



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 June 16, 2015 – 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 , June 2, 2015	
	2. GENERAL MANAGER'S REPORT	
	3. OPEN TIME: (Please observe a three-minute time limit)	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. STAFF/DIRECTORS REPORTS	
	5. PUBLIC HEARING/ADOPT	
	a. Proposed FY16 Equipment Budget	
	b. FY16 & FY17 Novato Capital Improvement Projects Budget	
	c. FY16 Proposed Novato Water Operations Budget	
	d. FY16 Proposed Recycled Water System Budget	
	6. MONTHLY PROGRESS REPORT	
	CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	7. Consent/Approve: – Approve Consolidation of District Election and Filing Information	Resolution
	8. Consent/Approve: - Nomination of David Bentley to Serve as Board Member of ACWA Region 1	Resolution
	9. Approve: Resolution of Appreciation for Retiring Employee John Mello	Resolution
	10. Approve: Purchase of FY16 Insurance	
	11. Approve: Oceana Marin Sewer Service Charge Increase Ordinance - First Reading	
8:00 p.m.	INFORMATION ITEMS	

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	12.	MSN B3 Report No. 4 (Vali Cooper & Associates)
	13.	Second Review – FY15 West Marin Water and Oceana Marin Sewer Budgets
	14.	Letter to Marin Country Club re Deed of Trust and Financial Review
	15.	Drought Relief Private-Public Partnership
	16.	Notice of Proposed SWRCB Emergency Regulation for Enhanced Conservation Measures and Information in Key Russian River Tributaries
	17.	MISCELLANEOUS Disbursements High System Pressure at Indian Hills Hydro-Pneumatic Tank Board Policy #13 – Directors Compensation and Procedure Revised Sea Level Rise Policy Guidance <u>News Articles:</u> Water boss says Marin must cut back Vegas Water Chief Preached Conservation While Gambling on Growth In Your Town: Workshop scheduled on saving water Grand Jury: Marin taxpayers have right to know about public employee pay deals Thirsty valley east of Lake County could become massive reservoir 24 percent water rate hike approved for East Bay Riverside sues over California water restrictions Marin Municipal Water District faces lawsuit over tiered rate structure Humid tropical weather front brings sprinkling of rain to Marin
9:00 p.m.	18.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 2, 2015

CALL TO ORDER

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

Novato Resident Mike Joly and District employee Eileen Blue (Engineering Secretary) were in the audience.

MINUTES

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

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

NOES: None

GENERAL MANAGER'S REPORT

Marin County Board of Supervisors

Mr. DeGabriele informed the Board that he was unable to be present today for the presentation with Krishna Kumar of Marin Municipal Water District to Marin County Board of Supervisors regarding the 2015 drought restrictions. He noted that the open time at the Board of Supervisors meeting went so long that he would have missed the opportunity to speak to the Novato Chamber of Commerce Government Affairs Committee.

He advised the Board that the reason the open time at the Board of Supervisors meeting went so long was because citizens were speaking against the use of Glyphosate on Marin Open Space at Ring Mountain. He noted that the use of Glyphosate on Marin Municipal Water District lands has been very controversial. Mr. DeGabriele informed the Board that the District is hiring a contractor to remove invasive poison oak near the dam spillway downstream of Stafford Lake watershed and will spray using a biodegradable citrus oil product.

1 Director Fraites requested a report on how the "citrus product" works at weed control along
2 the Stafford Lake spillway area. Director Petterle recommended to apply the "citrus product" to
3 poison oak in August.

4 Novato Chamber of Commerce Government Affairs Committee

5 Mr. DeGabriele advised the Board that his presentation to the Novato Chamber Government
6 Affairs Committee was similar to the presentation he provided to the Novato City Council at the end
7 of April and that he covered water supply conditions, the drought and Recycled Water Expansion.

8 CLAM Meeting

9 Mr. DeGabriele advised the Board that he and Director Rodoni will meet with CLAM
10 representatives next week about the District's interest in the Point Reyes Station USCG Housing
11 Facility. He stated that CLAM has been working with the County of Marin to acquire the property for
12 affordable housing in West Marin, which is anticipated now that federal legislation has been passed
13 to convey the property to County of Marin for use as affordable housing.

14 **OPEN TIME**

15 President Baker asked if anyone in the audience wished to bring up an item not on the
16 agenda and there was no response.

17 **STAFF / DIRECTORS' REPORTS**

18 President Baker asked if staff or Directors wished to bring up an item not on the agenda and
19 the following items were discussed:

20 Mr. McIntyre advised the Board that the District has received an application for change of
21 use in the South Petaluma Blvd area. He stated that Rineharts/Card Lock Gas is proposing a self-
22 storage facility. He informed the Board that District staff will follow policies to notice Sonoma/Marin
23 LAFCo's, both counties and both cities, and limit water use/services to that now in place.

24 Mr. McIntyre also advised the Board that the irregular service to Yee and Fontes in the
25 South Petaluma Blvd area is ready to move to a regular service now that SMART easements have
26 been perfected.

27 Finally, Mr. McIntyre informed the Board that the Michael Baker International contract for
28 Stafford Dam Emergency Operations Plan continues and that a training exercise on dam failure is
29 scheduled for June 25th and that Novato and Marin County agencies will participate.

30 District Secretary Katie Young introduced Engineering Secretary Eileen Blue who will be the
31 Acting District Secretary at the June 16th meeting. Mrs. Young also requested the Board inform her

1 of interest in attending the ACWA Region 1 Marin Water Forum on July 24th and that she would
2 register all that desire to attend.

3 **CONSENT CALENDAR**

4 On the motion of Director Petterle, seconded by Director Fraites, the following items were
5 approved on the consent calendar by the following vote:

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

7 NOES: None

8 **2014 CONSUMER CONFIDENCE REPORT – NOVATO**

9 The Safe Drinking Water Act requires water suppliers to publish and distribute a report of
10 water quality information to customers annually. The report contains details and results of monitoring
11 for various contaminants throughout the previous year, a description of the District's sources of
12 water and treatment regimes in Novato, as well as general information about water and its
13 constituents.

14 This year customers will receive a bill insert informing them that the report is available on our
15 website and that a paper copy will be mailed to them upon request.

16 The Board authorized the General Manager to approve final text and design for the 2014
17 Consumer Confidence Report for Novato and related bill insert.

18 **2014 CONSUMER CONFIDENCE REPORT – POINT REYES**

19 The Safe Drinking Water Act requires water suppliers to publish and distribute a report of
20 water quality information to customers annually. The report contains details and results of monitoring
21 for various contaminants throughout the previous year, a description of the District's sources of
22 water and treatment regimes in West Marin, as well as general information about water and its
23 constituents.

24 This year customers will receive a bill insert informing them that the report is available on our
25 website and that a paper copy will be mailed to them upon request.

26 The Board authorized the General Manager to approve final text and design for the 2014
27 Consumer Confidence Report for Point Reyes and related bill insert.

28 **ACTION CALENDAR**

29 **LUMP SUM PAYMENT OPTION OF CALPERS FY16 UNFUNDED LIABILITY**

30 Mr. Bentley advised the Board that the District has the opportunity to prepay the annual
31 CalPERS unfunded pension liability in a lump-sum with a discount. He stated that the District's

1 discounted annual lump sum prepayment option for FY16 is \$400,174. He informed the Board that
2 in the past the District has made monthly payments on the unfunded pension liability and would pay
3 \$14,735 if continued to pay monthly and if paid in a lump sum the total would be an estimated
4 savings of \$13,849. Mr. Bentley advised that the lump sum payment to CalPERS for the unfunded
5 pension liability will be made at the end of July.

6 On motion of Director Fraites, seconded by Director Petterle, the Board approved the lump
7 sum prepayment option of the unfunded liability by the following vote:

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

9 NOES: None

10 **MARIN COUNTY CLUB RECYCLED WATER SERVICE AGREEMENT**

11 Mr. McIntyre provided the Board with the Recycled Water Service Agreement with Marin
12 Country Club. He stated that some of the key elements of the agreement are: 1) The agreement
13 specifies that low pressure recycled water will be delivered via a District meter located near the
14 intersection of Ignacio Blvd and Country Club Drive; 2) Marin Country Club is responsible for all on-
15 site retrofit costs; 3) Marin Country Club is to pay 60% of planning, design and construction costs for
16 the Ignacio Service Area Extension; 4) Should the Ignacio Service Area Extension pipeline not be
17 constructed Marin County Club shall pay 50% of actual District costs; and 5) if Marin Country Club
18 elects to finance its pro-rata share of the total cost as part of the District's State Revolving Fund
19 loan, a Deed of Trust naming the District as a beneficiary must be provided.

20 Mr. McIntyre advised the Board that the agreement has various termination clauses: 1) if
21 permits and design are not completed; 2) if the total project costs are too high; and 3) should a low
22 interest rate SRF loan not be obtained for the project.

23 Director Rodoni questioned whether the District has reviewed the financial capability of
24 Marin Country Club to make the payments called out in the proposed Recycled Water Service
25 Agreement.

26 Mr. DeGabriele proposed that the District request Legal Counsel to review Marin Country
27 Club's financial records and assured the Board that a Deed of Trust will be executed to guarantee
28 payment. The Board consensus agreed with this approach.

29 President Baker asked whether the District had an easement for the Recycled Water
30 pipeline through the Inn Marin property. Mr. McIntyre responded that the District does not yet have
31 an easement; however Inn Marin is interested in obtaining recycled water for their irrigation needs
32 and will cooperate in granting an easement.

1 On motion of Director Petterle, seconded by Director Rodoni, the Board authorized the Marin
2 Country Club Recycled Water Service Agreement by the following vote:

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

4 NOES: None

5 **2015-16 GENERAL SERVICES AGREEMENT – GHD, INC.**

6 Mr. McIntyre advised the Board that the amount of required engineering work related to
7 recycled water expansion, aqueduct relocation and other planned District Capital Improvement
8 Project work continues to necessitate outsourcing of various engineering services on an as-needed
9 basis. He stated that GHD (formerly Winzler & Kelly), is going to provide outsourcing support for
10 engineering services including assistance related to the analysis of the recently failing Pt. Reyes
11 Well No. 2.

12 Mr. McIntyre advised the Board that Mark Soldati has retired from GHD but he continues to
13 keep in contact with him and should he come out of retirement that the District would propose
14 continuing the long standing working relationship with him.

15 On motion of Director Schoonover, seconded by Director Fraites, the Board authorized the
16 General Manager to execute a General Consulting Services Agreement between NMWD and GHD
17 with a not-to-exceed limit of \$30,000 by the following vote:

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

19 NOES: None

20 **INFORMATION ITEMS**

21 **NMWD CONTRACT WITH MCLELLAN FOR PAVING JOBS**

22 Mr. DeGabriele advised the Board that the District has maintained a trench restoration
23 paving contract with W.K. McLellan & Company since 2007 and they have always provided good
24 service and have not raised their fees for the District work since the initial contract was awarded. He
25 informed the Board that McLellan has informed the District that they can no longer provide their
26 services for the 2007 contracted price and that the District will need to solicit bids for a new paving
27 contract.

28 Director Rodoni suggested that the District check on the increase prices from McLellan and
29 if it is reasonable compared to the indexed increase, then the District should consider a negotiated
30 contract increase rather than rebidding the work.

1 Mr. DeGabriele stated that the District has worked with McLellan for a long time and there
2 are not a lot of viable alternative companies and that a negotiated increase will be sought.

3 **INITIAL REVIEW – FY16 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGET**

4 Mr. Bentley provided the Board with the initial review of the FY16 West Marin Water and
5 Oceana Marin Sewer budgets. He stated that in West Marin there is a proposed increase of 5% for
6 the typical residential customer, comprised of a 6.5% commodity rate increase and no increase in
7 the bimonthly service charge, which stands at \$30 bimonthly. He stated that the proposed rate
8 increase in Oceana Marin sewer is a 5% rate increase, which would total \$31 annually for the typical
9 customer and will be collected on the Property Tax roll. He noted that the increase in sewer service
10 charge must be adopted by ordinance, which requires readings at two Board meeting and
11 publication in a newspaper of general circulation twice. He advised the Board that a summary of the
12 ordinance will be published in the Point Reyes Light on June 11 and June 25.

13 Mr. Bentley advised the Board that some of the major projects in West Marin are the
14 upsizing of 900 feet of 4-inch pipeline to 8-inch from Bear Valley Tanks to Fox Drive to improve
15 water quality and fire flow to the Bear Valley Service Area (\$100K), replacement of the green sand
16 filter media in the Pt. Reyes Treatment Plant (\$75K), and \$50K to commence work on the
17 replacement of the PRE Tank burned in the Mt. Vision Fire.

18 Mr. Bentley informed the Board that the major project in the Oceana Marin Sewer System is
19 to continued infiltration repair work to prevent rainwater from leaking into the collection system
20 (\$40K).

21 Mr. Bentley advised the Board that the West Marin Water System Five-Year Financial Plan
22 shows the \$500K PRE Tank 4A replacement completed in FY17 and the \$1.25M upgrade of the
23 treatment plant is also scheduled to comment in FY17. He stated that in Oceana Marin sewer there
24 is \$40,000 in continued work on infiltration repair for each year, \$100K commencing in FY16 for
25 design and installation of an 8th disposal trench and \$340K is included for lining the settling and
26 treatment ponds in FY19.

27 Mr. Bentley informed the Board that there will be a second review of the budget at the next
28 Board meeting on June 16th and a public hearing on June 30th in Pt. Reyes. He stated that if the
29 proposed rate increases are approved they will go into effect the following day on July 1, 2015.

1 **TAC MEETING – JUNE 1, 2015**

2 Mr. DeGabriele provided a summary of the June 1, 2015 Technical Advisory Committee
3 Meeting. He stated that there was a report from the Water Agency on the water supply conditions
4 and the Temporary Urgency Change Order. He advised the Board that Lake Mendocino currently
5 holds 57,500AF and Lake Sonoma holds 207,000AF.

6 Mr. DeGabriele advised the Board that Lake Pillsbury currently holds about 35,000AF at the
7 end of May and will not receive any further runoff since there is no snow on Snow Mountain. He
8 stated that PG&E made a request to FERC to reduce in stream flows and releases from the lake
9 and is attempting to maintain at least 10,000AF in the lake by the start of the rainy season and he
10 believes that the FERC action will reduce diversion through the Potter Valley Project and into Lake
11 Mendocino.

12 Mr. DeGabriele further advised that as a region the Water Contractor production for April is
13 down 28% from April 2013 compared to the State Water Resources Control Board conservation
14 standard of 19%.

15 Mr. DeGabriele stated that a report on the Biological Opinion was given and that it is not
16 likely the rubber dam will be erected this season due to the new fish screen and ladder project at the
17 diversion facility which will be completed this year.

18 **NBWA MEETING – JUNE 5, 2015**

19 Director Baker advised the Board and staff that he will be attending the North Bay Water
20 Association Meeting on Friday, June 5th.

21 **MISCELLANEOUS**

22 The Board received the following miscellaneous information: Disbursements, California New
23 Paid Sick Leave Law, ACWA – Responding to Unprecedented Drought Challenges, Ltr. Response
24 to Customer, and Bayworks Officers FY15-16.

25 The Board received the following news articles: Novato to face drought restrictions starting
26 June 1, Feds OK plan to keep more water in Lake Pillsbury reservoir, Water District reduce fluoride
27 levels in water, Water District rates to increase 3 percent, Marin IJ Editorial: Water restrictions
28 demand care and caution, and Coast Guard bill passes House.

29 Mr. DeGabriele advised the Board that a document with the Bayworks Officers were listed in
30 the miscellaneous section and stated that District employee, Dianne Landeros is on the Executive
31 committee for Bayworks and also serves as Treasurer.

32 The Board also received the following miscellaneous items at the meeting:

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Submitted by

Katie Young
District Secretary

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MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve - Proposed FY16 Equipment Budget
t:\aclword\budget\16\equip budget fy16 hearing.docx**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$199,000 Outlay**

Presented for your third and final review, public hearing and approval is the proposed FY 2015/16 (FY16) Equipment Budget. There have been no changes since the Board's last review of the Equipment Budget on May 19.

FY15 estimated actual expenditures are forecast at \$198,000. The proposed FY16 budgeted equipment expenditures is \$199,000. The 5-Year Financial Plan includes \$265,000 for FY16 Equipment purchases.

Purchase of rolling stock (a backhoe and two half-ton pickups) comprise 90% of the Proposed FY16 Equipment Budget.

Accompanying this memo is a chart showing ten years of equipment purchases history (Attachment A). Following the Proposed Equipment Expenditure Budget is the 5-Year Vehicle and Equipment Replacement Plan (Attachment B).

Recommendation:

Approve the FY16 Equipment Budget as presented.

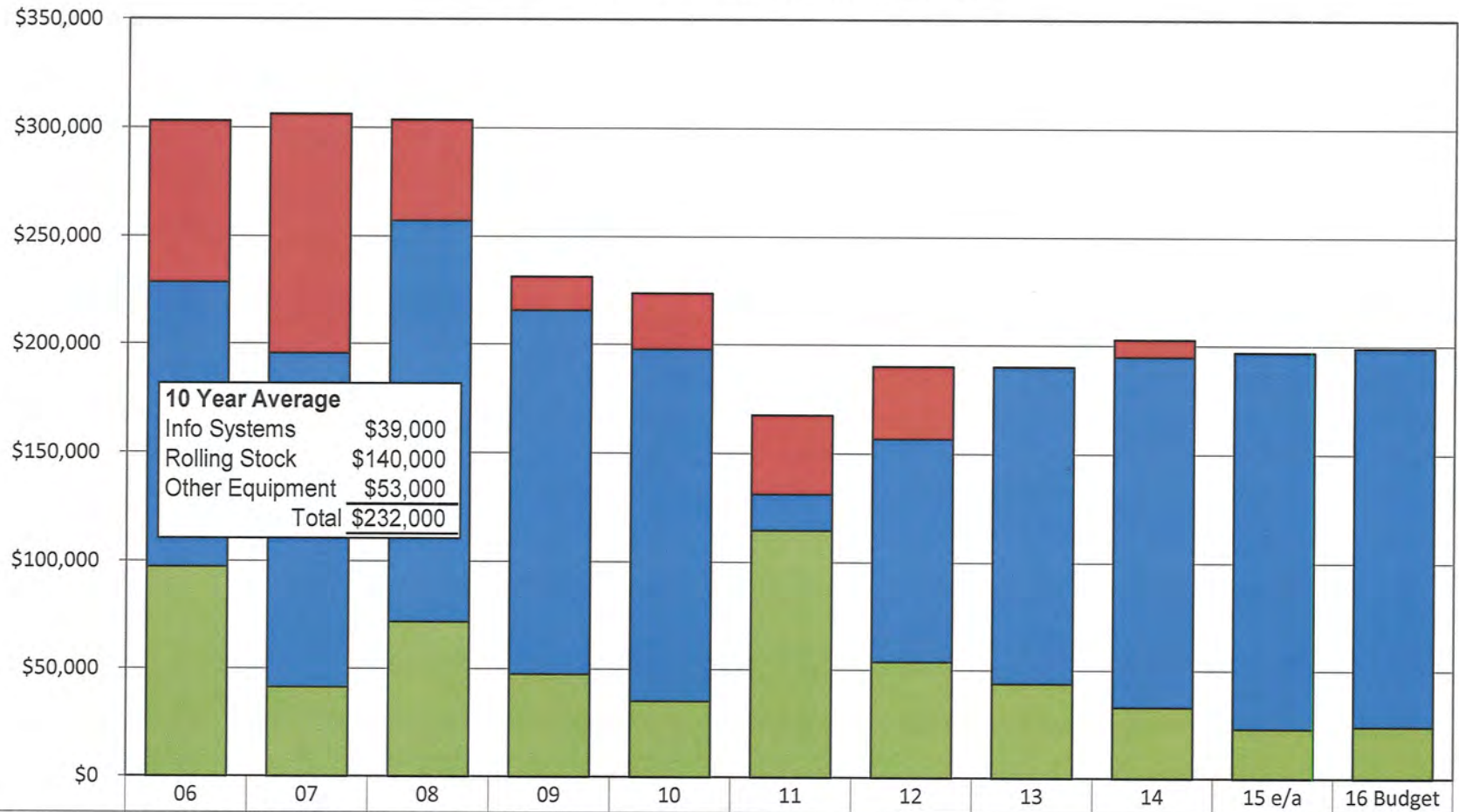
**Proposed
Equipment Expenditures
Fiscal Year 2015/2016 Budget**

6/8/15

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		Proposed	Description
1 CONSTRUCTION			
12107.01.00	a.	Fittings & Hose for Emergency Hose Trailer	\$6,000 Additional Fittings & Hose (1"-6") for Hose Trailer
		\$6,000	
2 ENGINEERING			
12102.01.00	a.	Large Format Color Printer	\$12,000 For CAD Drawings - to replace HP800 Plotter which is obsolete and no longer supported
		\$12,000	
3 OPERATIONS/MAINTENANCE			
12107.01.00	a.	Tire Balancer	\$6,000 To replace broken 1992 balance with unit that supports a larger variety of fleet wheels.
		\$6,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	a.	4x4 Backhoe (Diesel)	\$125,000 To replace '04 JD 310 with 2,445 hours that will be auctioned
12104.01.00	b.	1/2 Ton Pickup w/Tool Box & Radio	25,000 To replace '00 Dakota w/115,000 miles that will be auctioned
12104.01.00	c.	1/2 Ton Pickup w/Tool Box & Radio	25,000 To replace '03 Chevy C1500 w/117,000 miles that will be auctioned
		\$175,000	
		Total	\$199,000
		Adopted Budget	Estimated Actual
		2014/15	2014/15
		Proposed Budget	2015/16
RECAP			
Equipment		\$23,000	\$23,000
Rolling Stock		\$175,000	\$174,000
		\$198,000	\$197,000
		\$199,000	\$199,000

10 Year History of Equipment Purchases



	06	07	08	09	10	11	12	13	14	15 e/a	16 Budget
Info Systems	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$0	\$8,050	\$0	\$0
Rolling Stock	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,305	\$161,834	\$174,000	\$175,000
Other Equipment	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$43,764	\$32,884	\$23,000	\$24,000
Total	\$303,138	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$190,069	\$202,768	\$197,000e	\$199,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/14/2015

FY15/16	New Item Description	Replacement Item Description	Cost
1	Backhoe 4X4 Diesel	#77 2004 John Deere 310 SG	\$125,000
2	1/2 Ton Pickup w/Tool Box and Radio	#58 Ford Ranger moved into pool	\$25,000
3	1/2 Ton Pickup w/Tool Box and Radio	#59 Ford Ranger moved into pool	\$25,000
Total			\$175,000

Note: #77 '04 John Deere Backhoe w/4450 hours, #51 '03 Chevy PU w/117,041 miles and #47 '02 Chevy 4x4 PU w/111,035 miles will be auctioned.

FY16/17	New Item Description	Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#44 2002 International Dump	\$120,000
2	1/2 Ton 4x4 Pickup w/Tool Box and Radio	#47 2002 Chevy 4x4	\$28,000
3	1/2 Ton Pickup w/Tool Box and Radio	#53 2004 Chevy Pick Up	\$25,000
Total			\$173,000

Note: 44 & 53 will be auctioned.

FY17/18	New Item Description	Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1996 Ford Super Duty Dump	\$125,000
2	3/4 Ton 4x4 Service Body & Radio	#507 2008 F350 w/Service Body	\$45,000
Total			\$170,000

Note: Truck 19 & 52 be auctioned.

FY18/19	New Item Description	Replacement Item Description	Cost
1	1/2 Ton 4x4 with camper shell, Radio	#49 2003 Dodge Dakota 4X4	\$35,000
2	Hybrid 4X4 SUV	#54 2004 Chevy Xcab	\$65,000
3	Hybrid Car w/ Radio	#510 2009 Toyota Prius	\$30,000
4	1/2 ton V6 2WD w/Tool Box and Radio	#502 2007 3/4 Ton Chevy 4x4	\$25,000
Total			\$155,000

Note: 32, 510 will be auctioned

FY19/20	New Item Description	Replacement Item Description	Cost
1	1/2 ton V6 2WD w/Tool Box and Radio	#505 2008 Ford 3/4 ton 4X4	\$25,000
2	Hybrid 4X4 SUV	#512 2010 Ford 1/2 ton	\$65,000
3	Hybrid Car w/ Radio	#56 2005 Honda Civic	\$30,000
4	Hybrid Car w/ Radio	#57 2005 Honda Civic	\$30,000
Total			\$150,000

Note: 505, 512, 58, 59 will be auctioned

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MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve – FY16 & FY17 Capital Improvement Projects Budget

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$9.0 million FY16 & \$6.0 million FY17 Gross Expenditure
Budget Proposed for Consideration

Presented for your final review, public hearing and approval is the proposed Fiscal Year 2015-16 (FY16) and FY2016-17 (FY17) Capital Improvement Projects (CIP) budget. Since the Board's last review, \$1 million in cost for the Aqueduct Energy Efficiency Project has been moved from FY15 into FY16, as Ghilotti Construction was not able to complete as much work during the current fiscal year as previously anticipated.

The net internally funded, or "pay-go" expenditure over the coming two fiscal years remains at \$4.4M. Below is a summary identifying the significant projects (\$500,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY16 project is incorporated into the detail listing attached.

