to 1980. He began working at the utility as an engineer in 1960.

When drought struck Marin in 1976 and 1977, he skillfully kept water flowing to the county by putting a pipeline on the Richmond-San Rafael Bridge to tap East Bay sources.

"He is the hero of the drought," the Independent Journal declared in an editorial upon his leaving the district. The book, "The Man Who Made It Rain" detailed Mr. Stroeh's actions during that period.

Mr. Stroeh was also active in Novato. He served on the Novato Fire Protection District board, as the president of the Novato Chamber of Commerce and was named Novato's citizen of the year in 1992. Mr. Stroeh was a partner at CSW/Stuber-Stroeh Engineering Group Inc. in Novato.

"I was deeply saddened to learn this morning we lost our longtime Novato resident and civic treasure Diet Stroeh," Judy Arnold, Marin County supervisor and fellow bridge board member, said Wednesday. "Most recently I worked with Diet in his role as president of the Golden Gate Bridge district, on the downtown Novato Theater restoration project and on flooding issues in Novato. His accomplishments and contributions to Marin County and Novato are stellar. Diet was an irreplaceable community leader and friend and I will miss him dearly."

In his role as board president at the bridge district that began this year, Mr. Stroeh set the tone for board meetings, directing staff and public comment while managing the flow of the often jocular proceedings. Mr. Stroeh had perfected that style; with an impish grin he was always at the ready to chime in with a crack that lightened up the room with laughter. He had presided over the board as recently as Friday.

Mr. Stroeh would use salty language with the news media to make his point, but was always quick to smile after, knowing he got reporters' attention.

"Diet Stroeh was a towering figure in North Bay politics," said Brian Sobel, a bridge board member from Sonoma. "His legacy is one of public service. It was his ingenuity that built a pipeline across the Richmond-San Rafael Bridge to deliver water to a thirsty Marin during a period of drought in the 1970s. Diet

epitomized the idea of giving back selflessly. His kind of determination to do good, with excellent public discourse and debate, is an example to all of us."

When asked about his role as president of the bridge board by the Independent Journal earlier this year, Mr. Stroeh gave a typically self-effacing answer.

"This is an honor, no doubt about it. It's an unbelievably good group of board members and staff. We are really here to serve the public," he said. "I'm really just a cog in the machinery. ... Like I told the staff, just make sure I pronounce everyone's name right, and I should be OK."

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