Project	FY16	FY17
Aqueduct Energy Efficiency Project - Hwy 101 ¹	\$4,890,000	\$0
San Mateo 24" Inlet/Outlet Pipe	150,000	655,000
Radio Read Meter Retrofit (Pilot Study/Installation) ²	500,000	2,500,000
Office/Yard Building Refurbish ³	1,500,000	1,500,000
Other Projects	<u>2,000,000</u>	<u>1,325,000</u>
Gross Project Outlay	\$9,040,000	\$5,980,000
Less Loan/Grant Funding	(6,613,000)	(4,000,000)
Net Project Outlay (internally funded)	<u>\$2,427,000</u>	<u>\$1,980,000</u>

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.3 million annually in internally funded projects, which is below the \$2.5M cap approved by the Board and incorporated into the 5-Year Financial Plan. Finally, the proposed FY16 CIP budget includes 26 projects, down from 27 approved for FY15.

RECOMMENDATION:

Approve the FY16 & FY17 Capital Improvement Projects Budget as presented.

¹ The Aqueduct Energy Efficiency Project is funded with a \$7M 3.5% Bank loan, \$11.9M in Caltrans reimbursement and \$300,000 local share.

² \$5M Radio Read Meter Retrofit to be funded by an SRF or bank loan.

³ \$3M Office/Yard Building Refurbish to be funded by a bank loan.

6/9/15

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Novato Water Capital Improvement Project Expenditures

Thousands

\$16,000

\$14,000

\$12,000

\$10,000

\$8,000

\$6,000

\$4,000

\$2,000

\$0

FY11-15 Average Internally Financed = \$1.7 million
FY16 & 17 Average Internally Financed = \$2.2 million

	11	12	13	14	15 e/a	16 Budget	17 Budget
■ Debt/Grant Financed	\$500	\$215	\$377	\$2,424	\$10,740	\$6,613	\$4,000
■ Internally Financed	\$1,796	\$1,132	\$1,277	\$1,253	\$3,025	\$2,427	\$1,980
Total	\$2,297	\$1,347	\$1,653	\$3,677	\$13,765	\$9,040	\$5,980

Proposed Capital Improvement Projects
Novato Potable Water

6/12/15

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		FY16	FY17	FY16 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
	a.	Main/Pipeline Replacements		
1.7067.20	1	So Novato Blvd - Rowland to Sunset (12" CI @ 1,000')	\$400,000	3rd year of 3-year project to replace Cast Iron Pipe at the end of its useful life.
	2	Ridge Road 6" ACP (8"@1,400')	\$300,000	
			\$400,000	\$300,000
	b.	Main/Pipeline Additions		
1.7145.00	1	Zone A Pressure Improvements - Ignacio	\$150,000	Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
1.7150.00	2	San Mateo 24" Inlet/Outlet Pipe	\$150,000	Multiyear project to install a new 24-inch, 2,000 foot long pipeline from San Mateo Tank to the end of Palmo Way to improve fire flow in the northern most part of Zone 2
			\$300,000	\$655,000
	c.	Polybutylene Service Line Replacements		
	1	Replace PB in Sync w/City Paving (30 Srvcs	\$70,000	PB service replacement coordinated with City Overlay Program
	2	Other PB Replacements (60 Services)	\$200,000	
			\$70,000	\$270,000
	d.	Relocations to Sync w/City & County CIP		
1.8737.xx	1	Other Relocations	\$80,000	Relocate facilities for yet to be identified City/County Projects
			\$80,000	\$80,000
1.7118.01-21	e.	Aqueduct Replacements/Enhancements (Note 1)		
	1	Energy Efficiency Proj-Hwy 101 Widening	\$4,890,000	Completion of North Marin Aqueduct Energy Efficiency Project
			<u>\$5,740,000</u>	<u>\$1,305,000</u>

Proposed Capital Improvement Projects

Novato Potable Water

6/12/15

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		FY16	FY17	FY16 Project Description	
2. SYSTEM IMPROVEMENTS					
1.7008.11	a.	RTU Upgrades	\$15,000	\$15,000	FY17 will complete the replacment of aging and unreliable RTUs
	b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Ongoing replacement program
1.7007.09	c.	DCA Repair/Replace (~14/yr)	\$190,000	\$190,000	Detector Check Assembly replacements
1.7090.02	d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection
1.7132.01	e.	Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
1.7054.05	f.	Inaccurate High Use Meter Replacement	\$10,000	\$10,000	Evaluate large meters to assure accuracy
1.7137.00	g.	Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000		Replace DCVs with above grade RPP devices
1.7146.00	h.	Tank Access Hatch/Level Alarms (15 Sites)	\$35,000	\$35,000	Remote alarm notification of unauthorized entry at tank sites
1.7136.00	i.	Facilities Security Enhancements		\$25,000	
	j.	Automate Zone Valve (Slowdown Ct)	\$50,000		To provide real-time operation of Zone 2 pressure and flow when STP goes on & off
	k.	Radio Read Meter Retrofit (Pilot Study/Install)	\$500,000	\$2,500,000	Pilot Program-\$5M Cellular & Tower Mounted Radio Transmission
			\$935,000	\$2,830,000	

3. BUILDING, YARD, STP. IMPROVEMENTS

	a.	Administration Building			
	1	Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiration.
1.6501.46	2	Office Emergency Generator	\$150,000		Customer service, lab and operations equipment requires an emergency power supply when primary power is interrupted.
	3	Office/Yard Building Refurbish (Note 3)	\$1,500,000	\$1,500,000	Building is 50-years-old and requires significant upgrading.
			<u>\$1,800,000</u>	<u>\$1,500,000</u>	
	b.	Stafford Treatment Plant			
	1	Dam Concrete Repair	\$50,000		Concrete patch repair to west face of the dam
1.6600.82	2	STP Emergency Power Generator	\$150,000		Needed to provide emergency power to the chlorine gas scrubber
	3	Watershed Erosion Control	\$25,000		STRAW, Grossi dairy manure removal and misc. erosion control on the Stafford Lake Watershed.
	4	Remove Old STP Chemical Tanks		\$20,000	
	5	Lake Backfeed De-Chlor System		\$100,000	
	6	Other Treatment Plant Improvements		\$75,000	
			<u>\$225,000</u>	<u>\$195,000</u>	
			<u>\$2,025,000</u>	<u>\$1,695,000</u>	

Proposed Capital Improvement Projects **Novato Potable Water**

6/12/15

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		FY16	FY17	FY16 Project Description
4. STORAGE TANKS/PUMP STATIONS				
	a.	Hydropneumatic Tank Repairs	\$60,000	Inspect/Repair the 7 tanks in compliance with State Code
1.6112.24	b.	Lynwood P.S. Motor Control Center	\$120,000	Move motor controls above-ground.
1.6222.23	c.	Sunset Tank Cl2 Mixing System	\$90,000	Chlorine mixing system to enhance water quality.
1.6141.00	d.	Crest PS(Design/Const)/Reloc School Rd PS	\$70,000	\$150,000 Design phase of Crest zone pump station.
			<u>\$340,000</u>	<u>\$150,000</u>
SUMMARY - GROSS PROJECT OUTLAY				
		GROSS PROJECT OUTLAY	<u>\$9,040,000</u>	<u>\$5,980,000</u>
LESS FUNDED BY LOANS/GRANTS/OTHER				
	a.	AEEP - Hwy 101 Widening (Note 1)	(\$4,613,000)	\$0 Funded by Bank Loan & Caltrans Reimbursement
	b.	Radio Read Meter Retrofit (Note 2)	(\$500,000)	(\$2,500,000) Funded by SRF or Bank Loan
	c.	Office/Yard Building Refurbish (Note 3)	(\$1,500,000)	(\$1,500,000) Funded by Bank Loan
			<u>(\$6,613,000)</u>	<u>(\$4,000,000)</u>
		NET PROJECT OUTLAY	<u>\$2,427,000</u>	<u>\$1,980,000</u>
		Total Number of Projects	26	18

Note 1 - Aqueduct Energy Efficiency Project funded by \$7M bank loan, \$9.9M in Caltrans reimbursement, and \$300,000 local contribution.

Note 2 - Radio Read Meter Retrofit to be funded by SRF or Bank Loan

Note 3 - Office/Yard Refurbish to be funded by Bank Loan

Studies carried under Non-Operating Expense


a.	Stafford Dam Emergency Action Plan	\$40,000	
b.	STP Taste & Odor Consultant	\$15,000	
c.	Hydropneumatic Tank Inspections	\$50,000	
d.	2015 Urban Water Management Plan	\$10,000	
e.	Insured Property Valuation Assessment	\$40,000	
f.	Local Water Supply Enhancement Study	\$100,000	\$100,000
g.	Retiree Health Liability Actuarial Update	\$5,000	
h.	Stafford Lake Sanitary Survey	\$30,000	
i.	Novato Water Master Plan Update (every 5 yrs)		\$85,000
		<u>\$290,000</u>	<u>\$185,000</u>

5c

MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve – FY16 Proposed Novato Water Operations Budget
t:\acl\word\budget\16\ops review fy16 hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$25.2 Million Expenditure Plan for FY16

The Public Hearing to consider the FY2015/2016 (FY16) Novato Potable Water budget was advertised in the June 10 edition of the Novato Advance (Attachment A), inviting the public to attend or submit comments. No comments have been received to date.

Budget Changes

Since the Board's last review on May 19, the projected FY16 Novato Potable Water Operating Expenditures decreased and Operating Income increased by \$145,000, to \$1,739,000. In addition, \$1 million in cost for the Aqueduct Energy Efficiency Project (AEEP) has been moved from FY15 into FY16, and an additional \$350,000 in Caltrans funding for the AEEP has been incorporated into the budget.

Budget Summary

The FY16 budget proposed herein projects a net "bottom line" cash deficit of \$1.4 million, which will be covered by the Bank of Marin loan reserve for the AEEP. The 3% rate increase effective June 1, 2015 will add \$540,000 to budgeted revenue during FY16.

The \$1.4 million budgeted cash decrease compares to a FY15 budgeted cash decrease of \$4.7 million and projected FY15 cash decrease of \$800,000. FY16 water sales volume is again budgeted at 2.7BG, which is slightly above the FY15 projected volume. FY15 water consumption is the lowest since 1983.

Looking simply at operating revenue (water sales) less operating expenditures, the FY16 budget projects a net operating income of \$1.7 million, which is 17% below this year's projected net operating income. Total budgeted outlay, which includes capital improvement projects and debt service, is budgeted at \$25.2 million, and is down \$7.6 million from the FY15 budget, due almost entirely to the FY15 \$13 Million budgeted for the AEEP.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.7BG, which is up slightly from with the current fiscal year estimated actual and 13% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

The proposed 3% rate increase is structured as a 4% increase in the commodity rate and no increase in the fixed service charge. If approved, the median residential customer would see an average monthly increase of \$1.70. The proposed rate increase would generate \$540,000 in additional revenue next fiscal year.

Other Revenue – Connection Fee revenue is budgeted at \$538,000, based on the 48-unit senior rental housing project at 801 State Access Road in Hamilton which has been approved by the City Council and is ready to break ground. The budget projection compares with \$764,000 of Connection Fee revenue estimated for the current fiscal year.

The wheeling charge to Marin Municipal Water District is budgeted at \$120,000 (\$17/AF for 7,000AF, or 2.3BG). In addition, MMWD will pay the annual fixed AEEP capital contribution of \$245,000 in accord with the terms of the 2014 Interconnection Agreement. The combination of these two payments is a 5-fold increase over the prior annual wheeling charge, and represents compensation for MMWD's beneficial enjoyment of the AEEP. Funds in the District's treasury are budgeted to earn an average interest rate of 0.5%. Miscellaneous Revenue includes income from the Little Mountain cell phone tower lease (\$17,400), Indian Valley Golf Club lease (\$10,600), two grazing leases (\$3,600), rental of the District's security apartment (\$10,800), rental of the Point Reyes home (\$28,000 – which amount includes in-lieu labor), and rental of the Pacheco Valle tennis courts (\$2,600).

Operating Expenditures

Total Operating Expenditures are projected to increase 7% (\$1,139,000) from the FY15 budget. Increased cost for labor (including the addition of an Assistant General Manager) and increased purchases of materials, services and supplies are the primary cause of the increase in the budget. Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to increase 5% (\$252,000) from this year's budget, due primarily to the increase in purchased water cost. The volume of water purchased from SCWA is forecast to be consistent with the current year budgeted volume, and the Sonoma County Water Agency's wholesale water rate will increase 4.9% to \$2,389 per MG on July 1. Including Stafford production budgeted at 750 MG (2,300 acre-feet), total budgeted potable production is 2.7 BG.

Water Treatment is budgeted to increase 4% (\$84,000) from this year's budget. Power cost is budgeted at 18.6¢/kWh, up 3% per kWh, consistent with the Photovoltaic Power Purchase Agreement. Normal rainfall is assumed for next winter allowing the Stafford Treatment Plant to produce 750 MG (2,300 AF).

General Administration is budgeted to increase 28% (\$473,000) from this year's budget. The FY16 budget includes \$247,000 for an Assistant General Manager position in anticipation of the General Manager's future retirement. Eight studies are included in the FY16 Administrative Budget, totaling \$290,000, an increase of \$96,000 from the FY15 budget, as follows:

	Project	Cost	Description
1	Stafford Dam Emergency Action Plan	\$40,000	Carryover - includes inundation map update
2	Stafford Lake Taste & Odor Consultant	\$15,000	Completion of work started in FY15
3	Stafford Lake Sanitary Survey	\$30,000	Update required every 5 years
4	Hydropneumatic Tank Inspections	\$50,000	Contractor inspect & repair 7 pressure systems
5	2015 Urban Water Management Plan	\$10,000	Update in conjunction with SCWA Contractors
6	Insured Property Valuation Assessment	\$40,000	Confirm asset values for insurance purposes
7	Local Water Supply Enhancement Study	\$100,000	Lake storage and alternative source review
8	Retiree Health Liability Actuarial Update	\$5,000	Update required every 3 years
		<u>\$290,000</u>	

Staffing - The proposed budget includes a staffing level of 52.7 full-time equivalent (FTE) employees, up 1.0 FTE (2%) from the current year budget. An Assistant General Manager position is budgeted at \$14,000 per month in anticipation of the General Manager's future retirement. The June 2015 retirement of Engineering Tech IV John Mello, who has been serving in the Storekeeper position for the past four years, will return the position to Administration. The Storekeeper position has been filled by a Construction Laborer, and the Construction Crew is actively recruiting a replacement Laborer. The Engineering Tech IV position will not be filled at this time. A 5% spot adjustment is included for both the Receptionist/Cashier and the Accounting/HR Supervisor, and a promotion to Assistant Pipeworker for one of the Construction Crew Laborers is included. The proposed staffing level of 52.7 FTE is down 6.4 FTE (11%) from the level adopted in the FY08 budget.

<u>FTE Staffing</u>	<u>FY16</u>	<u>FY15</u>	<u>Reason for Change</u>
Administration	9.0	7.0	Assistant GM & Return Storekeeper
Consumer Services	6.0	6.0	
Construction/Maintenance	12.0	12.0	
Engineering	7.7	8.7	Return Storekeeper to Administration
Maintenance	8.0	8.0	
Operations	5.0	5.0	
Water Quality	<u>5.0</u>	<u>5.0</u>	
	<u>52.7</u>	<u>51.7</u>	

Temporary staffing is proposed to increase by 1,210 hours (16%), to 8,930 hours, budgeted as follows:

<u>Temporary Staffing Hours</u>	<u>FY16</u>	<u>FY15</u>	<u>Reason for Change</u>
Administration	450	0	Accounting Clerk Assist/Vacation Relief
Customer Accounting	2,000	2,000	
Construction/Maintenance	1,760	1,760	
Engineering	2,500	2,500	
Maintenance	1,020	810	Valve & Hydrant Operation Assistance
Operations	1,200	700	Valve & Hydrant Operation Assistance
Water Quality	<u>0</u>	<u>0</u>	
	<u>8,930</u>	<u>7,770</u>	

For budgeting purposes, a 2.7% cost-of-living salary increase has been factored into the

budget effective October 1, 2015, as well as a 1.6% salary increase to offset the negotiated requirement that employees pay an additional 1.6% of salary toward their retirement benefit. The COLA and CalPERS offset adjustments would increase total salaries by \$150,000, pushing up the total overheaded cost of payroll by \$197,000 (2.7%).

The District's average CalPERS retirement contribution rate will increase 1.9% (to 21.2%) from the amount budgeted last year. Employees pay a larger share of the retirement obligation, saving \$54,000 in payroll expense. The CalPERS Board has issued a preliminary indication of 2016 group health insurance rates. The Kaiser rate (upon which the District labor agreement is pegged) is projected to increase 4.5%. This is below the 7.3% average rate of increase over the past 10 years. The cost for first dollar worker's compensation insurance fell by \$20,000 to \$184,000. While the District intends to continue self-insuring this coverage, this market value provides a current calculation of savings (or loss) accrued through self-insuring this coverage.

Total budgeted operating expenditures are up \$1,139,000 (7%) compared to the adopted FY15 budget. An analysis of the significant differences between the FY15 budget and the proposed FY16 operating budget follows, listed in decreasing order of magnitude.

Component	Increase/ (Decrease) vs. FY15 Budget	FY16 % Change
Labor	\$424,000	7%
Materials, Services & Supplies	273,000	9%
Purchased Water Cost	230,000	5%
Depreciation	200,000	8%
Vehicle Expense	19,000	8%
Distributed G&A & Overheads	(7,000)	1%
Net Increase	<u>\$1,139,000</u>	<u>7%</u>

Staff Recommendation:

- 1) Approve the FY15/16 Novato Operating Budget as presented;
- 2) Authorize the General Manager to pay demands arising from execution of the budgeted expenditure plan.

Novato
Advance
6/10/15

Budget Public Hearing
Notice

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To all heirs, beneficiaries,
creditors, contingent
creditors, and persons
who may otherwise be
interested in the will or
estate, or both, of ROBERT
FARMER. A Petition for
Probate has been filed by
Mary Lou Farmer in the
Superior Court of Cali-
fornia, County of Marin.
The Petition for Probate
requests that Mary Lou
Farmer be appointed as
personal representative
to administer the estate
of the decedent.

The PETITION requests
the decedent's will and
codicils, if any, be admit-
ted to probate. The will
and any codicils are avail-
able for examination in the
file kept by the court.

A hearing on the petition
will be held in this court as
follows: **Date: JUNE 29,**
2015; Time: 9:00 a.m.;
Dept. L; Room L, at 3501
Civic Center Drive, San
Rafael, CA 94903. **If you**
object to the granting of
the petition, you should
appear at the hearing and
state your objections or
file written objections
with the court before the
hearing. Your appearance
may be in person or by
your attorney. **If you are**
a creditor or a contingent
creditor of the decedent,
you must file your claim
with the court and mail a
copy to the personal rep-
resentative appointed by
the court within (1) **four**
months from the date of
first issuance of letters to
a general personal rep-
resentative, as defined
in section 58(b) of the
California Probate Code,
(2) **or 60 days** from date
of mailing or personal
delivery to you of a notice

of estate assets or of any
petition or account as
provided in Probate Code
section 1250. A Request
for Special Notice form is
available from the court
clerk. Attorney for Peti-
tioner: Leo R. Alberigi Esq.,
Address: 2841 Cleveland
Ave., Ste. A, Santa Rosa,
CA 95403

Telephone:
707-673-8030
Filed: May 28, 2015.
Paper: NOVATO
ADVANCE.
Published
JUNE 10, 17, 24, 2015
#25122

NOTICE OF PUBLIC HEARING

A Public Hearing will be
held to consider adop-
tion of the Fiscal Year
2015-2016 North Marin
Water District Budgets
for the Novato Service
Area on Tuesday, June
16, 2015 at 7:00 p.m. at
District Headquarters, 999
Rush Creek Place, Novato,
CA.

The proposed Novato
Water budgets total
\$32.6 million and reflect
the water rate increases
approved at the Dis-
trict Board of Directors
meeting held on May 19,
2015.

For more information, call
415-897-4133.

NOVATO ADVANCE
JUNE 10, 2015
#25101

**ORDER TO SHOW
CAUSE FOR
CHANGE OF NAME
(SIDHARTH SAGAR
POPAT)**

CIV 1501869
TO ALL INTERESTED
PERSONS: Petitioner:
MITESH G. POPAT.

Present Name,
SIDHARTH SAGAR
POPAT
Proposed Name,
SIDHARTH MITESH
POPAT

THE COURT ORDERS
that all persons inter-
ested in this matter shall
appear before this court
at the hearing indicated
below to show cause, if
any, why the petition for
change of name should
not be granted. Any
person objecting to the
name changes described
above must file a written
objection that includes
the reasons for the ob-
jection at least two court
days before the matter is
scheduled to be heard and
must appear at the hearing
to show cause why the
petition should not be
granted. If no written
objection is timely filed,
the court may grant the
petition without a hearing.
NOTICE OF HEARING
Date: JUNE 19, 2015.
Time: 9:00 a.m. Dept.: A

Room: A. The address of
the court: Superior Court
of California, County of
Marin, Civil Filings 3501
Civic Center Drive, P.O.
Box 4988, San Rafael, CA
94903-4988. A copy of
this Order to Show Cause
shall be published at least
once each week for four
successive weeks prior to
the date set for hearing on
the petition in the follow-
ing newspaper of general
circulation, printed in this
county: Marin County,
GEOFFREY M. HOWARD,
Judge of the Superior
Court, Kim Turner, Court
Executive Officer, Marin
County Superior Court.
By: E. Chais, Deputy. Filed:
MAY 20, 2015. Attorney
for Petitioner: N/A. Paper:

Proposed
BUDGET

Final Review/Public Hearing

**Novato Potable Water
Operating Budget**

FISCAL YEAR

2015-16

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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NORTH MARIN WATER DISTRICT
NOVATO POTABLE WATER
PROPOSED 2015/16 OPERATING BUDGET

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Novato Water - Billed Consumption History	6
Novato Water - Operating Expense History	7

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	Proposed Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Water Sales	\$17,768,000	\$16,742,000	\$17,187,000
2 Wheeling & Misc Service Charges	380,000	348,000	379,000
3 Total Operating Income	\$18,148,000	\$17,090,000	\$17,566,000
OPERATING EXPENDITURES			
4 Source of Supply	\$4,869,000	\$4,640,000	\$4,617,000
5 Pumping	367,000	334,000	365,000
6 Operations	609,000	632,000	542,000
7 Water Treatment	1,975,000	1,751,000	1,891,000
8 Transmission & Distribution	2,698,000	2,589,000	2,675,000
9 Consumer Accounting	592,000	548,000	559,000
10 Water Conservation	450,000	413,000	445,000
11 General Administration	2,149,000	1,560,000	1,676,000
12 Depreciation Expense	2,700,000	2,530,000	2,500,000
13 Total Operating Expenditures	\$16,409,000	\$14,997,000	\$15,270,000
14 NET OPERATING INCOME (LOSS)	\$1,739,000	\$2,093,000	\$2,296,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$64,000	\$65,000	\$41,000
16 Miscellaneous Revenue	\$83,000	\$137,000	\$140,000
17 Interest Expense	(510,000)	(525,000)	(538,000)
18 Miscellaneous Expense	(20,000)	(\$11,000)	(20,000)
19 Total Non-Operating Income/(Expense)	(\$383,000)	(\$334,000)	(\$377,000)
20 NET INCOME/(LOSS)	\$1,356,000	\$1,759,000	\$1,919,000
OTHER SOURCES/(USES) OF CASH			
21 Add Depreciation Expense	\$2,700,000	\$2,530,000	\$2,500,000
22 Connection Fees	538,000	764,000	1,281,000
23 Caltrans AEEP Capital Contribution	2,740,000	7,480,000	8,840,000
24 MMWD AEEP Capital Contribution	245,000	245,000	245,000
25 Loans/Grants	2,000,000	82,000	0
26 Capital Equipment Expenditures	(199,000)	(197,000)	(198,000)
27 Capital Improvement Projects	(9,040,000)	(13,765,000)	(17,510,000)
28 Debt Principal Payments	(1,035,000)	(1,022,000)	(1,007,000)
29 Connection Fee Transfer to RWS	(717,000)	(716,000)	(737,000)
30 Working Capital Increase/(Decrease)	0	2,000,000	0
31 Total Other Sources/(Uses)	(\$2,768,000)	(\$2,599,000)	(\$6,586,000)
32 CASH INCREASE/(DECREASE)	(\$1,412,000)	(\$840,000)	(\$4,667,000)

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2014/15**

	Proposed Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
STATISTICS								
1 Active Meters	20,525	20,500	20,550	20,505	20,492	20,490	20,464	20,438
2 Avg Commodity Rate/1,000 Gal (Net)	\$5.05	\$4.85	\$4.84	\$4.66	\$4.32	\$4.05	\$3.82	\$3.50
3 Potable Consumption (BG)	2.70	2.50	2.70	2.95	3.02	2.82	2.79	2.87
OPERATING INCOME								
4 Water Sales	\$17,860,000	\$16,830,000	\$17,300,000	\$17,944,029	\$16,626,526	\$14,220,429	\$12,727,649	\$11,301,674
5 Bill Adjustments	(92,000)	(88,000)	(113,000)	(95,470)	(104,567)	(58,770)	(66,248)	(\$49,842)
6 Sales to MMWD	0	0	0	432,294	0	0	0	0
7 Wheeling Charges-MMWD	120,000	89,000	120,000	100,527	251,980	58,802	53,662	67,180
8 SCWA Water Conservation Reimb	0	0	0	0	0	0	0	21,450
9 Miscellaneous Service Revenue	260,000	259,000	259,000	265,496	223,619	197,752	145,787	140,796
10 TOTAL OPERATING INCOME	\$18,148,000	\$17,090,000	\$17,566,000	\$18,646,876	\$16,997,558	\$14,418,213	\$12,860,850	\$11,481,258
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$19,000	\$10,000	\$18,000	\$9,698	\$9,103	\$9,064	\$8,965	\$2,007
12 Operating Expense - Source	11,000	10,000	11,000	10,497	6,821	11,488	5,927	5,745
13 Maintenance/Monitoring of Dam	50,000	5,000	34,000	19,438	38,295	25,716	8,290	8,741
14 Maintenance of Lake & Intakes	21,000	0	21,000	11,701	14,481	10,377	8,619	8,072
15 Maintenance of Watershed	41,000	5,000	40,000	17,015	23,405	8,188	2,152	7,352
16 Water Purchased for Resale to MMWD	0	0	0	253,539	0	0	0	0
17 Water Quality Surveillance	17,000	10,000	13,000	13,713	12,776	16,385	12,377	13,138
18 Contract Water - SCWA	4,710,000	4,600,000	4,480,000	5,698,211	5,135,330	5,047,469	3,790,789	3,441,147
19 TOTAL SOURCE OF SUPPLY	\$4,869,000	\$4,640,000	\$4,617,000	\$6,033,812	\$5,240,211	\$5,128,687	\$3,837,119	\$3,486,202
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$641	\$8,367
21 Maintenance of Structures/Grounds	39,000	54,000	34,000	46,502	24,115	29,042	17,153	18,600
22 Maintenance of Pumping Equipment	70,000	60,000	71,000	27,696	35,637	50,797	17,354	10,751
23 Electric Power - Pumping	255,000	220,000	257,000	255,711	263,471	204,927	233,222	200,318
24 TOTAL PUMPING	\$367,000	\$334,000	\$365,000	\$329,909	\$323,223	\$284,766	\$268,370	\$238,036
OPERATIONS								
25 Supervision & Engineering	\$182,000	\$237,000	\$162,000	\$219,520	\$187,986	\$185,838	\$185,361	\$176,082
26 Operating Expense	255,000	248,000	216,000	274,893	264,400	255,272	191,713	212,126
27 Maintenance Expense	84,000	40,000	82,000	79,906	101,036	105,545	94,633	84,121
28 Telemetry Equipment/Controls Maint	71,000	89,000	64,000	62,223	44,349	67,936	83,047	67,051
29 Leased Line Expense	17,000	18,000	18,000	17,675	17,921	18,930	20,841	20,547
30 TOTAL OPERATIONS	\$609,000	\$632,000	\$542,000	\$654,217	\$615,692	\$633,521	\$575,595	\$559,927

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2014/15**

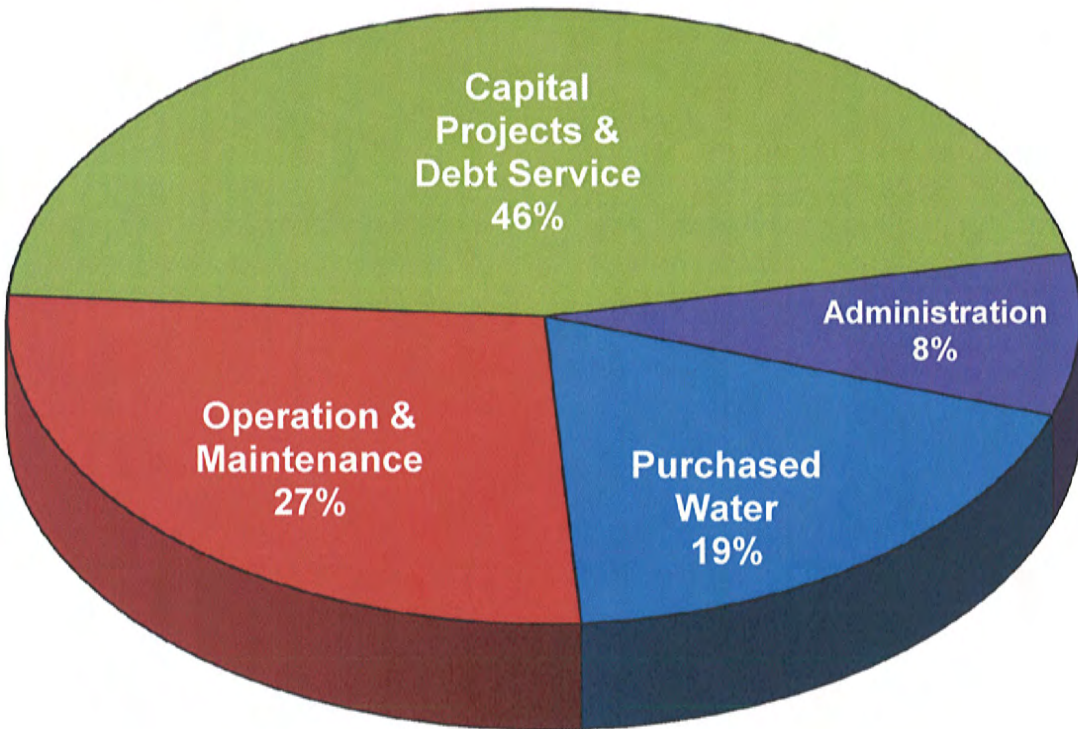
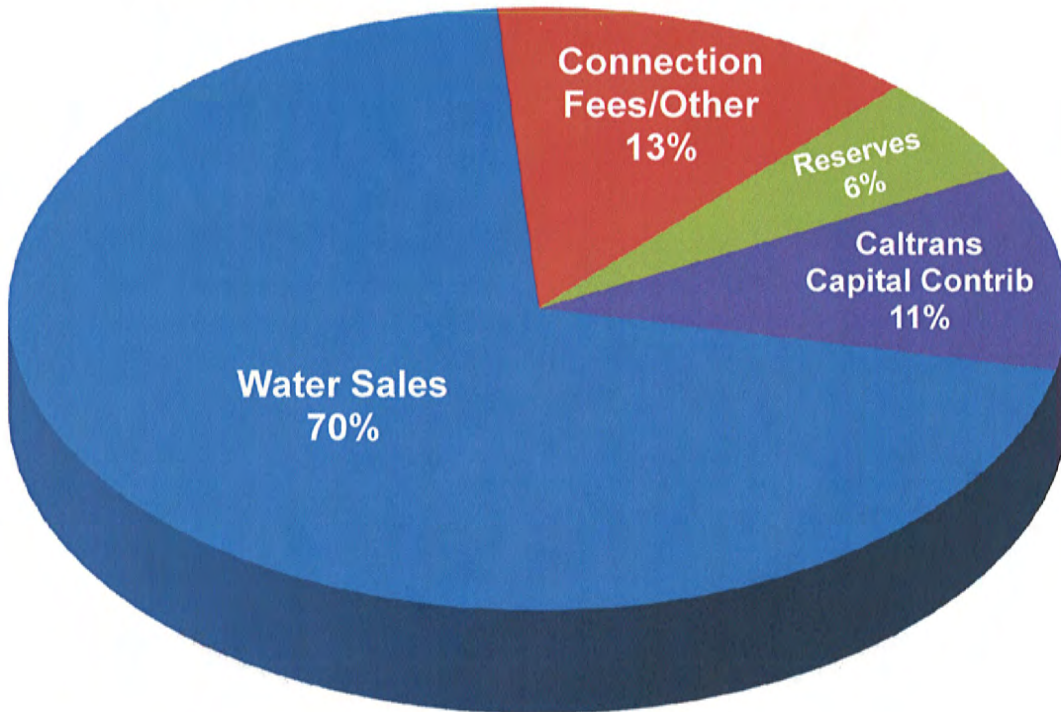
	Proposed Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
WATER TREATMENT								
31 Supervision & Engineering	\$97,000	\$109,000	\$94,000	\$111,096	\$112,612	\$100,916	\$121,459	\$122,312
32 Operating Expense	288,000	308,000	265,000	285,050	308,301	206,957	320,882	365,305
33 Purification Chemicals	425,000	263,000	425,000	316,762	400,627	253,797	464,140	415,486
34 Sludge Disposal	87,000	70,000	85,000	66,085	103,196	100,861	84,618	69,209
35 Maintenance of Structures/Grounds	80,000	80,000	82,000	60,148	52,242	82,839	71,772	83,411
36 Purification Equipment Maintenance	140,000	107,000	130,000	137,838	137,793	136,782	105,217	157,642
37 Electric Power - Treatment	134,000	129,000	132,000	135,637	112,767	114,184	128,913	129,930
38 Laboratory Expense (net)	724,000	685,000	678,000	655,315	602,901	568,124	517,044	495,239
39 TOTAL WATER TREATMENT	\$1,975,000	\$1,751,000	\$1,891,000	\$1,767,931	\$1,830,439	\$1,564,460	\$1,814,045	\$1,838,534
TRANSMISSION & DISTRIBUTION								
40 Supervision & Engineering	\$485,000	\$567,000	\$585,000	\$486,544	\$427,430	\$423,813	\$466,110	\$528,659
41 Maps & Records	138,000	92,000	125,000	77,995	106,669	96,058	74,154	98,187
42 Operation of T&D System	556,000	414,000	507,000	511,708	460,489	478,959	422,375	448,650
43 Storage Facilities Expense	147,000	169,000	141,000	134,352	87,843	140,564	158,247	164,316
44 Maintenance of Valves & Regulators	208,000	161,000	204,000	91,709	117,299	132,239	190,866	190,255
45 Maintenance of Mains	126,000	172,000	110,000	72,176	86,906	49,922	146,814	102,633
46 Backflow Prevention Program	131,000	157,000	104,000	147,878	102,338	84,714	124,121	93,754
47 Maintenance of Copper Services	183,000	205,000	191,000	141,987	175,880	190,698	164,388	199,807
48 Maintenance of PB Service Lines	443,000	441,000	435,000	411,357	483,006	443,509	347,802	263,714
49 Maintenance of Meters	132,000	98,000	129,000	94,418	93,360	135,900	146,170	143,691
50 Detector Check Assembly Maint	71,000	87,000	39,000	52,369	7,581	38,361	36,509	41,557
51 Maintenance of Hydrants	78,000	26,000	105,000	22,154	28,531	33,980	50,354	77,038
52 TOTAL TRANSMISSION & DISTRIB	\$2,698,000	\$2,589,000	\$2,675,000	\$2,244,647	\$2,177,332	\$2,248,717	\$2,327,910	\$2,352,261
CONSUMER ACCOUNTING								
53 Meter Reading & Collection	\$209,000	\$160,000	\$196,000	\$182,216	\$180,030	\$170,589	\$142,581	\$142,956
54 Billing & Accounting	256,000	260,000	249,000	256,653	247,897	282,702	282,046	260,428
55 Contract Billing	19,000	17,000	19,000	17,561	18,110	18,231	18,285	18,590
56 Postage & Supplies	53,000	59,000	63,000	61,791	64,497	63,359	70,347	64,698
57 Credit Card Fees	23,000	24,000	15,000	14,149				
58 Lock Box Service	11,000	11,000	0					
59 Uncollectible Accounts	15,000	15,000	18,000	19,500	23,230	26,685	32,723	35,190
60 Office Equipment Expense	21,000	18,000	15,000	23,905	8,290	8,690	9,835	5,048
61 Distributed to Other Operations	(15,000)	(16,000)	(16,000)	(15,276)	(13,961)	(15,726)	(15,762)	(15,694)
62 TOTAL CONSUMER ACCOUNTING	\$592,000	\$548,000	\$559,000	\$560,499	\$528,093	\$554,530	\$540,055	\$511,216

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2014/15**

	Proposed Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
WATER CONSERVATION								
63 Residential	\$345,000	\$366,000	\$337,000	\$362,499	\$222,637	\$213,883	\$338,093	\$438,668
64 Commercial	25,000	5,000	25,000	2,605	1,169	1,414	15,423	2,707
65 Public Outreach/Information	50,000	31,000	53,000	51,638	28,477	41,251	19,047	26,548
66 Large Landscape	30,000	11,000	30,000	12,702	13,966	13,780	10,337	10,695
TOTAL WATER CONSERVATION	\$450,000	\$413,000	\$445,000	\$429,444	\$266,249	\$270,328	\$382,900	\$478,618
GENERAL & ADMINISTRATION								
67 Director's Expense	\$32,000	\$30,000	\$30,000	\$25,300	\$14,400	\$15,000	\$15,100	\$16,200
68 Legal Fees	12,000	11,000	12,000	20,906	10,112	7,098	8,572	59,818
69 Human Resources	34,000	31,000	33,000	28,386	35,917	21,860	32,112	33,080
70 Auditing Services	21,000	18,000	18,000	21,050	20,600	28,900	27,800	31,100
71 Consulting Services/Studies	290,000	100,000	194,000	0	53,327	34,731		
72 General Office Salaries	1,533,000	1,173,000	1,239,000	1,184,164	1,214,210	1,252,684	1,177,170	1,166,410
73 Office Supplies	47,000	37,000	52,000	46,174	37,232	22,743	38,870	47,363
74 Employee Events	12,000	9,000	12,000	7,227	6,204	5,931	4,469	11,366
75 Other Administrative Expense	16,000	13,000	16,000	13,240	18,150	17,254	17,414	20,090
76 Election Cost	70,000	0	0	250	0	250	0	250
77 Dues & Subscriptions	57,000	54,000	54,000	47,842	45,607	49,260	47,775	49,208
78 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,118	8,112	8,112
79 Meetings, Conf & Training	184,000	133,000	173,000	117,425	112,402	97,626	101,472	114,985
80 Telephone, Water, Gas & Electricity	39,000	37,000	35,000	33,328	32,995	26,172	29,012	27,203
81 Building & Grounds Maintenance	51,000	50,000	50,000	35,642	41,194	36,438	35,902	53,907
82 Office Equipment Expense	90,000	99,000	102,000	90,231	82,349	89,291	74,325	85,550
83 Insurance Premiums & Claims	103,000	88,000	106,000	72,192	76,473	113,556	118,451	117,023
84 Retiree Medical Benefits	174,000	176,000	156,000	159,691	166,699	160,725	147,084	138,105
85 (Gain)/Loss on Overhead Charges	(70,000)	(49,000)	(128,000)	(222,710)	(136,354)	(297,783)	(172,628)	(214,770)
86 G&A Distributed to Other Operations	(169,000)	(112,000)	(120,000)	(76,538)	(77,443)	(101,630)	(104,515)	(100,811)
87 G&A Applied to Construction Projects	(385,000)	(346,000)	(366,000)	(389,569)	(392,205)	(327,881)	(269,439)	(153,213)
88 Expensed Improvement Projects	0	0	0		0	0	122,785	1,220,617
89 Expensed Equipment Purchases	0	0	0		0	3,383	29,993	31,266
TOTAL GENERAL & ADMINISTRATION	\$2,149,000	\$1,560,000	\$1,676,000	\$1,222,343	\$1,369,981	\$1,263,726	\$1,489,836	\$2,762,859
90 Depreciation Expense	\$2,700,000	\$2,530,000	\$2,500,000	\$2,445,634	\$2,417,032	\$2,372,380	\$2,309,166	\$2,312,339
91 TOTAL OPERATING EXPENSE	\$16,409,000	\$14,997,000	\$15,270,000	\$15,688,436	\$14,768,252	\$14,321,115	\$13,544,996	\$14,539,992
92 NET OPERATING INCOME/(LOSS)	\$1,739,000	\$2,093,000	\$2,296,000	\$2,958,440	\$2,229,306	\$97,098	(\$684,146)	(\$3,058,734)

**NORTH MARIN WATER DISTRICT - NOVATO POTABLE WATER
FISCAL YEAR 2015-16**

SOURCE OF FUNDS = \$25.2 MILLION

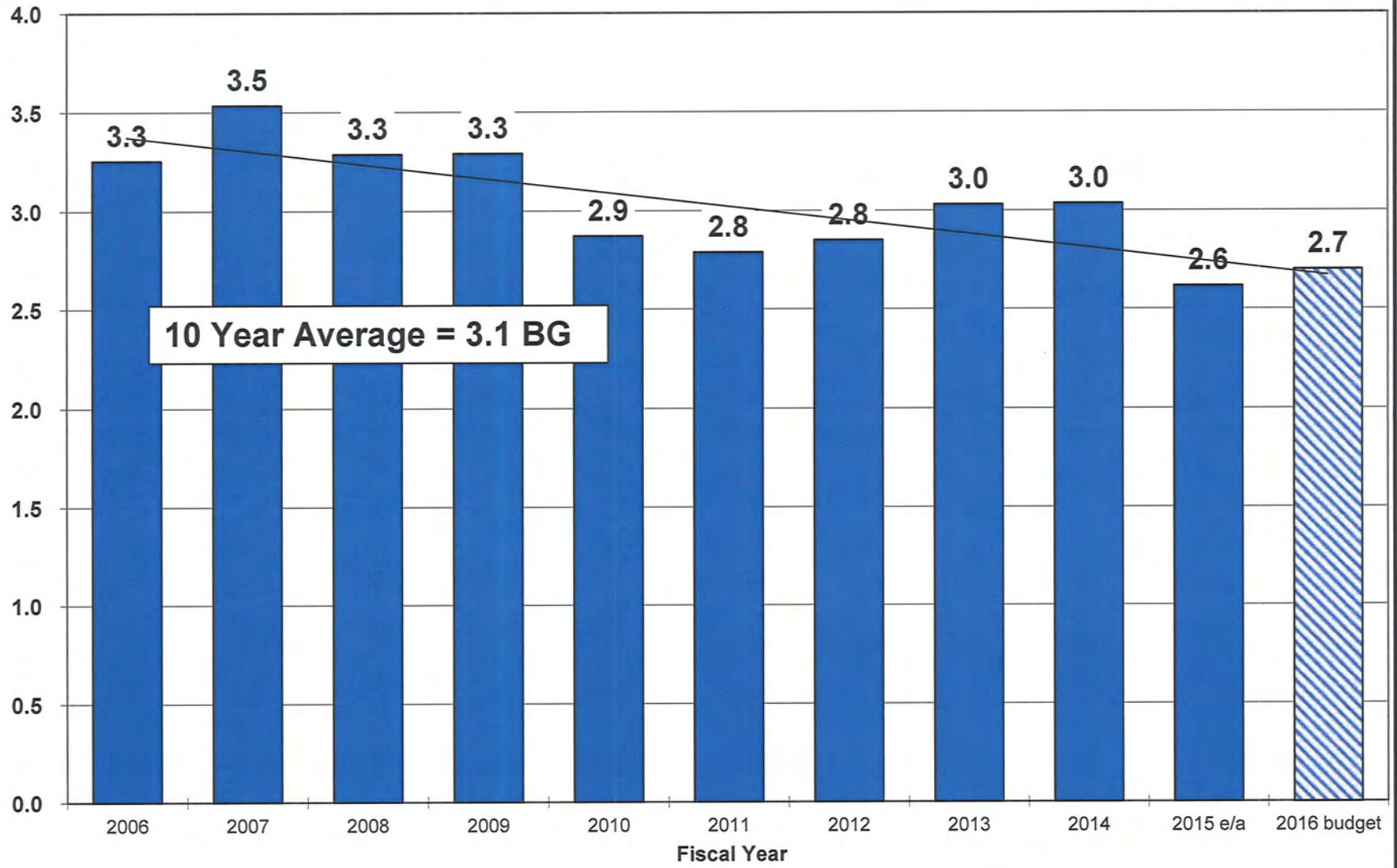


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Novato Water Billed Consumption 10 Year History

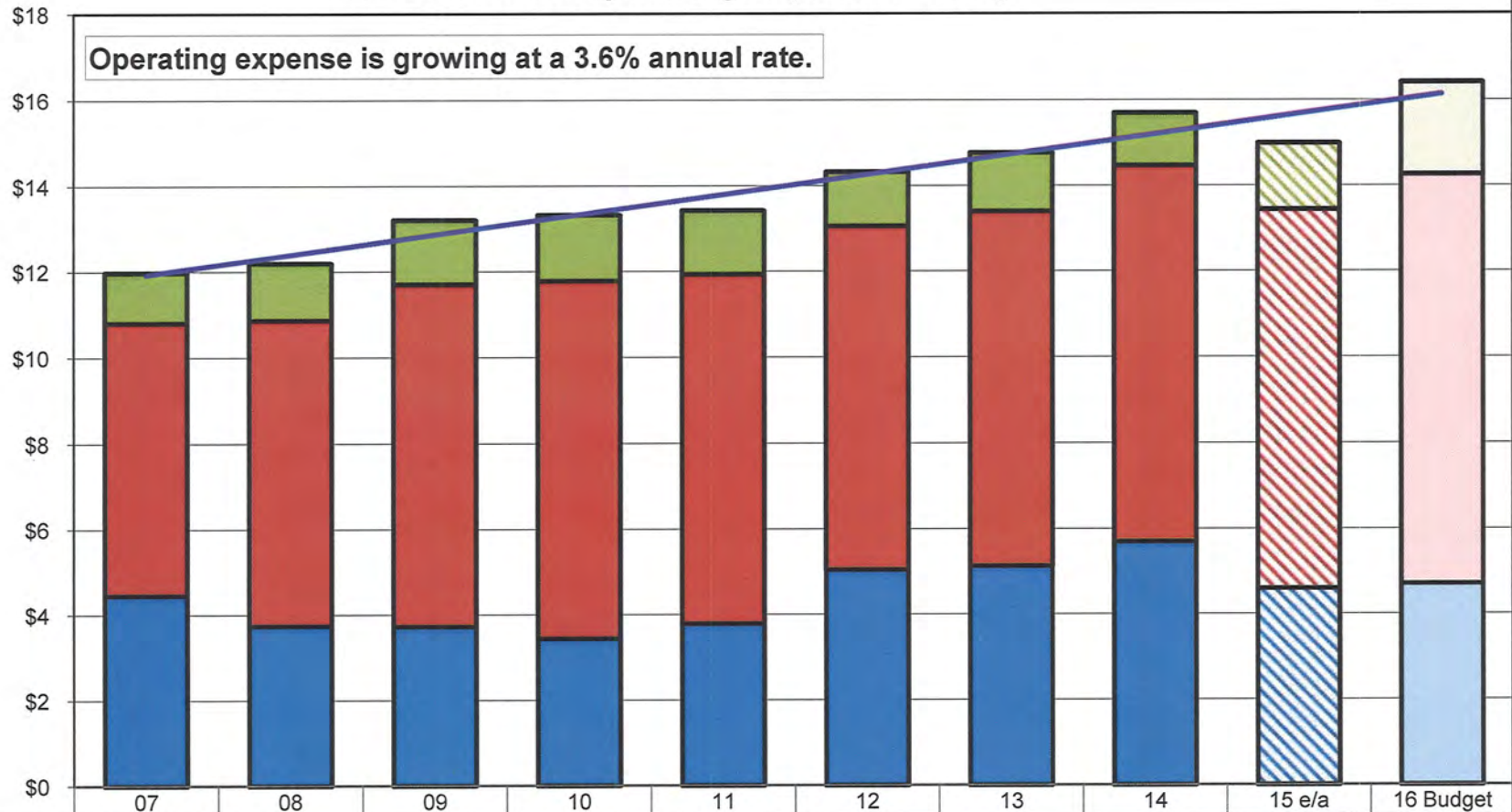
Billion
Gallons



Million \$

Novato Water Operating Expense History

Operating expense is growing at a 3.6% annual rate.



	07	08	09	10	11	12	13	14	15 e/a	16 Budget
Admin	\$1.2	\$1.3	\$1.5	\$1.5	\$1.5	\$1.3	\$1.4	\$1.2	\$1.6	\$2.1
O&M	\$6.4	\$7.1	\$8.0	\$8.3	\$8.1	\$8.0	\$8.3	\$8.8	\$8.8	\$9.6
Purch W/tr	\$4.5	\$3.7	\$3.7	\$3.4	\$3.8	\$5.0	\$5.1	\$5.7	\$4.6	\$4.7
Total	\$12.0	\$12.2	\$13.2	\$13.3	\$13.4	\$14.3	\$14.8	\$15.7	\$15.0	\$16.4

Fiscal Year

5d

MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller 

Subj: Public Hearing/Approve – FY16 Novato Recycled Water System Budget

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$5 Million FY16 Expenditure Plan**Changes Since the Last Review**

The FY15 recycled water sales volume is projected to come in about 155MG, exceeding budget by 10MG. Accordingly, the sales volume for FY16 has been increased from 147MG to 155MG, as has the purchased water volume, adding \$28,000 to FY16 projected net income. The District's 50% share of NMWD/NSD study pertaining to the Central Service Area Expansion has been increased to \$30,000. Along with minor operating expense adjustments, these changes combine to reduce the projected FY16 Net Loss to \$315,000 (which loss amount includes \$472,000 in depreciation expense).

Budget Detail

The FY 2015/16 (FY16) Recycled Water System (RWS) budget projects demand of 155MG next fiscal year (see chart of historical water use attached), in line with the current year estimated actual. The 4% commodity rate increase effective June 1, 2015 is projected to generate \$29,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation and purchased water) are budgeted to increase 13% (\$18,000) from the existing FY15 budget. The FY16 budget projects purchase of 100MG (\$140,000) of tertiary treated water from Novato Sanitary District and 55MG (\$77,000) from Las Gallinas Valley Sanitary District at \$1,400/MG. The Deer Island Plant is not budgeted to produce water, but will continue to serve as a backup facility.

The \$11 million project to expand recycled water distribution facilities to central Novato will commence next fiscal year, with \$3.5 million anticipated to be expended over the 12-month period. The District is applying for 1% State Revolving fund loan monies (\$9.5 million) and \$1.5 million in Title XVI grant funds to construct the facilities.

The RWS is budgeted to receive \$717,000 in Connection Fee monies from the Novato potable water system in FY16 to pay for the expansion loan debt service and to cover the \$80,000 cost of the NBWRA's grant administration. With the Connection Fee monies, the proposed budget projects a cash surplus next fiscal year of \$293,000.

Staff Recommendation:

- 1) Approve the FY14/15 Novato Recycled Water System Budget as presented;
- 2) Authorize the General Manager to pay demands arising from execution of the budgeted expenditure plan.

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	<i>Proposed Budget 2015/16</i>	<i>Estimated Actual 2014/15</i>	<i>Adopted Budget 2014/15</i>
# BASIC DATA			
1 Active Meters	44	44	47
2 Average Commodity rate	\$4.92	\$4.73	\$4.73
3 Consumption (MG)	155	155	145
OPERATING INCOME			
4 Recycled Water Sales	\$762,000	\$733,000	\$686,000
5 Bimonthly Service Charge	28,000	\$27,000	28,000
6 Total Operating Income	\$790,000	\$760,000	\$714,000
OPERATING EXPENDITURES			
7 Purchased Water - NSD	\$140,000	\$110,000	\$126,000
8 Purchased Water - LGVSD	77,000	100,000	77,000
9 Pumping	8,000	5,000	7,000
10 Operations	40,000	64,000	39,000
11 Water Treatment	21,000	4,000	20,000
12 Transmission & Distribution	32,000	73,000	30,000
13 Consumer Accounting	1,000	1,000	1,000
14 General Administration	58,000	42,000	45,000
15 Depreciation	472,000	472,000	428,000
16 Total Operating Expenditures	\$849,000	\$871,000	\$773,000
17 NET OPERATING INCOME (LOSS)	(\$59,000)	(\$111,000)	(\$59,000)
NON-OPERATING INCOME/(EXPENSE)			
18 Interest Revenue	\$10,000	\$6,000	\$4,000
19 Stone Tree Golf Interest Payments	44,000	49,000	49,000
20 Deer Island SRF Loan Interest Expense	(68,000)	(73,000)	(73,000)
21 Distrib System SRF Loans Interest Exp	(212,000)	(215,000)	(216,000)
22 Studies	(30,000)	(8,000)	(8,000)
23 Total Non-Operating Income/(Expense)	(\$256,000)	(\$241,000)	(\$244,000)
24 NET INCOME/(LOSS)	(\$315,000)	(\$352,000)	(\$303,000)
OTHER SOURCES/(USES) OF FUNDS			
25 Add Depreciation Expense	\$472,000	\$472,000	\$428,000
26 Fed Grant/SRF Loan - Central Expansion	3,500,000	0	0
27 Connection Fees Transferred from Novat	717,000	716,000	737,000
28 Stone Tree Golf Principal Repayment	206,000	201,000	201,000
29 Capital Improvement Projects	(3,680,000)	(217,000)	(125,000)
30 Deer Island SRF Loan Principal Payment	(205,000)	(200,000)	(200,000)
31 Distrib System SRF Loan Principal Pmts	(402,000)	(398,000)	(398,000)
32 Total Other Sources/(Uses)	\$608,000	\$574,000	\$643,000
33 CASH INCREASE/(DECREASE)	\$293,000	\$222,000	\$340,000

Proposed Capital Improvement Projects
Novato Recycled Water

6/9/15

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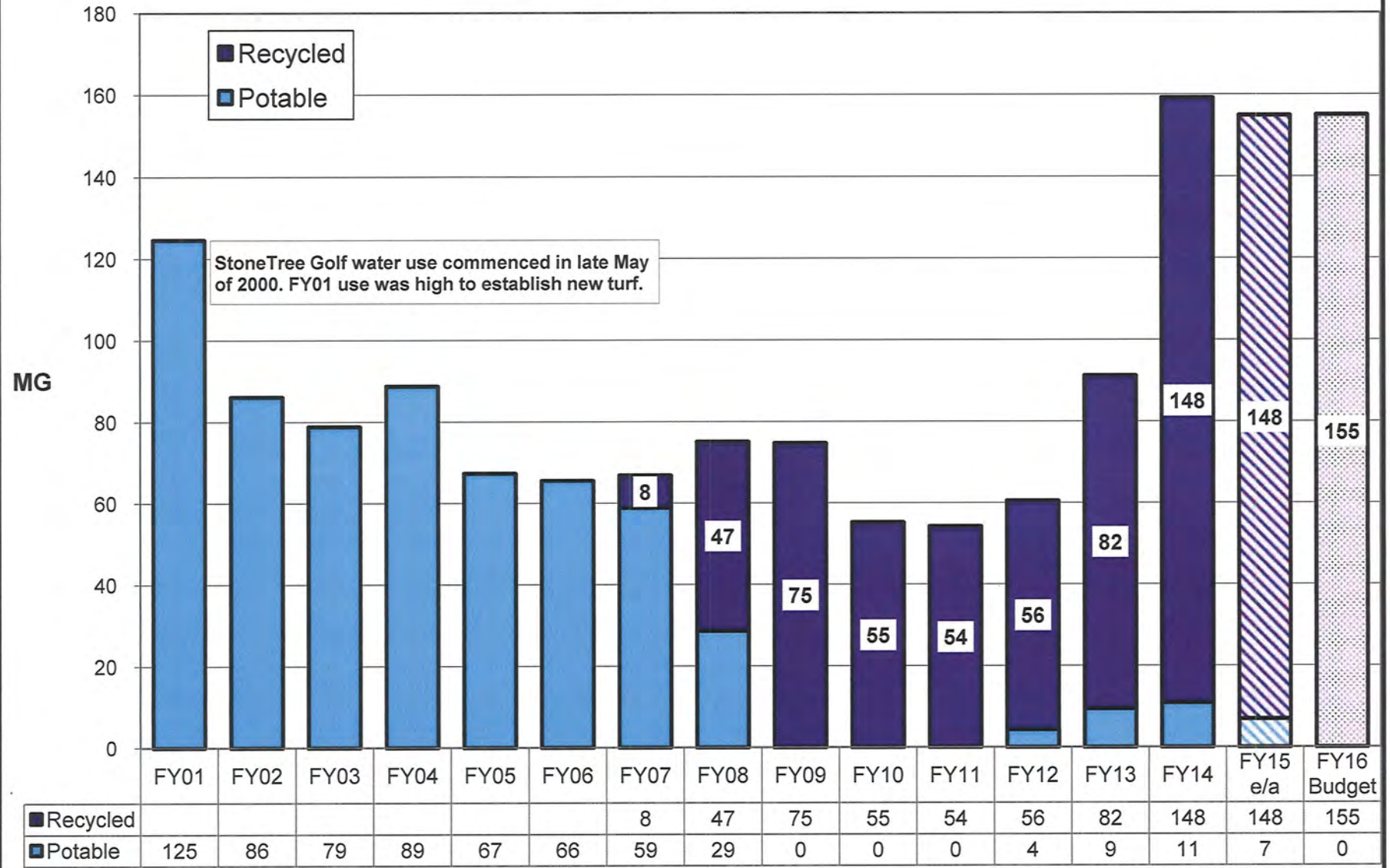
		FY16	FY17	FY16 Project Description
5. RECYCLED WATER				
5.7127.00 a.	NBWRA Grant Program Administration	\$80,000	\$80,000	Continued support of NBWRA to obtain/administer recycled water
b.	Expansion to Central Area (Note 4)	\$3,500,000	\$7,500,000	Install 5.7 miles of pipeline on Ignacio Blvd
c.	Other Recycled Water Expenditures	\$100,000	\$100,000	Retrofit existing potable irrigation customers to RW
		<u>\$3,680,000</u>	<u>\$7,680,000</u>	
 LESS FUNDED BY LOANS/GRANTS/OTHER				
	RW Sys Expansion (Note 4)	(\$3,500,000)	(\$7,500,000)	Funded by 1% SRF Loan, \$2.25M MCC Contribution & \$1.5M Grant
	NET PROJECT OUTLAY	<u>\$180,000</u>	<u>\$180,000</u>	
	 Total Number of Projects	 3	 3	

Note 4 - RW Central Expansion funded by \$2.25M Marin Country Club Contribution with balance from Fed/State Grants & SRF loan with debt service paid from Novato potable water FRC funds.

Studies carried under Non-Operating Expense

j.	NMWD/NSD Central Svc Area Expansion Study	\$30,000	
		<u>\$30,000</u>	<u>\$0</u>

Recycled Water Use History



6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2015
June 16, 2015

1.

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	319	385	389	371	379	-17%
August	301	360	396	373	368	-16%
September	276	332	346	347	358	-17%
October	221	313	283	249	278	-29%
November	173	229	166	183	164	-24%
December	129	182	146	156	141	-29%
January	137	168	151	178	146	-18%
February	121	119	148	147	134	1%
March	195	154	211	156	151	27%
April	217	177	240	171	194	22%
May	179	283	346	311	291	-37%
FYTD Total	2,268	2,702	2,822	2,642	2,605	-16%

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	8.6	9.3	9.8	9.2	9.9	-7%
August	8.5	9.3	9.7	9.4	9.9	-8%
September	7.8	8.5	8.3	8.7	9.2	-9%
October	5.4	8.0	7.4	6.5	7.8	-33%
November	4.6	6.8	5.2	5.1	4.9	-33%
December	4.7	6.4	4.5	4.9	4.8	-26%
January	4.4	5.9	5.0	4.8	4.3	-24%
February	3.9	4.4	4.4	4.5	3.9	-11%
March	5.2	5.0	5.4	4.4	5.6	4%
April	4.7	5.0	6.0	5.4	4.9	-4%
May	5.7	7.3	8.5	7.1	6.9	-22%
FYTD Total	63.5	75.8	74.2	70.1	72.2	-16%

* The Aug/Sept 2014 billing was down 24% from 2013. The variance with production is presumably due to NMWD distribution system leaks.

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	83	98	49	115	109	-15%
August	61	83	83	126	108	-26%
September	26	56	72	77	112	-53%
October	0	82	88	113	111	-
November	8	5	64	106	95	64%
December	0	2	0	49	0	-
January	0	0	21	0	0	-
February	24	0	57	0	0	-
March	95	0	61	0	52	-
April	104	0	67	0	98	-
May	82	75	105	0	97	9%
FYTD Total	482	401	665	586	783	20%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	21.8	27.6	11.2	11.0	11.9	-21%
August	26.0	26.2	10.5	12.2	11.2	-1%
September	19.2	18.6	8.5	9.6	9.5	3%
October	9.4	15.8	0.0	0.0	2.6	-41%
November	3.7	6.4	0.0	0.0	0.0	-42%
December	1.6	1.6	0.0	0.0	0.0	0%
January	0.8	1.2	0.0	0.0	0.0	-35%
February	0.8	1.8	0.0	0.0	0.0	-53%
March	9.5	1.2	1.4	0.0	0.0	674%
April	14.1	8.3	8.8	2.5	0.0	70%
May	21.1	23.0	17.3	10.8	11.2	-8%
FYTD Total*	127.9	131.6	57.6	46.1	46.4	-3%

*Excludes potable water input into the RW system: FY15=6.9MG; FY14=10.6MG.

6. Safety/Liability

FY through May 15

FY through May 14

Days without a lost time accident through May 31, 2015= 366 days

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Involved	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
165	83,160	1	0	5	4,855
60	24,960	1	0	2	872

7. Energy Cost

FYE	May			Fiscal Year-to-Date thru May		
	Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2015 Stafford TP	70,644	18.1¢	\$412	625,824	17.9¢	\$335
Pumping	103,765	18.0¢	\$623	1,167,147	16.5¢	\$574
Other*	40,314	25.9¢	\$348	435,555	21.0¢	\$273
	214,723	19.5¢	\$1,397	2,228,527	17.8¢	\$1,180
2014 Stafford TP	82,266	17.6¢	\$466	659,814	17.2¢	\$338
Pumping	139,076	16.6¢	\$721	1,496,185	15.5¢	\$688
Other*	42,092	26.2¢	\$344	467,930	20.0¢	\$278
	263,433	18.4¢	\$1,566	2,623,929	16.7¢	\$1,304
2013 Stafford TP	78,817	17.0¢	\$433	601,202	16.2¢	\$287
Pumping	160,837	15.6¢	\$864	1,279,946	15.2¢	\$613
Other*	42,251	21.1¢	\$307	413,387	19.6¢	\$254
	281,905	16.8¢	\$1,634	2,294,534	16.3¢	\$1,163

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of May 2015	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	20	259	3,202
Retrofit Certificates Filed	19	245	5,274
Cash for Grass Rebates Paid Out	15	119	680
Washing Machine Rebates	8	132	6,576
Water Smart Home Survey	40	316	2,072

9. Utility Performance Metric

<u>SERVICE DISRUPTIONS</u>	May 2015 No. of Customers Impacted	May 2014 No. of Customers Impacted
PLANNED		
Duration Between 0.5 and 4 hours	1	6
Duration Between 4 and 12 hours		13
Duration Greater than 12 hours		
UNPLANNED		
Duration Between 0.5 and 4 hours	5	
Duration Between 4 and 12 hours		27
Duration Greater than 12 hours		

<u>SERVICE LINES REPLACED</u>	May 2015	May 2014
Polybutylene	5	16
Copper (Replaced or Repaired)		3

2. Stafford Lake Data

	May Average	May 2014	May 2015
Rainfall this month	0.57 Inches	0.01 Inches	0 Inches
Rainfall this FY to date	27.34 Inches	13.97 Inches	24.1 Inches
Lake elevation*	192.2 Feet	186.9 Feet	191.6 Feet
Lake storage**	1,127 MG	795 MG	1,087 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
May 2014 (Novato)	49	97	77
May 2015 (Novato)	52	78	65

3. Number of Services

May 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %
Total meters	20,746	20,751	0.0%	48	47	2%	782	820	-4.6%	-	-	-
Total meters active	20,494	20,501	0.0%	44	44	0%	776	776	0.0%	-	-	-
Active dwelling units	23,942	23,936	0.0%	0	0	-	824	813	1.4%	229	229	0.0%

4. Oceana Marin Monthly Status Report (May)

Description	May 2014	May 2015
Effluent Flow Volume (MG)	0.410	0.374
Irrigation Field Discharge (MG)	0.54	0
Treatment Pond Freeboard (ft)	3.3	3.0
Storage Pond Freeboard (ft)	6.0	8.0

5. Developer Projects Status Report (May)

Job No.	Project	% Complete	% This month
1.2778.00	Novato Shell Loop	75	75

District Projects Status Report - Const Dept (May)

Job No.	Project	% Complete	% This month
7007.09	DCA Repair/Replacement	100	40
7144.00	Grant/5th 1" Galvanized R/R	85	15
1.8650.20	WQ Sampling Stations	80	20
1.7143.00	Ashley Ct 2" Thinwall Plastic	10	10

Employee Hours to Date, FY 14/15

As of Pay Period Ending May 31, 2015

Percent of Fiscal Year Passed = 92%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,177	1,400	84	Construction	3,393	4,979	68
Engineering	512	1,480	35	Engineering	4,341	3,546	122

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2015

6/10/2015

Type	May-15	May-14	Action Taken May 2015
<u>Consumers' System Problems</u>			
Service Line Leaks	17	21	Notified Consumer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	5	9	Notified Consumer
Nothing Found	0	11	~
Low Pressure	1	0	Pressure @ 40 PSI. They will call plumber.
High Pressure	1	0	Pressure @ 130 PSI. They will call plumber.
Water Waster Complaints	0	0	~
Total	24	41	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	7	2	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	0	1	~
Water Off/On Due To Repairs	6	6	Notified Consumer
Misc. Field Investigation	0	2	~
Total	13	11	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	9	14	Repaired
Services-Nothing Found	5	5	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	1	1	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	2	0	Repaired
Meter Replacement	0	0	~
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	6	14	Replaced
Total	23	34	
<u>High Bill Complaints</u>			
Consumer Leaks	10	0	Notified Consumer
Meter Testing	0	0	~
Meter Misread	7	3	Notified Consumer
Nothing Found	9	10	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	1	0	Notified Consumer
Total	27	13	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2015

6/10/2015

Type	May-15	May-14	Action Taken May 2015
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	2	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	2	
<u>Water Quality Complaints</u>			
Taste and Odor	0	1	~
Color	1	0	Customer reported color tint in water. (Reichert Ct) Small amounts of manganese released from STP. Customer was notified of results.
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	0	0	~
Total	1	1	
TOTAL FOR MONTH:	88	102	-14%

Fiscal YTD Summary

Consumer's System Problems	310	340
Service Repair Report	116	109
Leak Complaints	327	272
High Bill Complaints	299	356
Low Bills	9	3
Water Quality Complaints	31	59
Total	1,092	1,139

Change Primarily Due To

-9%	Decrease In Meter Lks Consumer Side
6%	Increase Water Off/On Due To Repairs
20%	Increase in Service Line Leaks
-16%	Decrease In Nothing Found
200%	Increase in Stuck Meters
-47%	Decrease In Taste & Odor
-4%	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2015

6/10/2015

Type	May-15	May-14	Action Taken May 2015
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	192	142	
<u>Change Meter:</u> leaks, hard to read	4	3	
<u>Possible Stuck Meter</u>	0	0	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	5	1	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	54	78	
<u>Dig Outs</u>	84	62	
<u>Letters to Consumer:</u>			
meter obstruction, trims, bees, gate access, etc.	0	0	
get meter number, kill service, etc.	0	0	
	339	286	

Bill Adjustments Under Board Policy:

May 15 vs. May 14

May-15	16	\$8,973
May-14	10	\$3,627

Fiscal Year to Date vs. Prior FYTD

14/15 FYTD	233	\$100,751
13/14 FYTD	305	\$107,486

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MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for May 2015

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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$14,702,177 and a market value of \$14,711,996. During May the cash balance decreased by \$631,255. The market value of securities held decreased by \$1,124 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$2,869,929 unexpended balance of the Bank of Marin loan, stood at 86%, down 7% from the prior month. \$655,810 was received in May as the final Prop 50 Grant payment for the Gallagher Well Pipeline Project, bringing the total grant funding for this project to \$1.4 million, or 98% of the project cost.

At May 31, 2015, 34% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 27% in Time Certificate of Deposits, 14% in Corporate Medium Term Notes, 14% in US Treasury Notes, and 7% in Federal Agency Securities. The weighted average maturity of the portfolio was 204 days, compared to 202 days at the end of March. The LAIF interest rate for the month was 0.29%, compared to 0.28% the previous month. The weighted average Portfolio rate was 0.51%, compared to 0.49% the previous month. Including interest paid by The Bay Club Company on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$10,435 in interest revenue during May, with 51% earned by Novato Water, 44% earned by Recycled Water (by virtue of the StoneTree Golf Course Loan) and the balance distributed to the other districts.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2015**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	5/31/2015 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$5,039,261	\$5,041,194	0.29% ³	34%
Time Certificate of Deposit								
TCD	GE Capital Bank	n/a	6/10/13	6/8/15	248,000	248,000	0.50%	2%
TCD	American Express	n/a	8/1/13	8/3/15	248,000	248,000	0.70%	2%
TCD	Compass Bank	n/a	9/4/13	9/4/15	248,000	248,000	0.65%	2%
TCD	Sallie Mae Bank	n/a	10/23/13	10/23/15	248,000	248,000	0.80%	2%
TCD	BMW Bank	n/a	12/11/13	12/11/15	248,000	248,000	0.70%	2%
TCD	Key Bank	n/a	3/19/14	3/21/16	248,000	248,000	0.45%	2%
TCD	Barclays Bank	n/a	4/15/14	4/15/16	248,000	248,000	0.55%	2%
TCD	Americanwest Bank	n/a	5/30/14	5/31/16	249,000	249,000	0.50%	2%
TCD	Enerbank	n/a	6/30/14	6/30/16	249,000	249,000	0.65%	2%
TCD	Investors Bank	n/a	7/21/14	7/21/16	249,000	249,000	0.70%	2%
TCD	Comenity Capital Bank	n/a	8/18/14	8/18/16	249,000	249,000	0.80%	2%
TCD	Ally Bank	n/a	10/2/14	10/3/16	248,000	248,000	0.95%	2%
TCD	Cardinal Bank	n/a	11/12/14	11/14/16	249,000	249,000	0.80%	2%
TCD	Goldman Sachs	n/a	12/10/14	12/12/16	248,000	248,000	1.00%	2%
TCD	First Niagara Bank	n/a	4/30/15	5/1/17	249,000	249,000	0.75%	2%
TCD	Discover Bank	n/a	5/6/15	5/8/17	248,000	248,000	0.85%	2%
					\$3,974,000	\$3,974,000	0.71%	27%
US Treasury Notes								
Treas	1,000 - 0.50%	n/a	3/26/14	6/15/16	\$999,470	\$1,002,109	0.55%	7%
Treas	1,000 - 1.0%	n/a	8/4/14	9/30/16	1,004,762	1,007,656	0.65%	7%
					\$2,004,232	\$2,009,765	0.60%	14%
Federal Agency Securities								
FFCB	1.70% MTN	n/a	9/15/14	10/28/16	\$507,247	\$508,154	0.68%	3%
FHLB	0.58% MTN	n/a	11/7/14	11/14/16	499,527	499,588	0.64%	3%
					\$1,006,774	\$1,007,742	0.66%	7%
Corporate Medium Term Notes								
MTN	Toyota Motor Credit	AA-	5/14/13	7/17/15	\$1,000,481	\$1,000,670	0.51%	7%
MTN	General Electric	AA+	1/29/13	10/9/15	1,000,532	1,001,728	0.70%	7%
					\$2,001,013	\$2,002,398	0.60%	14%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$577,462	\$577,462	0.22%	4%
Other	Various	n/a	Various	Open	99,435	99,435	0.42%	1%
TOTAL IN PORTFOLIO					\$14,702,177	\$14,711,996	0.51%	100%

Weighted Average Maturity = **204 Days**

LAIF: State of California Local Agency Investment Fund.

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

TCD: Time Certificate of Deposit, Treas: US Treasury Notes with maturity of 5 years or less.

FFCB: Federal Farm Credit Bank, FHLB: Federal Home Loan Bank

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

Other: Comprised of 4 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan

Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending May 31, 2015.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Course Loan	6/30/06	2/28/24	\$3,612,640	\$1,970,078	2.40%
Employee Housing Loans (6)	Various	Various	1,234,200	1,234,200	Contingent
Employee Computer Loan (1)	1/8/2015	1/4/2016	893	522	1.52%
TOTAL INTEREST BEARING LOANS			\$4,847,733	\$3,204,800	

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

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7

MEMORANDUM

To: Board of Directors
From: Katie Young, District Secretary *KY*
Subj: Resolution re Consolidation of District Election and Filing Information
District Election, November 3, 2015

June 12, 2015

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RECOMMENDED ACTION: Approve Resolution Re Consolidation of District Election

FINANCIAL IMPACT: Approximately \$2,000 Cost Saving for Consolidating Election

Attached for the Board's approval is a resolution requesting consolidation of the District's election on November 3, 2015, and requesting election services by the County Clerk. The Marin County Registrar of Voters has requested that the District's resolution include language stating that the North Marin Water District is requesting that Marin County hold the election for the few Sonoma County voters eligible to vote for the District's Board.

Regular 4-Year Terms of the following Directors will end in 2015:

Jack Baker

Stephen Petterle

Dennis Rodoni

The filing period for the November 3, 2015 District Election is **July 13, through August 7, 2015**. Nomination papers will be available from the County Clerk/Elections Division, Hall of Justice, Civic Center, San Rafael.

If nomination papers are not filed by ALL incumbents by 5:00 p.m. on August 7, 2015, the filing period will be extended to 5:00 p.m., August 12, 2015. **Note: Only non-incumbent candidates may file nomination papers during an extended filing period.**

Upon taking out nomination papers, candidates will be given a copy of Candidates Guidelines with detailed information. If you have any questions, please contact the County Clerk's office (Dan Miller) at 415-473-6437. Please be aware that **all candidates are required to file a Candidates Statement of Economic Interests (Form 700)** with the county elections where they file their Declaration of Candidacy. I will provide copies of Form 700 to the three current Directors whose terms will end in 2015.

Candidates who are elected, or appointed in lieu of a contested election, take office at 12 noon on Friday, December 4, 2015 and serve a four-year term.

RECOMMENDATION

Board adopt attached resolution.

Approved by GM *LD*

Date *6/12/2015*

RESOLUTION NO. 15-XX

**RESOLUTION OF THE GOVERNING BODY OF THE
NORTH MARIN WATER DISTRICT**

PROPOSING AN ELECTION BE HELD IN MARIN COUNTY;
REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY
OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTING
ELECTION SERVICES BY THE REGISTRAR OF VOTERS

WHEREAS, it is the determination of said governing body that a Consolidated District and School Election to be held on the 3rd day of November, 2015, at which election the issue to be presented to the voters shall be:

To elect members to the Board

Number of Regular Term Positions (4 year) 3

Number of Short Term Positions (2 year) 0

BE IT FURTHER RESOLVED that the Board of Supervisors of the County of Marin is hereby requested to:

- 1) Consolidate said election with any other applicable election conducted on the same day;
- 2) Authorize and direct the Registrar of Voters at District expense, to provide all necessary election services and to canvass the results of said election.
- 3) Requests that Marin County hold the election on behalf of any Sonoma County voters eligible to vote for the District's Board.

PASSED AND ADOPTED this sixteenth day of June 2015 by the following vote, to wit:

AYES:

NOES:

ABSENT:

PRESIDENT BOARD OF DIRECTORS

ATTEST: _____
Secretary

cc: Sonoma County Registrar of Voters/County Clerk

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8

MEMORANDUM

To: Board of Directors

June 12, 2015

From: Chris DeGabriele, General Manager 

Subj: Nomination of David Bentley to Continue Serving as Board Member of ACWA Region 1

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT: None**

Auditor-Controller David Bentley is an active board member of ACWA Region 1. The Region 1 Board is seeking candidates to fill a Board Member vacancy for the 2016-2017 (two year) term. The Region 1 Board meets four times per year, two of which meetings occur at the ACWA semi-annual general conference. David is willing to continue serving as a Board member, and as he already attends the meetings, there would be no additional cost to the District.

A resolution and ACWA nomination form accompanies this memorandum.

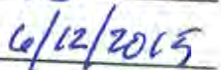
Recommendation:

Approve Resolution 15-XX placing in nomination David Bentley as a member of the ACWA Region 1 Board.

Approved by GM



Date



RESOLUTION NO. 15-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT PLACING IN NOMINATION DAVID BENTLEY AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 1 BOARD

WHEREAS, The Board of Directors of the North Marin Water District (Board) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA);

WHEREAS, David Bentley has indicated a desire to serve as a Board member of ACWA Region 1.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD:

Does place its full and unreserved support in the nomination of David Bentley for the Board of ACWA Region 1.

Does hereby determine that the expenses attendant with the service of David Bentley in ACWA Region 1 shall be borne by the North Marin Water District.

* * * * *

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 sixteenth day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Eileen Blue, Acting-District Secretary
North Marin Water District

(SEAL)



Association
of California
Water Agencies
Since 1910
Leadership • Advocacy
Information • Service

REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: David L. Bentley
Agency: North Marin Water District Title: Auditor-Controller
Agency Phone: 415-897-4133 Direct Phone: 415-761-8909
E-mail: dbentley@nmwd.com ACWA Region: 1 County: Marin
Address: 999 Rush Creek Place, Novato, CA 94945

Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)

☐ Chair _____ ☐ Vice Chair _____ ☒ Board Member _____

In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section? (If neither is selected, your name will **NOT** appear on the ballot.)

☒ Yes ☐ No

Agency Function(s): (check all that apply)

☐ Wholesale ☒ Sewage Treatment ☐ Flood Control
☒ Urban Water Supply ☒ Retailer ☐ Groundwater Management / Replenishment
☐ Ag Water Supply ☒ Wastewater Reclamation ☐ Other: _____

Describe your ACWA-related activities that help qualify you for this office:

Active member of ACWA Region 1

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

Chief Financial Officer of the North Marin Water District for the past 28 years.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

I hereby submit my name for consideration by the Nominating Committee.

(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)

Signature

Auditor-Controller

Title

June 17, 2015

Date

Submit completed form by June 30 to regionelections@acwa.com.

Submit

9

MEMORANDUM

ITEM #9

To: Board of Directors

June 12, 2015

From: Chris DeGabriele, General Manager



Subj: Resolution of Appreciation for John Mello

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RECOMMENDED ACTION: Board Approve the Resolution of Appreciation to John Mello

FINANCIAL IMPACT: None

John Mello is retiring on June 30, 2015 after 43 years of employment with North Marin Water District. His retirement will be recognized at the District's Picnic on July 25th. Thus it is appropriate to convey appreciation for John's years of service to the District and adopt the attached resolution of appreciation.

RECOMMENDATION: Board adopt the resolution of appreciation to John Mello retiring after 43 years of employment with North Marin Water District.

Resolution 15-XX

North Marin Water District

Resolution of Appreciation

To

John Mello

WHEREAS:

- John Mello was hired on September 1, 1972 as a "Helper" at North Marin County Water District and promoted through the ranks of Heavy Equipment Operator (1978), Construction Inspector (1987), Engineering Technician (1994), and culminating his career advancement with the District as Engineering Tech/Storekeeper in 2010.
- During John's employment the District nearly doubled in size to a water and sewer utility serving 21,595 customers in Novato, Point Reyes Station and the Oceana Marin areas of Marin County. John played an instrumental role in the construction, maintenance, engineering design, and inspection of facilities and purchasing of materials to serve these customers.
- For nearly 43 years, John performed all his duties with deep commitment and dedication. John exhibited a keen interest in the District construction from an early age, inspecting water line installations as a young Native Novatan and applying for employment even before graduating from the first class of San Marin High School.
- John presented a competent and helpful demeanor to customers and persons he did business with on behalf of the District and pursued his work in a professional and businesslike fashion. He holds the respect of his fellow District employees, supervisors, and District managers he served, the Board of Directors, contractors, developers and engineers.
- John's devotion to the District is exemplified by his eager "can do" attitude to accomplish work assigned and willingness to experience and try new things. As a Helper John asked questions about the work, learned quickly and remembered what he learned. He was always eager to become a Heavy Equipment Operator, but also took the opportunity to work on the Valve and Hydrant program to learn more about the District's water system. John used those experiences to become a valuable asset in the Engineering Department not only inspecting developer work but assisting new designs with value engineering/constructability reviews. As storekeeper duties were added to John's responsibility he quickly improved purchasing efficiency and took the initiative to clear the warehouse and yard of obsolete materials which had gathered dust for decades.
- On June 30, 2015, John Mello will retire from the North Marin Water District.

THEREFORE BE IT RESOLVED:

That the Board of Directors of North Marin Water District hereby commends and expresses its appreciation to John Mello for many years of dedicated and loyal service.

BE IT FURTHER RESOLVED:

That the Board of Directors, on behalf of the staff, officers and Directors of the North Marin Water District, extend to John Mello sincere good wishes in his new endeavors and many happy productive years filled with all the good things of life.

Dated at Novato, California

June 16, 2015

Jack Baker, President
North Marin Water District

* * * * *

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 sixteenth day of June 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Eileen Blue, Acting District Secretary
North Marin Water District

(SEAL)

10

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Purchase of FY16 Insurance
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June 12, 2015

RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** \$136,213 to be included in FY2015/16 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 three years; and, 2) John O. Bronson Co. of Sacramento. John O. Bronson, which specializes in excess workers' compensation coverage, advised that after assessing the market they could not compete with the existing pricing.

This year, Gallagher introduced a new carrier, Allied World Assurance Company (AWAC), with a proposal to reduce the \$1 million self-insured retention (SIR) for liability coverage to \$100,000. However, the net premium cost to the District would be \$11,575 more than the incumbent carrier Argonaut's proposed premium. The question to consider is whether the District should pay an additional \$11,575 to reduce the SIR from \$1 million to \$100,000.

A review of the District's claims history over the past 33 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 liability claim has ever even approached \$100,000. A supplementary coverage under the general liability package is Employment Practices Liability. The District has experienced two employment practices claims within the past decade. The incumbent carrier Argonaut's employment practices liability deductible is \$25,000, while the AWAC proposed deductible is \$50,000.

Given the District's history, staff is inclined to keep the \$11,575 additional premium in the District's bank, and stay with the \$1 million self-insured retention for general liability, and the \$25,000 deductible for Employment Practices liability. That being said, the recommended purchase package presented for your consideration herein, reflects a cost increase of \$3,957 (3%) from the current year premium.

PROPOSAL SUMMARY

Insurance Proposal	FY14/15	FY15/16	% Δ
Property	\$50,753	\$52,185	3%
Liability ¹	\$22,552	\$21,884	-3%
Excess Workers' Comp	\$50,707	\$53,629	6%
Cyber Liability	\$8,244	\$8,515	3%
	\$132,256	\$136,213	3%

MARKETING RECAP

Gallagher approached three carriers to underwrite the property and liability coverage. One declined to quote based on the existing pricing, and the other (AWAC) was discussed above. Three carriers were approached for Cyber Liability coverage, and all provided proposals with varying amounts of coverage and deductibles. Gallagher approached four carriers for Excess Workers' Compensation coverage. None could compete with the incumbent's pricing, which maintained the same rate per \$1,000 of payroll. Finally, one carrier (Alaska National) was approached by Gallagher to obtain a proposal for 1st dollar (e.g., no deductible) workers' compensation coverage. Alaska National is the same carrier that made a proposal last year, which we declined in favor of continuing to self-insure. 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.

PROPERTY INSURANCE

Property insurance protects the District against loss or damage that occurs to the District's buildings, equipment and water storage tanks. Structures and tanks are insured in an amount up to the value of the asset as shown on the attached schedule. Equipment coverage is provided on an agreed value basis. The insured value of the District's property, excluding fleet vehicles and mobile equipment (backhoes, compressors, etc.) increased 0.9% from the prior year, to \$57.9 million.

¹ Liability amounts shown are NMWD's net cost after MCWCFCD's contribution (\$13,650 in FY15 & \$12,193 in FY16).

<u>2014-15 Actual</u>					
<u>CARRIER</u>	<u>TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>	<u>RATE/\$1,000</u>
Argonaut	Property	\$57,370,000	\$25,000	\$50,753	\$0.88

<u>2015-16 Proposal</u>					
Argonaut	Property	\$57,906,000	\$25,000	\$52,185	\$0.90 ⇐
AWAC	Property	\$57,906,000	\$10,000	\$77,294	\$1.33

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 remained virtually unchanged at \$519,000.

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

<u>2015-16 Proposal</u>					
Argonaut	Auto PD	\$519,000	\$3,000	Included	- ⇐
AWAC	Auto PD	\$519,000	\$10,000		

PUBLIC OFFICIALS ERRORS & OMISSIONS AND EMPLOYMENT PRACTICES LIABILITY

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

<u>2014-15 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$1,000,000	\$25,000	Included

<u>2015-16 Proposal</u>			
Argonaut	\$1,000,000	\$25,000	Included ⇐
AWAC	\$1,000,000	\$50,000	Included

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 \$12,193 next fiscal year for the \$5 million in additional coverage required under the agreement.

<u>2014-15 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Argonaut	\$10,000,000	\$1,000,000	\$22,552 ²
<u>2015-16 Proposal</u>			
Argonaut	\$10,000,000	\$1,000,000	\$21,884³
AWAC	\$10,000,000	\$100,000	\$8,350 ⁴



EMPLOYEE FIDELITY (CRIME) INSURANCE

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

<u>2014-15 Actual</u>			
<u>CARRIER</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>	<u>PREMIUM</u>
Argonaut	\$500,000	\$25,000	Included
<u>2015-16 Proposals</u>			
Argonaut	\$500,000	\$25,000	Included
AWAC	\$500,000	\$10,000	Included



² Net cost shown. FY15 total premium is \$36,202. MCFCWCD paid \$13,650 for the incremental \$5M coverage.

³ Net cost shown. FY16 total premium is \$34,077. MCFCWCD will pay \$12,193 for the incremental \$5M coverage.

⁴ Net cost shown. FY16 total premium is \$13,350. Cost of the incremental \$5M coverage is \$5,000.

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 \$62,708. The District has incurred nine minor claims this fiscal year-to-date and has paid out less than \$2,000 in claims cost. This \$64,700 cost (\$62,700 + \$2,000) compares to Alaska National Insurance Company's FY15 proposal for 1st dollar workers' comp coverage of \$204,000. Based on the District's very moderate injury record, Alaska National has proposed a FY16 1st dollar coverage policy at a cost of \$184,000. Staff recommends the District continue to self-insure its Workers' Compensation liability. The New York Marine and General Insurance Company proposal for Excess Workers' Compensation coverage for FY16 increased 6%, commensurate with the increase in payroll, to \$53,629.

2014-15 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	\$4,350,000	\$50,707	\$11.66

2015-16 Proposal

NY Marine	Statutory (unlimited)	\$750,000	\$4,600,000	\$53,629	\$11.66	↔
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CYBER LIABILITY INSURANCE

Last year for the first time the District purchased a Cyber Liability policy which 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 to the District's reputation and could interrupt its ability to render bills. A

Cyber Liability policy provides funds to employ experts to mitigate losses.

Proposals from three carriers for Cyber Liability coverage were received, with multiple options for various levels of coverage and self-insured retention. The proposal from Illinois Union offers broader coverage than the Lloyds policy, has a lower premium than the comparable Great American policy, and is therefore the recommended carrier.

2014-15 Actual

<u>CARRIER</u>	<u>COVERAGE</u>	<u>SIR</u>	<u>PREMIUM</u>
Illinois Union	\$1,000,000	\$25,000	\$8,244

2015-16 Proposals

Great American	\$1,000,000 ⁵	\$15,000	\$7,740
Lloyd's Syndicate	\$1,000,000 ⁶	\$10,000	\$7,783
Illinois Union	\$1,000,000 ⁷	\$25,000	\$8,515 ←
Lloyd's Syndicate	\$1,000,000 ⁸	\$10,000	\$8,733
Lloyd's Syndicate	\$2,000,000 ⁹	\$10,000	\$9,729
Lloyd's Syndicate	\$2,000,000 ¹⁰	\$10,000	\$10,916
Great American	\$1,000,000 ¹¹	\$15,000	\$11,610

Last year's insurance purchase totaled \$132,256.

STAFF RECOMMENDATION:

<u>TYPE</u>	<u>CARRIER</u>	<u>RATING</u>	<u>COVERAGE</u>	<u>PREMIUM</u>
Property	Argonaut	A XII	\$57,906,000	\$52,185
Liability	Argonaut	A XII	\$10,000,000	\$21,884 ³
Excess Worker's Comp	NY Marine	A IX	Unlimited	\$53,629
Cyber Liability	Illinois Union	A++ XV	\$1,000,000	\$8,515
				<u>\$136,213</u>

⁵ \$1 million coverage is shared between District and 3rd party claimants

⁶ Data Breach Response coverage is \$100,000

⁷ \$1 million coverage applies separately to District and 3rd party claimants, Data Breach Response coverage is \$500,000.

⁸ Data Breach Response coverage is \$250,000

⁹ Data Breach Response coverage is \$100,000

¹⁰ Data Breach Response coverage is \$250,000

¹¹ \$1 million coverage applies separately to District and 3rd party claimants

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/31/2015

LOC.	DESCRIPTION		2015-16 INSURED VALUE	
			STRUCTURE	CONTENTS
Buildings				
1	Administration Office 999 Rush Creek Pl. - Constructed 1966 Wood Frame w/Concrete Slab Foundation	8,340 Ft²	\$3,012,000	\$1,077,000
2	Warehouse, Shop & Yard Buildings (4) 999 Rush Creek Pl. - Constructed 1966 Steel Frame w/Non-Reinforced Concrete Slab	16,380 Ft²	\$3,090,000	\$1,378,000
3	Waterworks & Misc Supplies/Inventory on Ground and in Cargo Containers (3)		\$14,000	\$600,000
4	Single-Family Home - 3Bd/2Ba - Contr 2005 25 Giacomini Road, Pt Reyes Station	1,196 Ft²	\$258,000	\$26,000
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 Ft²	\$8,316,000	\$6,811,000
6	Point Reyes TP - Constr 1971 - 1 MGD Includes Wells #2, #3 and Gallagher 300 Commodore Webster Drive, Pt. Reyes Station	200 Ft²	\$123,000	\$123,000
Treatment Plants - Sewage				
7	Oceana Marin Chemical Feed/Control Shed - Constructed 1990 - 35,000 GPD Capacity	96 Ft²	\$16,000	\$31,000
8	Oceana Marin Treatment Lagoons & Piping		\$103,000	\$0
Treatment Plants - Recycled				
9	Deer Island Recycled Water Facility - Constructed 2007 - 0.5 MGD Capacity	825 Ft²	\$749,000	\$2,323,000
Pump Stations, Pressure Systems & PRS (note 1)				
(A - Above Ground; B - Below Ground)				
10	B - Bahia Pump Station (concrete)		\$16,000	\$44,000
11	A - Bear Valley Pump Station (wood frame)		\$54,000	\$44,000
12	A - Bolling Circle RW Pump Station (steel)		\$5,000	\$15,000
13	B - Buck Center Pump Station (steel)		\$9,000	\$68,000
14	A - Cabro Court PS (wood frame) & 5,500 Gal Concrete Tank		\$54,000	\$51,000

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/31/2015

LOC.	DESCRIPTION	2015-16	
		INSURED VALUE	
		STRUCTURE	CONTENTS
<u>Pump Station and Pressure Systems (continued)</u>			
15	B - Eagle Drive Pump Station (wood frame)	\$18,000	\$84,000
16	A - Inverness Park Pump Station (wood frame)	\$55,000	\$44,000
17	B - Lynwood Pump Station (concrete)	\$426,000	\$316,000
18	B - Nunes Pump Station (wood frame)	\$55,000	\$84,000
19	B - Oceana Marin Lift Station & 80 kW Generator (concrete)	\$129,000	\$236,000
20	B - Old Ranch Road (Davies) Pump Station (wood shed)	\$16,000	\$37,000
21	A - Olema Pump Station (wood frame)	\$55,000	\$44,000
22	B - Paradise Ranch Estates (3 pump stations) (wood shed)	\$30,000	\$109,000
23	B - Ponti Pump Station (wood shed)	\$15,000	\$85,000
24	B - Ridge Road Pump Station (wood shed)	\$9,000	\$51,000
25	B - Robin Hood Drive (Cherry Hill) Pump Station (metal box)	\$9,000	\$121,000
26	B - San Andreas Pump Station (wood shed)	\$16,000	\$68,000
27	A - San Marin Drive Pump Station (brick & concrete)	\$496,000	\$290,000
28	B - School Road Pump Station (steel box)	\$9,000	\$86,000
29	B - Truman Pump Station (wood shed)	\$9,000	\$86,000
30	B - Trumbull Pump Station (wood frame)	\$54,000	\$86,000
31	B - Wild Horse Valley Pump Station (wood shed)	\$9,000	\$86,000
32	B - Windhaven Pump Station (small wood frame)	\$16,000	\$14,000
33	B - Winged Foot Drive Pump Station (metal box)	\$9,000	\$71,000
34	B - Woodland Heights Pump Station (wood shed)	\$9,000	\$86,000
35	B - World College West Pump Station (wood shed)	\$16,000	\$68,000
36	B - Diablo Hill Pressure System (wood shed)	\$16,000	\$51,000
37	B - Garner Pressure System (wood shed)	\$9,000	\$57,000
38	A - Hayden Drive Pressure System (wood frame)	\$55,000	\$57,000

SCHEDULE OF STRUCTURES AND CONTENTS

NORTH MARIN WATER DISTRICT

Revised 3/31/2015

LOC.	DESCRIPTION	2015-16	
		INSURED VALUE	
		STRUCTURE	CONTENTS
<u>Pump Station and Pressure Systems (continued)</u>			
39	B - Indian Hills Pressure System (wood shed)	\$9,000	\$51,000
40	B - Rockrose Pressure System (wood shed)	\$9,000	\$50,000
41	B - Atherton Avenue Regulator Station (concrete vault)	\$5,000	\$24,000
42	B - Black Point Regulator Sta No.1 (Harbor @ Hwy 37) (vault)	\$5,000	\$24,000
43	B - Black Point Regulator Sta No.2 (Harbor @ Grandview) (vault)	\$5,000	\$24,000
44	B - Black Point Reg Station No. 3 (Iolanthus) (vault)	\$5,000	\$24,000
45	B - Calle De La Mesa Regulator Station (vault)	\$3,000	\$24,000
46	B - Hamilton (Main Gate Rd) Regulator Station (vault)	\$5,000	\$24,000
47	B - Plum Street @ Summers Regulator Station (vault)	\$5,000	\$22,000
48	B - Robin Hood Drive Regulator System (at PS) (vault)	\$9,000	\$24,000
49	B - Robin Hood Drive Regulator System (Uphill) (vault)	\$5,000	\$24,000
50	B - San Marin Reg Sta Aqueduct Control Valve (metal box)	\$11,000	\$24,000
51	B - San Marin East Regulator Station (vault)	\$5,000	\$24,000
52	B - Sunset Regulator Station (vault)	\$5,000	\$24,000
53	B - Captain Nurse Circle Regulator Station (vault)	\$5,000	\$24,000
54	B - Western Avenue Regulator Station (vault)	\$5,000	\$16,000
<u>Other</u>			
55	Crest Radio Building Incl 25 kW Generator (Concrete Block)	\$57,000	\$68,000
56	Highway 37 Automated Valve (Vault)	\$37,000	\$57,000
notes		\$17,549,000	\$15,460,000

- 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.

SCHEDULE OF TANKS
NORTH MARIN WATER DISTRICT
Revised 3/31/2015

Loc.	Tank	Total Gallons Capacity	Above Ground	Below Ground	Steel	Concrete	Wood	2015-16 Agreed Value
57	Air Base Tank	1,000,000	X		X			\$862,000
58	Amaroli Tank	4,500,000		X		X		\$2,231,000
59	Atherton	5,000,000	X		X			\$2,522,000
60	Bear Valley (3)	30,000	X			X		\$26,000
61	Black Point	300,000	X		X			\$277,000
62	Buck	500,000	X		X			\$454,000
63	Center Road	500,000	X		X			\$454,000
64	Cherry Hill #1	250,000	X		X			\$233,000
65	Cherry Hill #2	200,000	X		X			\$186,000
66	Crest #1	500,000	X		X			\$454,000
67	Crest #2	500,000	X		X			\$454,000
68	Dickson	250,000	X		X			\$233,000
69	Garner	100,000	X		X			\$94,000
70	Half Moon	100,000	X		X			\$94,000
71	Inverness Park #1	30,000	X			X		\$26,000
72	Inverness Park #2	100,000	X		X			\$94,000
73	Loma Verde*	200,000	X		X			\$1,000
74	Lynwood #1	500,000	X		X			\$454,000
75	Lynwood #2	850,000	X		X			\$744,000
76	Norman*	500,000	X		X			\$454,000
77	Nunes Tank	120,000	X		X			\$113,000
78	Old Ranch Road	50,000	X				X	\$99,000
79	Olema	150,000	X			X		\$127,000
80	Pacheco Valley	5,000,000	½	½		X		\$2,365,000
81	Palmer Drive	3,000,000	X		X			\$2,049,000
82	Paradise Ranch #1	25,000	X				X	\$50,000
83	Paradise Ranch #2	25,000	X				X	\$50,000

SCHEDULE OF TANKS
NORTH MARIN WATER DISTRICT
Revised 3/31/2015

Loc.	Tank	Total	Above Ground	Below Ground	Steel	Concrete	Wood	2015-16
		Gallons Capacity						Agreed Value
84	Paradise Ranch #3	38,000	X			X		\$33,000
85	Paradise Ranch #4A **	-	-				-	\$0
86	Paradise Ranch #4B	50,000	X				X	\$99,000
87	Plum Street (Recycled Wtr)	500,000	X		X			\$454,000
88	Point Reyes #1	180,000	X			X		\$152,000
89	Point Reyes #2	100,000	X		X			\$94,000
90	Point Reyes #3	300,000	X		X			\$277,000
91	Ponti	500,000	X		X			\$454,000
92	Reservoir Hill (Recycled Wtr)	492,000		X		X	Roof	\$403,000
93	San Andreas	250,000	X		X			\$233,000
94	San Mateo Way	5,000,000	X		X			\$2,522,000
95	Sunset	5,000,000	X		X			\$2,522,000
96	Trumbull	1,500,000	X		X			\$1,225,000
97	Wild Horse Valley - 3rd Zone	500,000	X		X			\$454,000
98	Wild Horse Valley - 4th Zone	44,000	X		X			\$42,000
99	Windhaven	8,000	X			X		\$7,000
100	Winged Foot Drive	600,000	X		X			\$539,000
101	Woodland Heights*	120,000	X		X			\$1,000
102	World College West	200,000	X		X			\$186,000
		39,662,000						
							Tanks	\$24,897,000
*	Disconnected from the system						Structures	17,549,000
**	Destroyed by fire						Total Real Property	\$42,446,000
							Contents/Personal Property	\$15,460,000
							Total Real Property & Contents	\$57,906,000
							Rolling Stock	\$519,000
							Contractor's Equipment	\$386,000
							Total Property, Rolling Stock & Equipment	\$58,811,000
							Accounts Receivable	\$250,000
							Valuable Papers	\$250,000
							Extra Expense	\$250,000
							Total Insured Value	\$59,561,000

All storage tanks are located within the greater Novato area except locations #60, 71, 72, 79, 82-86 & 88-90 which are located within the greater Point Reyes Station area.

* Disconnected from the system
** Destroyed by fire

All storage tanks are located within the greater Novato area except locations #60, 71, 72, 79, 82-86 & 88-90 which are located within the greater Point Reyes Station area.

Supplemental Property Insurance Schedule

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North Marin Water District

Revised 3/24/15

Vehicles > \$3,000 & Equipment > \$10,000

Unit	Year	Description (Make and Model)	GVWR (lbs)	Serial Number	License Number	Loc	2015-16 Insured Value
44	2002	International 5 Yd Dump Truck	31,000	1HTMMAAN72H521889	1052721	Yard	\$16,000
49	2003	Dodge Dakota Quad Cab 4X4	6,010	1D7HG48N33S338786	1145362	Home	\$4,000
52	1999	F550 3 Yd Dump	17,500	1FDAF56F3XED84442	6X04936	Yard	\$7,000
53	2004	Chevrolet Silverado 1/2 Ton Pickup	6,100	1GCEC14V54Z330209	1171166	Yard	\$4,000
54	2004	Chevrolet Silverado XT Cab Pickup	6,200	1GCEC19V44Z339282	1171165	Yard	\$5,000
56	2005	Honda Civic Hybrid 4-dr Sedan	3,620	JHMES966X5S021528	1206931	Yard	\$4,000
57	2005	Honda Civic Hybrid 4-dr Sedan	3,620	JHMES96615S020932	1206930	Yard	\$4,000
501	2006	Chevy Colorado Pickup	5,300	1GCDT136568298361	1184992	Yard	\$5,000
502	2007	Chevy Silverado Pickup	9,200	1GCHK24U37E150266	1185032	Home	\$8,000
503	2007	International 4300	23,500	1HTMNAAL57H534840	1234101	Yard	\$35,000
504	2007	Chevy Colorado Pickup	5,000	1GCCS19E678182931	1185037	Yard	\$6,000
505	2008	F250 4x4 Pickup	9,600	1FTSF21R28ED28423	1222920	Yard	\$9,000
506	2008	F250 4x4 Pickup	9,600	1FTSF21R48ED28424	1222919	Yard	\$9,000
507	2008	F350 4x4 Pickup	13,000	1FDWF37RX8ED33587	1222925	Yard	\$13,000
508	2009	Peterbilt 335 Crew	26,000	2NPLHM6XX9M792524	1269125	Yard	\$60,000
509	2008	Chevrolet Colorado 4x4	5,300	1GCDT19E088189310	1222930	Home	\$8,000
510	2009	Toyota Prius Hybrid	3,795	JTDKB20U697834280	1269111	Home	\$10,000
511	2010	F150 4X4	6,650	1FTMF1EW2AKA38225	1269133	STP	\$11,000
512	2010	F150	6,450	1FTMF1CW7AKA38224	1269132	Home	\$9,000
513	2010	F150	6,450	1FTMF1CW6AKA89942	1269134	Home	\$9,000
514	2012	International 5 Yd Dump Truck	35,000	3HAMKAAR1CL146294	1261752	Yard	\$70,000
515	2012	F250	10,000	1FDBF2A67CEC98877	1401189	Yard	\$17,000
516	2012	F250	10,000	1FDBF2A69CEC98878	1401190	Yard	\$17,000
517	2014	F150 2WD w/Srv Body	6,450	3HAMKAARTFL550768	1443662	Yard	\$16,000
518	2014	F250 4x4 w/Srv Body	10,000	1FTBF2B63FEA58832	1447678	Yard	\$23,000
519	2014	International 5 Yd Dump Truck	35,000	1FTMF1CM4EFB86765	1447677	Yard	\$90,000
520	2015	Ford Escape				Home	\$27,000
521	2015	Ford F150				STP	\$23,000
Total Auto/Truck Count = 28			Total Autos/Trucks				<u>\$519,000</u>

Contractor's Equipment

5A	2007	Trailmax Trailer	46,800	5UCPB31227A000080	1260065	Yard	\$11,000
44A	2007	Trailmax Trailer TD-40-T	46,800	5UCPT32277A000751	1273817	Yard	\$11,000
73	2001	230 kW Trailer Mounted Generator	10,000	1C9F016281C28164	1100104	Yard	\$14,000
77	2004	John Deere Backhoe (diesel)		T031058941154		Yard	\$28,000
80	2006	Hose Reel Trailer	16,000	1H9BU15216N500606	1184987	Yard	\$50,000
82	2008	Magnum 75 kW Generator & Trailer	5,804	5AJGS13128B000892	1222934	Yard	\$19,000
84	2008	Whisperwatt 36 kW Generator	6,000	4GNFU12288B024152	1269118	Yard	\$14,000
86	2009	JD Backhoe - Diesel 4x4		T0310SJ178270		Yard	\$65,000
88	2012	Doosan P185WJD Compressor Tier IV	3,646	4FVCABDA8DU447542	SE 593582	Yard	\$16,000
90	2012	Ring-O-Matic Vacuum Excavator		1R9J82321DP303027	1422076	Yard	\$50,000
91	2015	John Deere 4x4 Model 210K Skip Loader		T18210KXCEE892171		Yard	\$80,000
902.05	2015	Nissan Forklift				Yard	\$28,000
Total Contractor's Equipment Count = 12			Total Contractor's Equipment				<u>\$386,000</u>

Night-time Location

999 Rush Creek Place	31	\$796,000
3015 Novato Blvd	2	\$34,000
Employee Residence	7	\$75,000
	40	<u>\$905,000</u>

11

MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller

Subj: Oceana Marin Sewer Service Charge Increase Ordinance – First Reading
(Introduction of Ordinance and Waive Reading of Ordinance)

t:\acl\word\budget\wm\16\om ordinance 1st reading.docx

RECOMMENDED ACTION: Approve Reading of Proposed Ordinance – (Read title only)**FINANCIAL IMPACT:** None at this time

Pursuant to Health and Safety Code Section 5471(a), collecting the Oceana Marin Sewer Service Charge on the property tax roll requires action by ordinance rather than resolution. The ordinance must be read at two consecutive Board meetings (Attachment 1).

To provide adequate time for the County to post the sewer service charge on the property tax bills before they are mailed in late July, the first reading of the Ordinance should occur at the Board's June 16 meeting. The second reading authorizing enactment of the proposed charge would then be adopted at the conclusion of the public hearing in Point Reyes Station at the June 30 meeting, and the Board will be asked to approve changes to Regulation 109, Oceana Marin Sewer Service – Rates and Charges, at that time (draft Regulation 109 Attachment 2).

The sewer service fee increase to \$71 per month is proposed to be effective July 1, 2015. The fiscal year 2015/2016 fee would total \$852 (\$71 x 12) per dwelling unit.

Recommended Action:

Board approve reading of proposed Ordinance No. 32– (read title only).

DRAFT
ORDINANCE NO. 32

**ORDINANCE OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ELECTING TO HAVE OCEANA MARIN SEWER CHARGES BE COLLECTED ON THE TAX
ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA
COMMENCING FISCAL YEAR 2015-16**

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

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$852 per equivalent unit for fiscal year 2015-16;

Section 2. In adopting this Ordinance, the Board of Directors finds that:

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 at least 45 days prior to the Public Hearing conducted on June 30, 2015 to consider said report and rate increase effective July 1, 2015.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 11, 2015 and June 25, 2015, the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June 30, 2015, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change.
- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only

imposed on those properties actually receiving service or for those which service is immediately available.

- f. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

Section 3. Section c. of that certain Regulation entitled "Regulation 109 – Oceana Marin Sewer Service – Rates and Charges," passed by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, and attached as Exhibit 1 hereto, is hereby amended to read as follows and is hereby adopted:

"c. Sewer Service Rate

For Fiscal Year 2015-16, a sewer service rate of \$852 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner."

Section 4. The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charge, pursuant to its Regulation 109, passed and adopted by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, collected on the tax roll of the County of Marin, State of California, in the manner pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

Section 5. The Secretary shall cause this ordinance to be published in the manner described in Section 31105 of the Water Code.

Section 6. The Secretary of North Marin Water District is hereby directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 15, 2015, upon which shall be endorsed, over the Secretary's signature, a statement that the report has been adopted by the Board of Directors of the North Marin Water District.

Section 7. The Treasurer-Tax Collector of Marin County shall, upon receipt of said report,

enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2015-2016.

* * * * *

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 30th day of June 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Katie Young, Secretary
North Marin Water District

(SEAL)

DRAFT
NORTH MARIN WATER DISTRICT
REGULATION 109
OCEANA MARIN SEWER SERVICE - RATES AND CHARGES

a. Applicability

This regulation applies to sewer service within Improvement Districts No. OM-1 and OM-3 of North Marin Water District which are herein referred to as Oceana Marin.

b. Sewage Facilities Connection Charge

A sewage facilities connection charge of \$15,200 for each dwelling unit shall be paid prior to the commencement of sewer service. For connection of service to structures projected to generate flows in excess of that generated by a typical single family home in Oceana Marin, the District shall calculate the number of equivalent dwelling units and resulting connection charge. In no event shall connection charge be less than \$15,200. All revenues derived by the District from said sewage facilities connection charge shall be used only for the construction and reconstruction (including, without limitation, enlargement, modification and replacement) and operation and maintenance of the sewage facilities serving said lots or for other purposes authorized by Section 5474.9 of the Health & Safety Code, but shall not be used for acquisition or construction of new local street sewer or laterals. With the exception of property annexed after April 17, 1973, said charge shall not be payable for any lot in Units 3 or 4 of Oceana Marin Subdivision heretofore or hereafter connected to said facilities by reason of the substantial payment for said facilities heretofore made by the owners of said lots.

c. Sewer Service Rate

For Fiscal Year ~~2014-2015~~2015-16, a sewer service rate of ~~\$846~~852 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

12

MEMORANDUM

To: Board of Directors

Date: June 12, 2015

From: Drew McIntyre, Chief Engineer



Subject: Aqueduct Energy Efficiency Project (Reach A-D) – Progress Report No. 4
(Vali Cooper & Associates)

R:\Folders by Job No\7000 jobs\7118\B3 - Construction 7118.03\Construction Management\BOD Memos\7118.03 B3 Reach A-D VCA Progress Report No 4
BOD Memo 6-15.doc

RECOMMENDED ACTION: Information only

FINANCIAL IMPACT: None, information only

An oral presentation will be provided by Mr. Ken Sinclair, Construction Manager, with Vali Cooper & Associates, regarding current pipeline installation as part of NMWD's progress on the Aqueduct Energy Efficiency Project (Reach A-D). Attached is the fourth Construction Manager's Progress Report for Board review in preparation of the presentation provided by Vali Cooper & Associates (Attachment 1). Total NMWD costs are still estimated to be below the February 2014 estimate of ~\$7.5M.

NORTH MARIN WATER DISTRICT AQUEDUCT ENERGY EFFICIENCY PROJECT REACHES A – D / MSN B3



**NORTH MARIN
WATER DISTRICT**

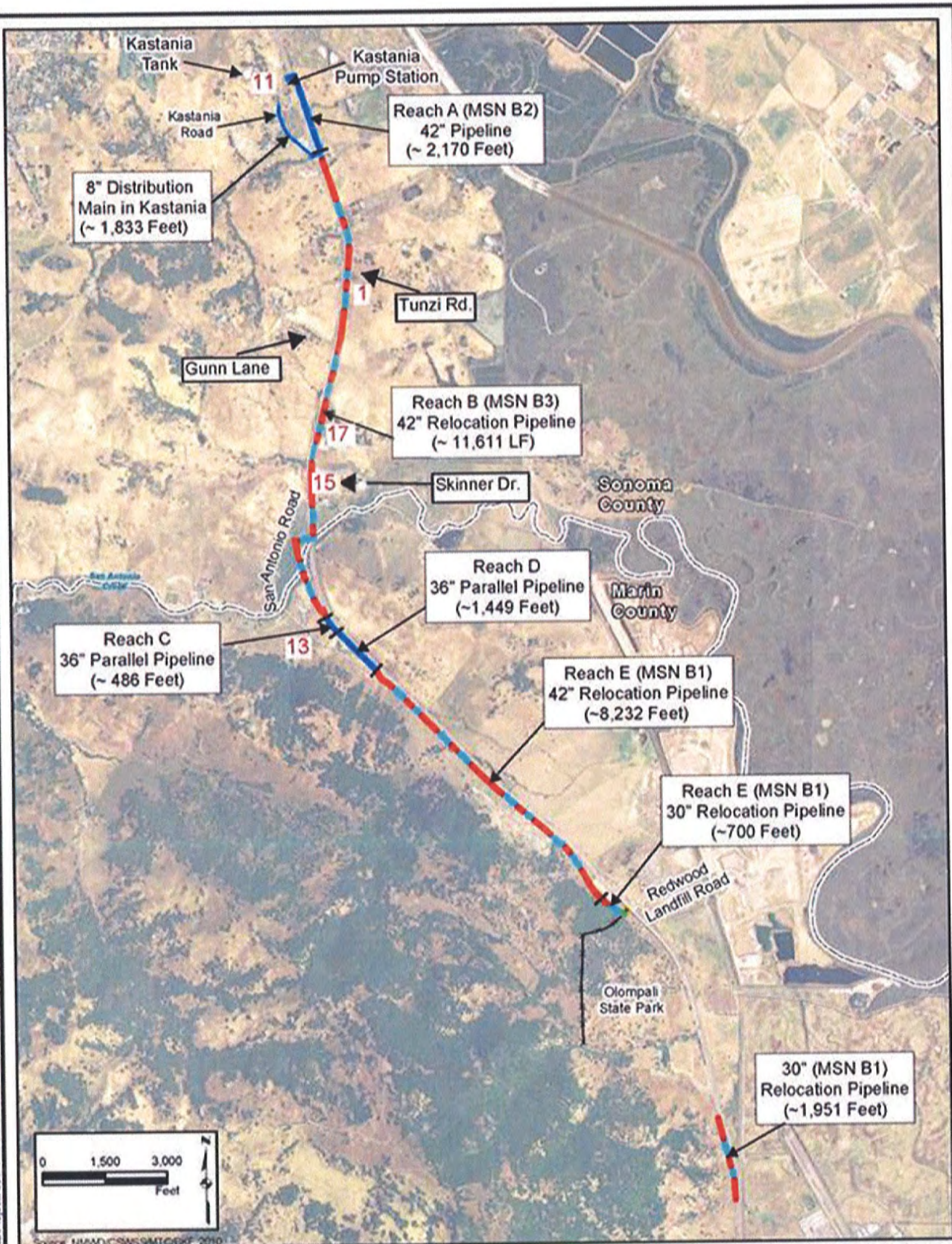
Construction Management NMWD Board
Progress Report No. 4
Through May 31, 2015

Presented By:



Vali Cooper & Associates, Inc.
CONSTRUCTION & PROGRAM MANAGEMENT

Path: N:\US\Santa Rosa\Project\02540 - North Marin Water District\02540-001 NMMWD Aqueduct Relocation\GIS\02540-00-001\Map\May_2012\Project Location revised.mxd Date Saved: 6/13/2013 3:19:34 PM



Legend

- Relocation Pipeline
- Distribution Pipeline
- Parallel Pipeline
- Olompali State Park Property Line

Photo location

Project Location

North Marin Water District
Aqueduct Energy
Efficiency Project

Summary of Construction Status

Contractor: Ghilotti Construction Company

- ▶ Base Contract Amount \$12,275,517.00
- ▶ Change Orders Executed \$950,091.30
- ▶ **Total Contract Cost \$13,225,608.30**
- ▶ Contract Amount Earned \$10,426,391.86
- ▶ Retention Withheld (total) \$521,319.59
- ▶ Payments to Ghilotti Construction
(total) excludes retention \$9,905,072.27
- ▶ **Estimated Percent Complete 79%**



Summary of Construction Status

Schedule

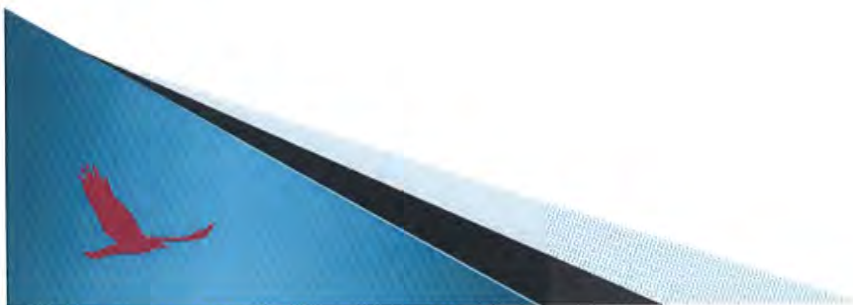
- ▶ Notice to Proceed..... March 17, 2014
- ▶ Base Contract Duration 490 Consecutive Days
- ▶ Original Completion Date July 19, 2015
- ▶ Time Extension Authorized..... 121 Days
- ▶ Revised Duration 611 Consecutive Days
- ▶ Revised Completion DateNovember 17, 2015
- ▶ Weather Days (included in base duration)..... 15 Days
- ▶ Weather Days Expended (included in time expended)... 6 Days
- ▶ Time Expended..... 440 Days
- ▶ Percent Time Expended..... 72.0%



Construction Manager's Summary

1. SCHEDULE

- ▶ The latest schedule revision, that has been prepared is through the end of March, 2015. Since the contractor resumed work on April 1 the only change since the last update is related to a weather day activity.
- ▶ A non-compensable time extension of 121 calendar days was agreed to for issues related to the weather resulting in a project shutdown between December 1, 2014 and April 1, 2015. The time extension moves the project completion date to November 17, 2015. Progress in the field indicates that the work will be completed well before this date, possibly as early as early September.
- ▶ The project duration includes 15 weather days. Through the end of December, 24 weather days had been requested and granted. The change order for the time extension includes the month of December. The weather days that had been previously granted for the month of December were credited back to the project. This result of this credit is that a total of 9 weather days remain in the contract.



Construction Manager's Summary

2. WORK PROGRESS

- ▶ On December 5, the State Water Board issued a Notice of Violation (NOV) to NMWD for sediment leaving the site in surface runoff. There were several factors that contributed to the NOV that were outside the limits of the NMWD project. Discussions have been initiated with Caltrans on items related to work completed by their contractors that created issues for the District. These discussions are ongoing. A response and appropriate documentation has been provided to the Water Board and there has been no additional communication from them on this issue.
- ▶ During March, GCC completed the northern connection (location 11 on slide 2). This will be the connection point between the existing pipeline and the new pipeline near the Kastania Pump Station. Work was also started on the installation of the 8 inch pipeline in Kastania (location 11 on slide 2). The last of the 5 directional drilled crossings was installed. This crossing was near Tunzi Rd (location 1 on slide 2).
- ▶ In April, GCC completed installation of the 8-inch pipeline in Kastania Rd. This pipeline was tested, disinfected, flushed and placed into service. The middle tie-in connection south of San Antonio Creek was completed during the month (location 13 on slide 2). At this location, the new 42 inch pipeline will connect to the existing 30 inch aqueduct and new 36 inch aqueduct (Reach C&D). Also during April, the Storm Water Pollution Prevention Plan (SWPPP) measures that were placed on the slope north of Skinner Drive were removed so the area could dry out in preparation for the reconstruction of the slope in May (location 17 on slide 2).



Construction Manager's Summary

- ▶ In May, GCC reconstructed the slope north of Skinner Drive. The reconstruction was complete in accordance with plans that were reviewed and approved by Caltrans. The slope included a concrete v-ditch to collect runoff from the face of the slope and a sub drain to reduce the potential for slides in the area.
- ▶ Installation of 42 inch pipe in Reach B resumed in May. The portion of pipeline between San Antonio Creek and Skinner Drive was completed (location 15 on slide 2). Work in this area included reconstruction of the shoulder on the east side of the highway.

3. TESTING

- ▶ Testing of compacted backfill material and the welds were completed as necessary during the period.
- ▶ The new pipeline on Kastania Rd. was pressure tested, chlorinated and tested for water quality prior to being put into service.

4. ANTICIPATED WORK JUNE 2015 THROUGH AUGUST 2015

- ▶ Work will continue on the installation of the 42 inch pipe in Reach B. Pipe installation activities will resume at the current end of pipe near Tunzi Rd. and proceed north to the connection with Reach A. The installation of the pipeline should be completed during this period (location 1 on slide 2).
- ▶ Grading of the pump station site for the Gunn Ln. (aka Windhaven) pump station will be completed by Ghilotti Bothers as part of the Caltrans MSN B2 contract on or before July 10, 2015. After this time, GCC will begin construction of the pump station.



Construction Manager's Summary (Con't)

5. CHANGE ORDERS

- ▶ Through the end of May, approximately \$950,000 of the NMWD Board of Director approved limit of \$1,230,000 for change orders has been expended. Some of these change orders are in process and have not been fully executed. Caltrans is providing funding for many of the change orders and approval is obtained prior to executing each change order.
- ▶ It was reported at the last Board meeting that a significant change order would be processed to add grading at the Gunn Ln. pump station to the GCC contract in the amount of approximately \$360,000. This change order is no longer being considered.
- ▶ A change order that could total up to \$150,000 will be necessary for grading issues at the northern end of Reach B. Additional grading and channel restoration work will be necessary because of a delay in the Caltrans MSN B3 contract. The MSN B3 contract would have installed a storm drain and retaining wall in the area. The delay in the Caltrans contract will require that this area be restored in preparation of the next wet weather season.
- ▶ It was reported at the last Board meeting that additional contingency funds would be necessary to complete the project. Because the grading of the Gunn Drive area is no longer being considered, additional change order contingency is not required at this time.



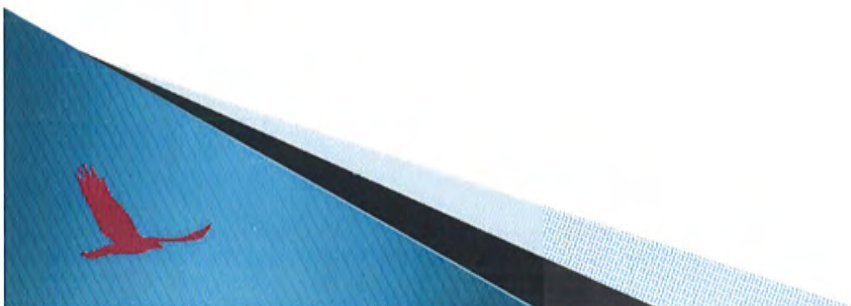
Project Administration

SUBMITTAL STATUS

	RECEIVED TO DATE	March April May	RETURNED	PENDING
First Time Shop Drawing Submittals	96	8	94	2
Request for Information	91	12	90	1

FIELD ORDERS

	TOTAL	March April May	ACTIVE	TOTAL COST OF ACTIVE ORDERS
Field Orders Issued	7	0	0	\$0.00



Project Administration

CHANGE ORDER SUMMARY

	TOTAL	March April May		TOTAL COST OF ACTIVE ORDERS
Value of Change Orders Executed		21		\$101,705.80
Value of Change Orders Executed to Date	51			\$950,091.30
Percent to Date of Original Contract				7.74%

WEATHER RELATED DELAYS

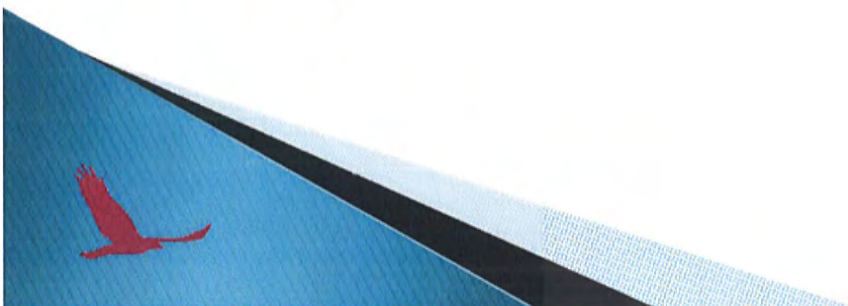
				DAYS
Base Contract Allowance				15
Weather Related Days in March, April and May				0
Weather Related Days to Date				6



Project Photos



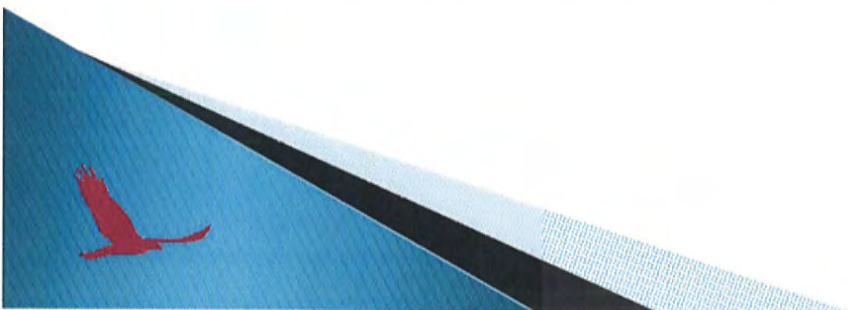
**Northern Connection of Reach A
(See Photo Location #11 on Slide 2)**



Project Photos



**Placing Vault Lid at Northern Connection of Reach A
(See Photo Location #11 on Slide 2)**



Project Photos



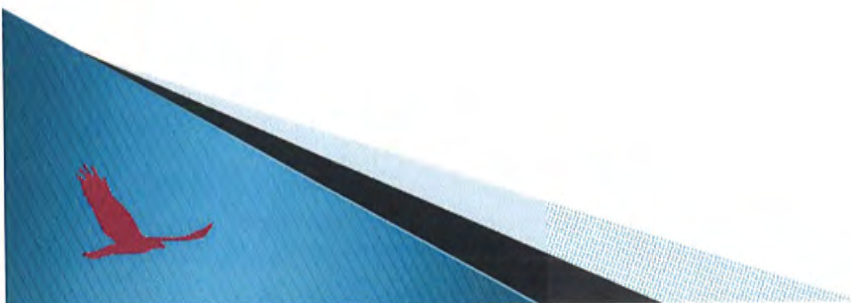
**Existing Pipe at Middle Connection
(See Photo Location #13 on Slide 2)**



Project Photos



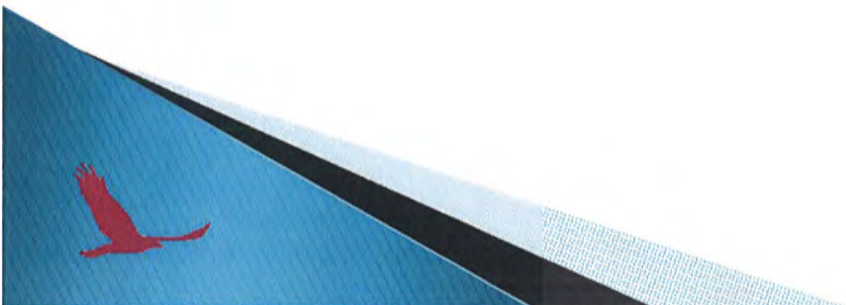
**New Piping at Middle Connection
(See Photo Location #13 on Slide 2)**



Project Photos



**42 inch Pipeline near San Antonio and Highway 101
(See Photo Location #15 on Slide 2)**



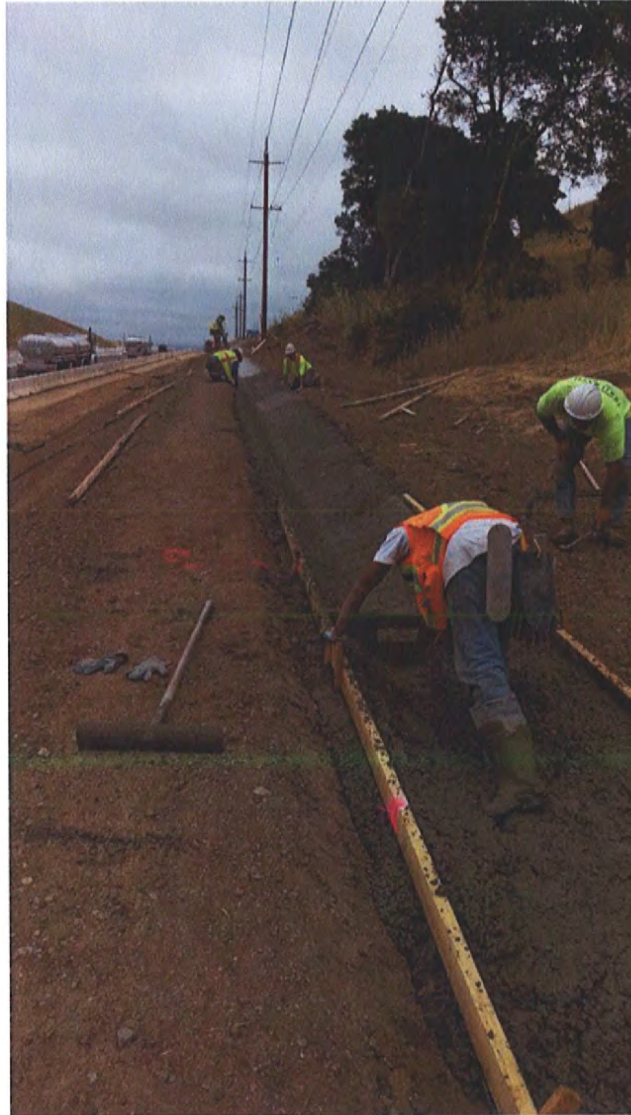
Project Photos



**Pipe Installation at Box Culvert
(See Photo Location #15 on Slide 2)**



Project Photos



**Placement of Concrete V-Ditch at Slope Repair
(See Photo Location #17 on Slide 2)**




13

MEMORANDUM

To: Board of Directors

June 12, 2015

From: David L. Bentley, Auditor-Controller 

Subj: Second Review – FY16 West Marin Water and Oceana Marin Sewer Budgets

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RECOMMENDED ACTION: Additional Review & Provide Direction to Staff**FINANCIAL IMPACT:** None at this time. Upon adoption, the FY16 Budgets would see:

West Marin Water System Rate Increase	\$37,000	Additional Revenue
West Marin Water System Expenditure Plan	\$953,000	
Oceana Marin Sewer System Rate Increase	\$9,000	Additional Revenue
Oceana Marin Sewer System Expenditure Plan.....	\$224,000	

Following for your second review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for fiscal year 2015/16 (FY16). Proposed for the both the West Marin Water and Oceana Marin Sewer customers is a 5% increase.

CHANGES SINCE THE INITIAL REVIEW

West Marin Water - Adjustments to both projected revenue and operating expenditures combine to reduce net income by \$4,000. A Hydrogeologic Study for a second well at Gallagher was added at a cost of \$58,000. The West Marin Water System is now budgeted to show a net cash deficit next fiscal year of \$92,000.

Oceana Marin Sewer - A \$2,000 reduction in budgeted operating expense increases the projected cash surplus for next fiscal year to \$34,000.

INCREASE PROPOSAL DETAIL**Water Rates**

A 5% increase for the typical residential customer is recommended, comprised of a 6.5% commodity rate increase and no increase in the bimonthly service charge, which stands at \$30 bimonthly for the typical customer with a 5/8" meter (with the exception that Paradise Ranch Estates customers pay \$46 as their service charge includes the cost of amortizing the \$14,000 annual revenue bond debt service applicable exclusively to customers residing within the PRE subdivision). The proposed West Marin Water increase would total \$31 annually (\$2.58 per month) for the typical residential customer. If enacted, the proposed increase is budgeted to generate \$37,000 in additional in revenue next fiscal year.

Sewer Rates

The Oceana Marin Sewer System held a cash balance of \$359,000 at May 31, 2015. The Five-Year Financial Plan includes a \$340,000 project to clean and line the settling and treatment ponds in FY19. A 5% (\$3/month) increase is proposed for FY16, which will generate an additional \$9,000 per year. 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.

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

Water

- \$100,000 to continue work on upsizing 900 feet of 4-inch pipeline to 8-inch from Bear Valley Tanks to Fox Dr/McCarthy Ct to improve water delivery and fire flow to the Bear Valley Service Area.
- \$75,000 to replace the green-sand filter media in one of the two treatment plant filters (another \$75,000 will be expended in FY17 to replace the media in the second filter).
- \$50,000 to commence work on the \$500,000 replacement of the PRE Tank burned in the Vision Fire.

Sewer

- \$40,000 is included for continued infiltration repair work to prevent rainwater from leaking into the collection system.

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 \$92,000. This deficit assumes 100% of the Capital Improvement Project Budget is expended, which typically does not 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.

FY16 water sales volume is budgeted to increase 6% compared with the current year estimated actual. Unlike the current fiscal year, FY16 will not include mandatory water use restrictions, and normal rainfall is assumed next winter. The West Marin system is projected to

consume 70 million gallons (MG) next year, compared to 66MG estimated for the current fiscal year. Average annual consumption over the past decade is 80MG. The forecast assumes water sales volume will remain flat at 70MG 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 6.

Operating expenditures, before depreciation, are budgeted to increase 1% from the FY15 adopted budget, an increase of \$7,000, and 3%, (\$15,000) from the current year estimated actual. A graphical history of operating expenditures is shown on page 7.

OCEANA MARIN SEWER OPERATING BUDGET

The proposed Oceana Marin Sewer budget shown on page 8 includes a \$3/month (5% - to \$71/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. Next year's budget projects operating expenditures, before depreciation, to decrease 3% from the current year budget, but increase 25% from the current year estimated actual. Incorporated into next year's budget is \$15,000 to complete the update the Oceana Marin Master Plan, last updated in 2006. A graphical history of Oceana Marin operating expenditures is shown on page 11.

A public hearing to consider the proposed water and sewer rate increases and to adopt the budgets is scheduled for June 30 in Point Reyes Station.

Proposed
BUDGET

Second Review

**West Marin Water
&
Oceana Marin Sewer**
FISCAL YEAR
2015-16

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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WEST MARIN WATER & OCEANA MARIN SEWER

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Historical Operating Expenditures	7

Oceana Marin Sewer

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5-Year Financial Plan	9
<u>Supplementary Charts and Schedules</u>	
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Proposed Capital Improvement Projects

West Marin Water & Oceana Marin Sewer

6/8/15

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		FY15 Budget	FY15 Est Actual	FY16	FY17	FY18	FY19	FY20
6. WEST MARIN WATER SYSTEM								
2.6601.32	a. TP Solids Handling (Note 5)		\$2,000		\$1,245,000			
2.6130.21	b. Olema PS Flood Protection & RTU Upgrade	\$100,000	\$25,000					
2.7147.00	c. Emergency Generator Connections	\$15,000	\$8,000					
2.7087.03	d. Gallagher Pipeline (Note 6)	\$1,286,000	\$1,286,000					
2.7152.00	e. THM Spray Systems (3 tanks)	\$10,000	\$10,000					
2.7153.00	f. Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$120,000	\$30,000	\$100,000				
2.6602.23	g. Replace Pump in Well #2	\$18,000	\$18,000					
2.6605.23	h. Abandon Downey Well	\$50,000	\$0		\$50,000	\$50,000		
	i. Tanks #2 & #3 Seismic Piping Upgrade			\$30,000				
	j. Replace PRE Tank #4A (25K gal w/82K gal)			\$50,000	\$450,000			
	k. PB Replace in Sync w/ County Paving			\$50,000		\$50,000		\$50,000
	l. Green Sand Filter Media Replace			\$75,000	\$75,000			
	m. Rehab Coast Guard Well #2						\$275,000	
	n. PRE Tank #1 Replacement							
	o. Other West Marin Water System Expenditures		\$5,000					
		\$1,599,000	\$1,384,000	\$305,000	\$1,820,000	\$100,000	\$275,000	\$3,150,000
7. OCEANA MARIN SEWER SYSTEM								
8.8672.28	a. Infiltration Repair	\$15,000	\$10,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
	b. Design/Install 8th Disposal Trench (300')				\$50,000	\$50,000		
8.7154.00	c. Pond Power Relocation	\$15,000	\$15,000					
8.6606.23	d. Disposal Field Fencing Upgrade	\$40,000	\$30,000					
	e. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)				\$20,000	\$20,000		
	f. Tahiti Way Power Relocation				\$20,000			
	g. Dillon Beach Lift Station Rehab				\$30,000			
	h. Pond Cleaning & Lining						\$340,000	
	i. Other Sewer System Expenditures		\$13,000					
		\$70,000	\$68,000	\$40,000	\$160,000	\$110,000	\$380,000	\$40,000

Proposed Capital Improvement Projects

West Marin Water & Oceana Marin Sewer

6/8/15

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	FY15 Budget	FY15 Est Actual	FY16	FY17	FY18	FY19	FY20
SUMMARY - GROSS PROJECT OUTLAY							
West Marin Water	\$1,599,000	\$1,384,000	\$305,000	\$1,820,000	\$100,000	\$275,000	\$3,150,000
Oceana Marin Sewer	\$70,000	\$68,000	\$40,000	\$160,000	\$110,000	\$380,000	\$40,000
GROSS PROJECT OUTLAY	\$1,669,000	\$1,452,000	\$345,000	\$1,980,000	\$210,000	\$655,000	\$3,190,000
LESS FUNDED BY LOANS/GRANTS/OTHER							
e. WM Treatment Plant Solids Handling (Note 5)	\$0	(\$2,000)	\$0	(\$1,145,000)	\$0	\$0	\$0
f. Gallagher Pipeline (Note 6)	(\$1,286,000)	(\$1,192,000)	\$0	\$0	\$0	\$0	\$0
g. WM TP Modific Design/Construct (Note 7)	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,800,000)
	(\$1,286,000)	(\$1,194,000)	\$0	(\$1,145,000)	\$0	\$0	(\$2,800,000)
SUMMARY - NET PROJECT OUTLAY							
West Marin Water	\$313,000	\$190,000	\$305,000	\$675,000	\$100,000	\$275,000	\$350,000
Oceana Marin Sewer	\$70,000	\$68,000	\$40,000	\$160,000	\$110,000	\$380,000	\$40,000
NET PROJECT OUTLAY	\$383,000	\$258,000	\$345,000	\$835,000	\$210,000	\$655,000	\$390,000
Total Number of Projects							
	10	13	6	9	5	3	2
Note 5 - West Marin Water Treatment Plant Solids Handling Facility partially funded by \$782,000 bank loan. Additional \$500K to be borrowed in FY17 to complete project.							
Note 6 - Gallagher Pipeline Funded by \$1.486M Prop 50 Grant							
Note 7 - \$2.8M WM TP Project funded by debt and /or grant funding							
Studies carried under Non-Operating Expense							
k. Gallagher Well #2 Hydrogeologic Study			\$58,000				
n. OM Sewer Master Plan Update (every 10 yrs)	\$30,000	\$15,000	\$15,000				
	\$30,000	\$15,000	\$73,000	\$0	\$0	\$0	\$0

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	Proposed Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Water Sales	\$777,000	\$740,000	\$825,000
2 Misc Service Charges	7,000	7,000	6,000
3 Total Operating Income	\$784,000	\$747,000	\$831,000
OPERATING EXPENDITURES			
4 Source of Supply	\$24,000	\$21,000	\$59,000
5 Pumping	38,000	28,000	39,000
6 Operations	46,000	64,000	39,000
7 Water Treatment	134,000	143,000	131,000
8 Transmission & Distribution	120,000	126,000	111,000
9 Consumer Accounting	26,000	24,000	27,000
10 Water Conservation	21,000	18,000	22,000
11 General Administration	81,000	51,000	55,000
12 Depreciation Expense	180,000	157,000	160,000
13 Total Operating Expenditures	\$670,000	\$632,000	\$643,000
14 NET OPERATING INCOME (LOSS)	\$114,000	\$115,000	\$188,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$45,000	\$44,000	\$41,000
Miscellaneous Revenue	4,000	4,000	4,000
16 Interest Revenue	5,000	5,000	3,000
17 Bond & Loan Interest Expense	(36,000)	(39,000)	(40,000)
18 Miscellaneous Expense	(58,000)	(1,000)	0
19 Total Non-Operating Income/(Expense)	(\$40,000)	\$13,000	\$8,000
20 NET INCOME/(LOSS)	\$74,000	\$128,000	\$196,000
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$180,000	\$157,000	\$160,000
22 Connection Fees	23,000	23,000	23,000
23 Prop 50 Grant (Gallagher Well Pipeline)	0	1,194,000	1,286,000
24 Capital Improvement Projects	(305,000)	(1,384,000)	(1,599,000)
25 Bond & Loan Principal Payments	(64,000)	(66,000)	(65,000)
26 Total Other Sources/(Uses)	(\$166,000)	(\$76,000)	(\$195,000)
27 NET SURPLUS/(DEFICIT)	(\$92,000)	\$52,000	\$1,000

WEST MARIN WATER

5-Year Financial Forecast

	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
# BASIC DATA								
1 Active Meters	776	776	777	778	779	780	781	782
2 Avg Commodity Rate/1,000 Gal	\$7.61	\$8.12	\$8.74	\$9.30	\$9.77	\$10.26	\$10.77	\$11.31
3 Potable Consumption (MG)	81	78	66	70	70	70	70	70
INCOME								
4 Commodity Charge	\$614,880	\$633,904	\$573,000	\$610,000	\$684,000	\$718,000	\$754,000	\$792,000
5 Bimonthly Service Charge	138,684	169,038	167,000	167,000	175,000	184,000	193,000	203,000
6 Connection Fee	4,900	22,800	23,000	23,000	23,000	23,000	23,000	23,000
7 PR-2 County Tax Allocation	40,443	42,119	44,000	45,000	46,000	47,000	48,000	49,000
8 OL-2 G.O. Bond Tax	4,205	3,064	0	0	0	0	0	0
9 Interest	3,251	3,292	5,000	5,000	4,000	0	1,000	1,000
10 Miscellaneous	11,321	10,453	11,000	11,000	11,000	11,000	11,000	11,000
11 TOTAL INCOME	\$817,684	\$884,670	\$823,000	\$861,000	\$943,000	\$983,000	\$1,030,000	\$1,079,000
EXPENDITURES								
12 Operating Expenditures	\$396,828	\$474,270	\$468,000	\$490,000	\$505,000	\$520,000	\$536,000	\$552,000
13 Water Purchased from MMWD		0	7,000	0	0	0	0	0
14 Miscellaneous	11,964	35,525	1,000	58,000	0	0	0	0
15 Bond & Loan Debt Service	110,799	103,222	105,000	100,000	101,000	145,000	144,000	143,000
16 TOTAL EXPENDITURES	\$519,591	\$613,017	\$581,000	\$648,000	\$606,000	\$665,000	\$680,000	\$695,000
NET INCOME	\$298,093	\$271,653	\$242,000	\$213,000	\$337,000	\$318,000	\$350,000	\$384,000
OTHER SOURCES/(USES)								
17 Capital Improvement Projects	(\$380,323)	(\$277,492)	(\$1,384,000)	(\$305,000)	(\$1,820,000)	(\$100,000)	(\$275,000)	(\$3,150,000)
18 Grant/Loan Proceeds	0	266,060	1,194,000	0	600,000	0	0	2,800,000
19 Net Change in Working Capital	(51,956)	(46,404)	0	0	0	0	0	0
20 INCREASE (DECREASE) IN CASH	(\$134,186)	\$213,817	\$52,000	(\$92,000)	(\$883,000)	\$218,000	\$75,000	\$34,000
CASH BALANCE								
21 Operating Reserve	\$0	\$0	\$102,000	\$292,000	\$0	\$79,000	\$154,000	\$188,000
22 System Expansion Reserve	556,710	808,832	734,000	452,000	0	0	0	0
23 Liability Contingency Reserve	99,000	73,696	99,000	99,000	(40,000)	99,000	99,000	99,000
24 Bond Redemption Reserve	33,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25 TOTAL CASH BALANCE	\$698,710	\$912,528	\$965,000	\$873,000	(\$10,000)	\$208,000	\$283,000	\$317,000
26 Depreciation Expense	\$148,654	\$154,749	\$157,000	\$180,000	\$185,000	\$215,000	\$217,000	\$222,000

KEY

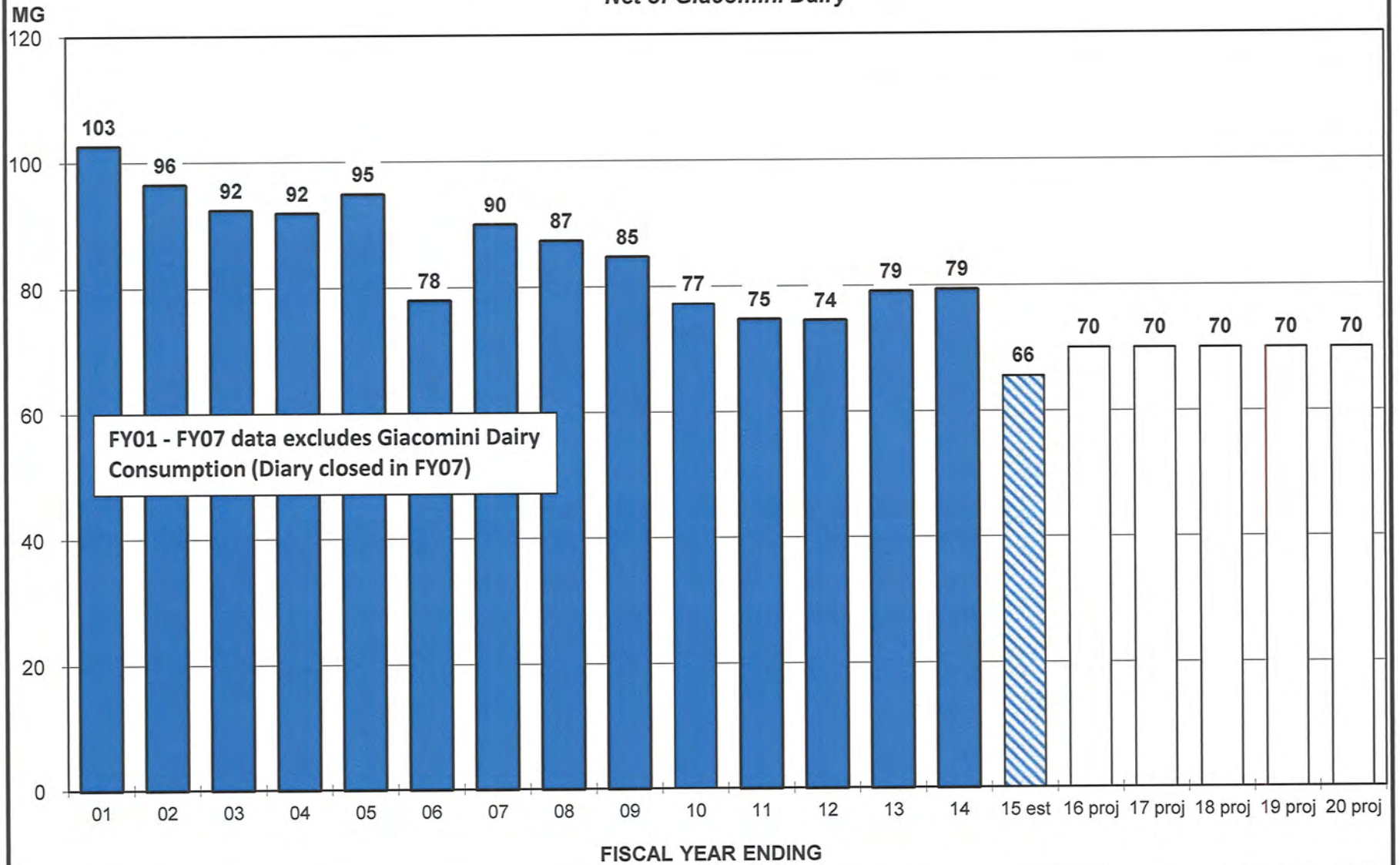
West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

- 1 Assumes annual increase of 1 connection per year.
- 2 Commodity rate increase of 6.5% is proposed effective 7/1/15. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 70MG annually in FY16 and thereafter which is 12.5% below the average use prior to FY15.
- 4 FY15 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually after FY16. 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 Olema GO Bond Tax terminated with payoff of Olema Bond January 1, 2015.
- 9 Projected available funds invested at 0.50%
- 10 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 12 3% annual increase in Operating Expenditures assumed after FY15.
- 13 Purchase of 33.66AF from MMWD for release into Lagunitas Creek in October 2014 \$197.60/AF to address salinity intrusion.
- 14 FY14 includes \$20K for Master Plan update & \$13K in prior year work on Well #3 Rehab abandoned in FY14.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY18 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.2 million; FY17 \$600,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 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.
- 24 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.

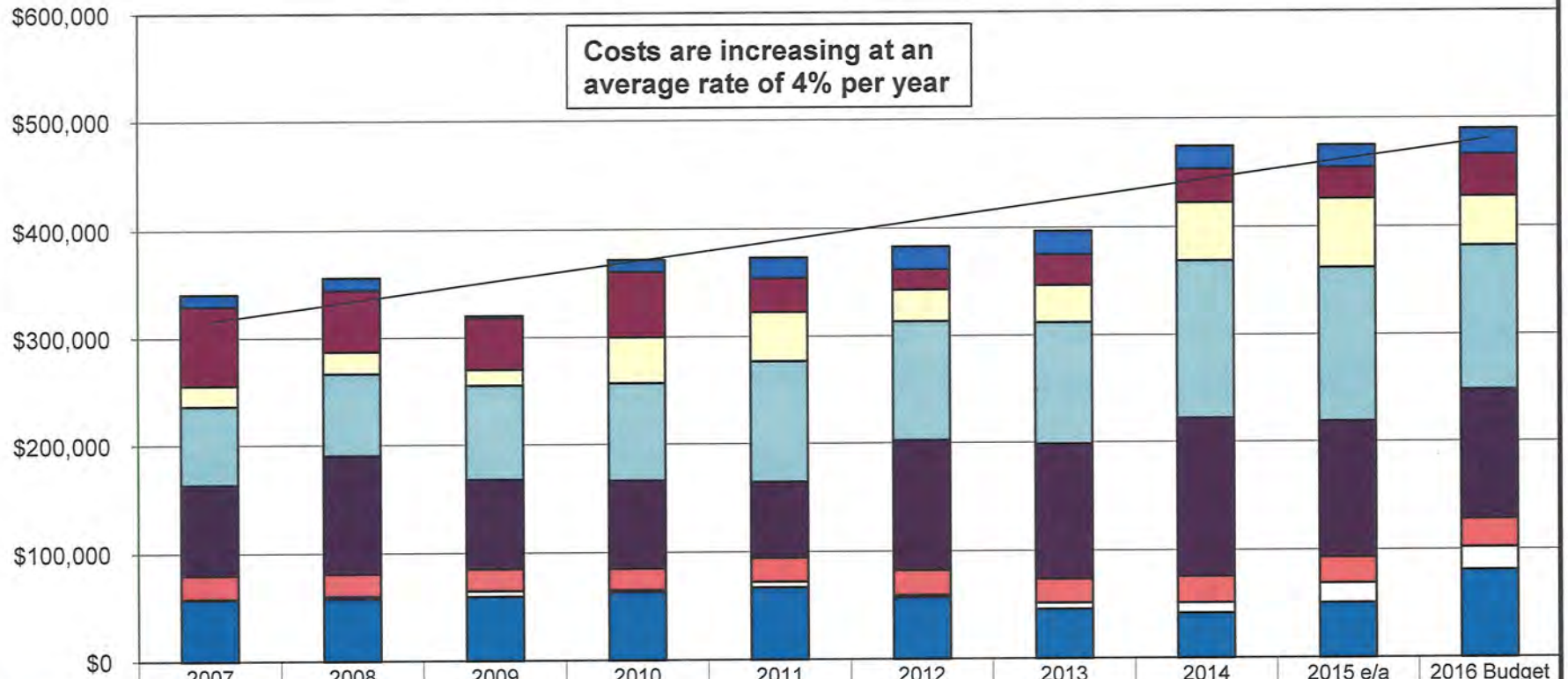
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West Marin Potable Water Billed Consumption Net of Giacomini Dairy



West Marin Water Operating Expenditures



	2007	2008	2009	2010	2011	2012	2013	2014	2015 e/a	2016 Budget
Source	\$11,085	\$11,106	\$2,319	\$11,364	\$18,907	\$21,495	\$22,161	\$21,173	\$21,000	\$24,000
Pumping	\$74,108	\$57,375	\$47,801	\$60,516	\$31,092	\$18,226	\$28,195	\$30,514	\$28,000	\$38,000
Operations	\$18,925	\$20,340	\$14,970	\$42,962	\$45,965	\$29,609	\$34,466	\$53,916	\$64,000	\$46,000
Treatment	\$73,627	\$76,588	\$87,871	\$90,739	\$112,531	\$111,205	\$113,619	\$146,415	\$143,000	\$134,000
T & D	\$83,545	\$109,186	\$82,386	\$81,052	\$70,274	\$120,093	\$124,721	\$146,566	\$126,000	\$120,000
Cons Acctg	\$21,504	\$21,045	\$20,285	\$20,232	\$22,108	\$23,367	\$21,947	\$24,334	\$24,000	\$26,000
Wtr Consv	\$900	\$2,177	\$5,338	\$1,783	\$5,266	\$2,008	\$5,857	\$9,791	\$18,000	\$21,000
G & A	\$57,133	\$57,828	\$59,500	\$63,234	\$66,880	\$56,945	\$45,861	\$41,561	\$51,000	\$81,000
Total	\$340,827	\$355,645	\$320,470	\$371,882	\$373,023	\$382,948	\$396,827	\$474,270	\$475,000	\$490,000

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2015/16

	<i>Proposed Budget 2015/16</i>	<i>Estimated Actual 2014/15</i>	<i>Adopted Budget 2014/15</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$196,000	\$187,000	\$187,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$196,000	\$187,000	\$187,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$49,000	\$37,000	\$55,000
5 Sewage Treatment	56,000	52,000	63,000
6 Sewage Disposal	31,000	23,000	31,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	31,000	21,000	23,000
9 Depreciation Expense	52,000	50,000	58,000
10 Total Operating Expenditures	\$221,000	\$185,000	\$232,000
11 NET OPERATING INCOME (LOSS)	(\$25,000)	\$2,000	(\$45,000)
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$47,000	\$46,000	\$44,000
13 Interest Revenue	2,000	2,000	1,000
14 Master Plan Update	(15,000)	(15,000)	(30,000)
15 Total Non-Op Income/(Expense)	\$34,000	\$33,000	\$15,000
NET INCOME/(LOSS)	\$9,000	\$35,000	(\$30,000)
OTHER SOURCES/(USES) OF FUNDS			
16 Add Depreciation Expense	\$52,000	\$50,000	\$58,000
17 Connection Fees	15,000	15,000	15,000
18 Capital Improvement Projects	(40,000)	(68,000)	(70,000)
19 Total Other Souces/(Uses)	\$27,000	(\$3,000)	\$3,000
20 NET SURPLUS/(DEFICIT)	\$36,000	\$32,000	(\$27,000)

OCEANA MARIN SEWER

5-Year Financial Forecast

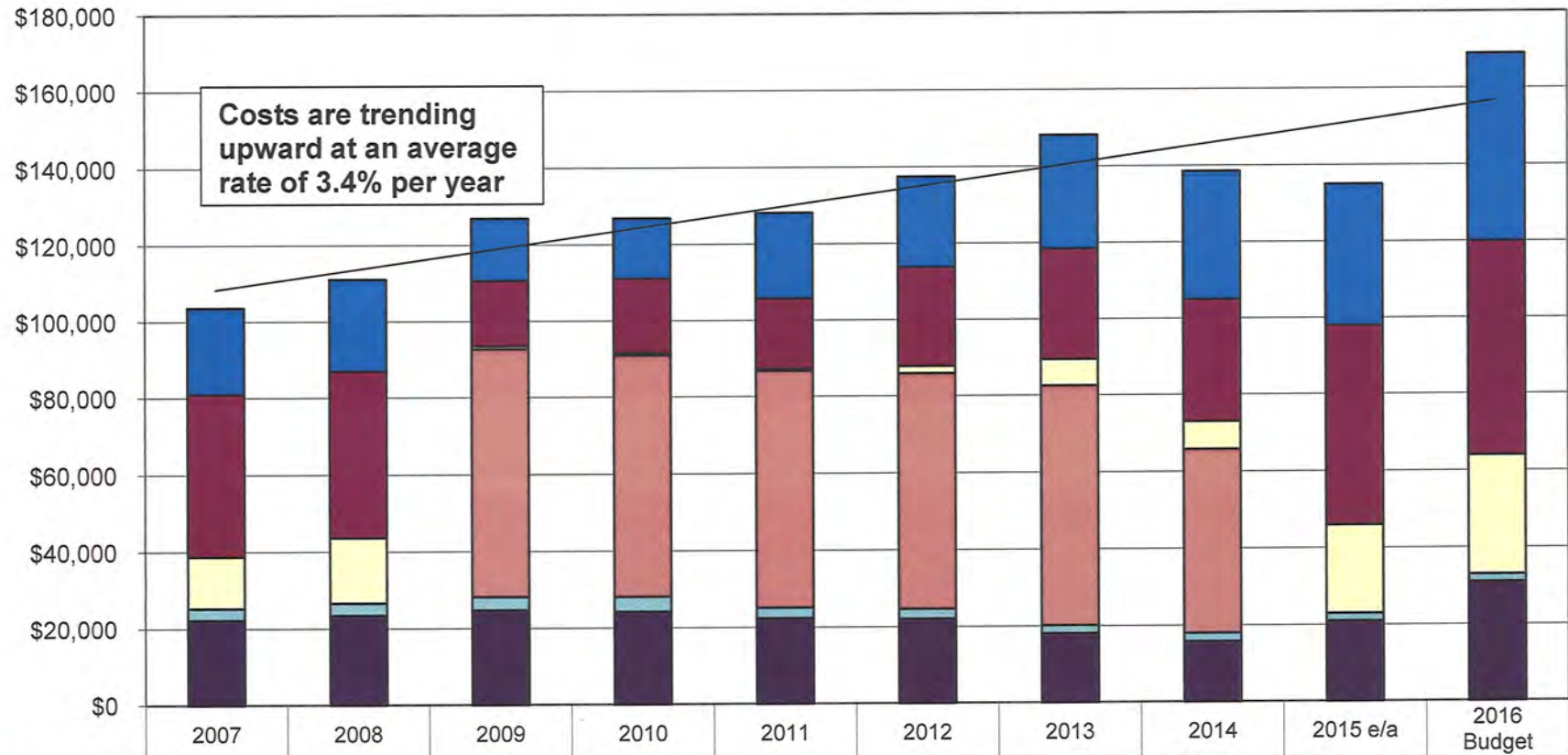
#		Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
1	BASIC DATA								
1	Number of Connections	227	229	229	230	231	232	233	234
2	Monthly Service Charge	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00	\$87.00
	INCOME								
3	Monthly Service Charge	\$157,992	\$177,970	\$187,000	\$196,000	\$207,000	\$219,000	\$232,000	\$244,000
4	OM-1/OM-3 Tax Allocation	43,101	44,887	46,000	47,000	48,000	49,000	50,000	52,000
5	Connection Fees	0	30,400	15,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	724	1,051	2,000	2,000	2,000	1,000	1,000	0
7	Miscellaneous Revenue/(Expense)	19,127	(248)	0	0	0	0	0	0
8	TOTAL INCOME	\$220,944	\$254,060	\$250,000	\$260,000	\$272,000	\$284,000	\$298,000	\$311,000
9	OPERATING EXPENDITURES	\$148,164	\$138,518	\$135,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000
	OTHER EXPENDITURES								
10	Capital Improvement Projects/Other	\$221,835	\$19,655	\$83,000	\$55,000	\$160,000	\$110,000	\$380,000	\$40,000
11	TOTAL EXPENDITURES	\$369,999	\$158,173	\$218,000	\$224,000	\$334,000	\$289,000	\$564,000	\$230,000
12	Net Change in Working Capital	(\$2,275)	(\$5,035)						
13	INCREASE (DECREASE) IN CASH	(\$151,330)	\$90,852	\$32,000	\$36,000	(\$62,000)	(\$5,000)	(\$266,000)	\$81,000
	CASH BALANCE								
14	Operating Reserve	\$192,042	\$282,894	\$315,000	\$351,000	\$289,000	\$284,000	\$18,000	\$99,000
15	Connection Fee Reserve	0	0	0	0	0	0	0	0
16	TOTAL CASH BALANCE	\$192,042	\$282,894	\$315,000	\$351,000	\$289,000	\$284,000	\$18,000	\$99,000
17	Depreciation Expense	\$44,720	\$57,024	\$50,000	\$52,000	\$53,000	\$57,000	\$60,000	\$70,000

OCEANA MARIN SEWER**NOTES**

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY19 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes new connections occur in OM-3 (Units 1 or 5) which are subject to the \$15,200 connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures return to normal after FY15 deferred maintenance projects completed, then increase 3% annually thereafter.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Total Expenditures excludes depreciation.
- 14 Cash available for operation, maintenance and improvements

Oceana Marin Operating Expenditures



14



**NORTH MARIN
WATER DISTRICT**

ITEM #14

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

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

June 12, 2015

Marin Country Club, Inc.
Ryan Wilson, General Manager
500 Marin Country Club Drive
Novato, CA 94949

Re: Recycled Water Service Agreement for Marin Country Club – Supplemental
Irrigation Water

NMWD File 1.2775.00

Dear Mr. Wilson:

At the North Marin Water District's Board of Director's meeting on June 2, 2015, the Board unanimously authorized the subject agreement for Recycled Water Service. In connection with its authorization, the Board also, by consensus, requested that NMWD's Legal Counsel review the Marin Country Club financial records and assure that a Deed of Trust is properly prepared and executed to guarantee payment pursuant to agreement Sections 4 and 5.

A Deed of Trust as payment guarantee is not NMWD's usual practice and must be crafted to insure NMWD is in a position to recover capital costs should repayment of the loan not be made by Marin Country Club. The general approach to perform the review and craft the Deed of Trust will be to include a title search of the property, an independent review of Marin Country Club's financial statements for the last three years and an independent appraisal of the property. An example Deed of Trust used in a similar situation is attached for your information.

With your cooperation in supplying the financial information and preliminary title report, we currently estimate that the review and preparation of a draft Deed of Trust can be completed by July 17, 2015 at a cost of approximately \$12,500.

NMWD's Legal Counsel will undertake this work as soon as a check in the amount of \$12,500 together with the requested title report for the entire golf course property and the most recent financial statements for the last three years is received.

NMWD's Legal Counsel will carefully manage the work, and notify you when cost of the work reaches \$7,500 and will stop if cost of the work reaches \$10,000 unless additional funds are promptly advanced. Any funds that are unexpended when the work

is complete will be promptly returned to you. Your check should be made out to:

Bold, Polisner, Maddow, Nelson and Judson

Attn: Carl PA Nelson

500 Ygnacio Valley Road Suite 325

Walnut Creek, CA 94596

Phone: (925) 933-7777

Fax: (925) 933-7804

Email: cnelson@bpmnj.com

Sincerely,

A handwritten signature in black ink, appearing to read "Chris DeGabriele". The signature is fluid and cursive, with the first name "Chris" being more prominent.

Chris DeGabriele
General Manager

Attachments:
Example Deed of Trust

CD/kly

t:\gm\recycle water\2015\ltr to mcc re deed of trust.doc



2005

Recording requested by:
North Marin Water District

Recorded
Official Records
County Of
Marin
JOAN C. THAYER
Recorder

REC FEE 33.00

When recorded mail to:
General Manager
North Marin Water District
P.O. Box 146
Novato, CA 94948

Space above this line for Recorder's use

DEED OF TRUST

THIS DEED OF TRUST, made on [REDACTED], 2005, between [REDACTED], a California limited partnership (the "Trustor"), whose address is [REDACTED], NORTH MARIN WATER DISTRICT (the "Beneficiary"), whose address is 999 Rush Creek Place, Novato, CA 94948, and BOLD, POLISNER, MADDOW, NELSON & JUDSON, A California Professional Corporation (the "Trustee"), whose address is 500 Ygnacio Valley Road, Suite 325, Walnut Creek, CA 94596;

TRUSTOR HEREBY irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, all that property in the City of Novato and the County of Marin, State of California, commonly known as Assessor's Parcel Numbers [REDACTED] and the approximately [REDACTED]-acre project variously known as [REDACTED] and as [REDACTED] as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property"), together with the rents, issues, and profits of the Property, subject, however, to the right, power, and authority given to and conferred upon Beneficiary to collect and apply those rents, issues, and profits.

ARTICLE I. THIS CONVEYANCE IS FOR THE PURPOSE OF SECURING:

A. The performance of each obligation of Trustor under the Agreement for Recycled Water Service to [REDACTED] dated [REDACTED], 2005 between Trustor (under the fictitious name of [REDACTED]) and Beneficiary ("Agreement for Recycled Water Service"), Part One of which is attached hereto and incorporated herein by this reference, and, in particular, without limitation:

1. the obligation of Trustor under Section 4 of the Agreement for Recycled Water Service to timely pay to Beneficiary the principal sum borrowed (up to \$4,000,000) from a Non-Revolving Line of Credit or, once in place, the State Revolving Fund loan, to pay the actual costs incurred by Beneficiary for the planning, design, and construction (including without limitation those elements listed in Section 3 thereof) of the in-tract and off-tract facilities necessary to supply recycled water to the Property, said principal sum to be paid in 120 bimonthly installments commencing when the contract for construction of the in-tract and off-tract facilities necessary to supply recycled water to the [REDACTED] is awarded by the Board of Directors of Beneficiary, or when the underlying lender first requires payment of principal, whichever first occurs, together with interest on the outstanding principal sum at either:

a. the rate set forth in the State Revolving Fund loan agreement, if any, executed by District (as such rate changes from time to time); or

b. if no State Revolving Fund loan agreement is executed by District, at a rate of 0.75 percent below the "Prime Rate" as published by the Wall Street Journal, as said "Prime Rate" changes from time to time (but not in excess of the maximum rate of interest then permitted by law); and

2. the obligation of Trustor under Section 6 of the Agreement for Recycled Water Service

to timely pay to Beneficiary, the rates and charges for recycled water service in response to bi-monthly bills from Beneficiary,

B. The performance of each obligation of Trustor contained in this Deed of Trust.

ARTICLE II. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to commit or permit waste of the Property; not to commit, suffer, or permit any act upon the Property in violation of law; to pay when due all claims for labor performed and materials furnished for the Property; to comply with all laws affecting the Property or requiring any alterations or improvements to be made on the Property; and to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts that from the character or use of the Property may be reasonably necessary.

2. To provide, maintain, and deliver to Beneficiary a policy of fire insurance satisfactory to and with loss payable solely to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured by this Deed of Trust, or at the option of Beneficiary the entire amount so collected or any part of that amount may be released to Trustor. To the extent such insurance proceeds are retained by Beneficiary, Beneficiary shall not require Trustor to repair or rebuild the Property damaged in the casualty giving rise to the loss.

3. To appear in and defend, and to pay all costs and expenses of, including cost of evidence of title and attorneys' fees in a reasonable sum, any action or proceeding purporting to affect the security of this Deed of Trust or purporting to affect the rights or powers of Beneficiary, or Trustee.

4. To pay all costs and expenses of Beneficiary and Trustee, including reasonable attorneys' fees in any action brought (whether or not suit is filed) for the foreclosure of this Deed of Trust or for the enforcement of any provision of this Deed of Trust.

5. To pay, at least 10 days before delinquency, all taxes and assessments affecting the Property, and all costs, fees, and expenses described in this Deed of Trust. If Trustor fails to make any payment or to do any act as provided in this Deed of Trust, then Beneficiary or Trustee may (but is not obligated to), without any notice to Trustor, make the payment or do the act in the required manner and to the extent deemed necessary by Beneficiary or Trustee to protect the security of this Deed of Trust.

6. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest from date of expenditure at the rate then effective as described hereinabove (but not in excess of the maximum rate of interest then permitted by law), and to pay a reasonable amount to Beneficiary (up to the maximum allowed by law at the time of the demand) for any statement regarding the obligation secured by this Deed of Trust.

ARTICLE III. THE PARTIES AGREE THAT:

1. Upon default by Trustor in the payment of any indebtedness secured by this Deed of Trust or in the performance of any obligation under this Deed of Trust, Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable by delivering to Trustee a written declaration of default and demand for sale and a written notice of default and election to sell the Property. Trustee shall duly record the notice of default and election to sell. Beneficiary also shall deposit with Trustee this Deed of Trust, and all documents evidencing any additional expenditures secured by this Deed of Trust.

After the required time period has lapsed following the recordation of the notice of default, and after notice of sale has been given as required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place specified in the notice of sale, either as a whole or in separate parcels, and in any order determined by Trustee, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may

postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser at the auction its deed conveying the Property sold, but without any covenant or warranty, express or implied. The recital in the deed of any matter or fact shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at the sale.

After deducting all costs, fees, and expenses of Trustee and Beneficiary under this Paragraph 1 of Article III, including costs of procuring evidence of title incurred in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms of this Deed of Trust, not then repaid, with accrued interest at the rate then in effect as described hereinabove (but not in excess of the maximum rate of interest then permitted by law); all other sums then secured by this Deed of Trust; and the remainder, if any, to the person or persons legally entitled thereto.

2. If, without the prior written consent of Beneficiary, all or any part of the Property, or any interest therein, is sold, agreed to be sold, conveyed, transferred, disposed of, or alienated by Trustor, or by the operation of law or otherwise, all sums secured by this Deed of Trust shall, at the option of Beneficiary, become immediately due and payable. Notwithstanding the preceding sentence, Trustor may further encumber the Property by recording a security instrument in a position junior to this Deed of Trust, provided that the total indebtedness secured against the Property does not at any time exceed seventy percent (70%) of the value of the Property; if the total indebtedness secured against the Property exceeds seventy percent (70%) of the value of the Property, all sums secured by this Deed of Trust shall, at the option of Beneficiary, become immediately due and payable. Consent to one sale, conveyance, transfer, disposal, alienation, or encumbrance shall not be deemed to be a waiver of the right to require consent to another such transaction.

3. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority during the continuance of these Trusts, to collect the rents, issues, and profits of the Property, but reserves the right, prior to any default by Trustor in payment of any indebtedness secured by this Deed of Trust or in the performance of the Agreement for Recycled Water Service, to collect and retain these rents, issues, and profits as they become due and payable.

4. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay any indebtedness secured by this Deed of Trust.

5. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid by Trustor or refinanced, with Beneficiary's consent, with a loan that does not require the Property as security, surrender of this Deed of Trust for cancellation and retention, and payment of Trustee's fees and charges, Trustee shall reconvey, without warranty, the Property then subject to this Deed of Trust. The recitals in the reconveyance shall be conclusive proof of the truthfulness thereof.

6. Upon written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without notice to Trustor, Trustee may reconvey all or any part of the Property. Trustee shall not be liable for the proper performance of the above-described acts. The exercise by Trustee of any of the foregoing powers shall not affect the liability of any person for payment of the indebtedness secured by this Deed of Trust, or the lien of this Deed of Trust as security for the repayment of the full amount secured by this Deed of Trust.

7. Any award of damages in connection with any taking or condemnation, or for injury to the Property by reason of public use, or for damages for private trespass or injury to the Property, is hereby assigned and shall be paid solely to Beneficiary as further security for all obligations secured by this Deed of Trust. Upon receipt of such proceeds, Beneficiary may hold the proceeds, or apply or release them in the same manner and with the same effect as provided herein for the disposition of proceeds of fire or other insurance.

8. This Deed applies to, inures to the benefit of, and binds all parties to this Deed of Trust and

their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall mean the NORTH MARIN WATER DISTRICT, and its heirs, legatees, devisees, administrators, executors, successors, and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9. Trustee accepts the rights and obligations hereunder when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party to this Deed of Trust of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

10. Beneficiary, or any successor in ownership of any indebtedness secured by this Deed of Trust, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust. When executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county where the Property is situated, the substitution instrument shall be conclusive proof of proper substitution of the successor Trustee or Trustees, whereupon the successor Trustee or Trustees shall, without any other instrument of conveyance, succeed to all of the title, estate, rights, powers, and duties formerly held by the predecessor Trustee or Trustees.

11. The rights, powers, and remedies conferred in this Deed of Trust are concurrent and cumulative to all other rights, powers, and remedies provided in this Deed of Trust, the Agreement for Recycled Water Service, or given by law. These rights, powers, and remedies may be exercised singly, successively, or together, and as often as deemed necessary, and, except to the extent required by law, the exercise of one right, power, or remedy shall not affect any other right, power, or remedy or cure or waive any default or notice of default under this Deed of Trust or under the Agreement for Recycled Water Service.

12. The recitals contained in any reconveyance, trustee's deed, or any other instrument executed by the Trustee from time to time under the authority of this Deed of Trust or in the exercise of its powers or the performance of its duties under this Deed of Trust, shall be conclusive evidence thereof, and the recitals shall be binding and conclusive upon the Trustor, its partners, heirs, executors, administrators, successors, and assigns, and all other persons.

13. Beneficiary or Trustee shall also have the right and power to enter upon the Property for the foregoing purposes, to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee, to employ counsel; and to pay necessary expenses and costs, including attorneys' fees.

14. To the extent permitted by law, all sums, including reasonable attorneys' fees, expended by Beneficiary or Trustee pursuant to this Deed of Trust or the Agreement for Recycled Water Service, shall bear interest from date of expenditure at the rate then effective as described hereinabove (but not in excess of the maximum rate of interest then permitted by law), and shall be reimbursed by Trustor, and if remaining unpaid, these sums shall be secured by this Deed of Trust.

(TRUSTOR)

By Its General Partner (pursuant to attached Statement of Partner Authority):

a Delaware limited liability company,

By: _____

Sole Member

15

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subj: Drought Relief Private-Public Partnership
t:\gmi\water shortage 2014\private-public partnership.docx

June 12, 2015

Recommended Action: Information Only**Financial Impact: None**

Attached is a principles document from the North Bay Leadership Council, Santa Rosa Chamber of Commerce, Sonoma County Alliance and Sonoma County Wine Grape Commission presented to the Sonoma County Board of Supervisors/SCWA Board of Directors at their meeting on June 9, 2015. The document proposes to work with the Sonoma Marin Saving Water Partnership members and promote water use efficiency/drought messaging. Members of the Technical Advisory Committee will meet next week in an Ad Hoc session with representatives from the above mentioned organizations to determine the best way to proceed.



Santa Rosa
chamber of commerce



Drought Relief Private-Public Partnership

The purpose of this partnership is to engage a joint, branded leadership effort between North Bay Leadership Council, Santa Rosa Chamber of Commerce, Sonoma County Alliance and the Sonoma County Winegrape Commission supporting the summer drought messaging by water agencies, districts and cities throughout the North Bay.

Each partner will utilize resources within their respective organizations to help achieve these five goals:

1. Assist the Sonoma County Water Agency and the regional Sonoma Marin Saving Water Partnership in galvanizing public attention with urgency messages on how to take simple, effective conservation actions during the hot months of 2015 by learning and implementing water conservation techniques in the workplace and at home.
2. Communicate with members of their respective organizations about best practices, water restrictions and rebate programs available.
3. Work within each organization to encourage members to distribute drought campaign materials and challenge their members to take action internally with their company or organization to promote water conservation through direct actions and education efforts.
4. Use campaign style approach to instill a sense of urgency, change of behavior and momentum so the actions of these hot months become normal everyday behavior so conservation becomes as normal as recycling.
5. Publicize how business and agriculture are working to lower water use, promote success stories as well as the facts about actual water consumption versus common myths.

North Bay Leadership Council
Commerce

Santa Rosa Chamber of

16

MEMORANDUM

To: Board of Directors

June 12, 2015

From: Chris DeGabriele, General Manager

CD

Subj: Notice of Proposed SWRCB Emergency Regulation for Enhanced Conservation Measures and Information in Key Russian River Tributaries

t:\gm\swrcb\enhanced conservation key rr tributaries.docx

RECOMMENDED ACTION: Information Only**FINANCIAL IMPACT:** None

On June 10, 2015, the State Water Resources Control Board (SWRCB) noticed the subject proposed Emergency Regulation for enhanced conservation measures and information in key Russian River tributaries (Dutch Bill, Green Valley, Mark West, and Mill Creeks). The Notice Fact Sheet and letter from California Department of Fish and Wildlife (CDFW) recommending same are included as Attachment 1. The SWRCB letter to landowners in the affected tributary watersheds along with the proposed regulation and map is included as Attachment 2.

In summary, the proposed regulations are intended to maintain viability of the Coho and steelhead populations in these tributaries to the Russian River and Dry Creek supporting the continued effort of the SWRCB, CDFW, NMFS, Sonoma County Water Agency, and US Army Corps of Engineers.



Fact Sheet

NOTICE OF PROPOSED EMERGENCY REGULATION FOR ENHANCED CONSERVATION MEASURES AND INFORMATION IN KEY RUSSIAN RIVER TRIBUTARIES (DUTCH BILL, GREEN VALLEY, MARK WEST, AND MILL CREEKS)

The Problem

With dry conditions continuing across much of California, many of the State's key fisheries are now at record low numbers and several species are in danger of extinction. Central California Coast (CCC) coho salmon (coho salmon) and Central California Coast steelhead (steelhead) in the Russian River tributaries are listed as endangered or threatened by federal or state agencies and face a particularly perilous situation, affecting their ability to survive a fourth year of drought. The coho salmon has been highlighted by the National Marine Fisheries Service (NMFS) as the eighth most endangered species under its jurisdiction considered at risk of extinction. The Russian River tributaries are prime spawning ground for the anadromous species, and low flows, already a problem before the drought, have been made worse by the extremely dry conditions of the past three years. Increased pumping of surface and groundwater results in disconnected stream systems with low flows, isolated pools with low oxygen levels, and elevated temperatures that kill fish and threaten coho salmon with extinction.

Populations of Russian River coho salmon and steelhead have declined significantly since the 1950s. While they once supported a commercial harvest of more than 13,000 coho salmon annually, by the 1990s coho salmon returning to the Russian River watershed averaged less than 600 fish. After crashing to as few as 2 to 7 fish between 2000 and 2008, the coho salmon population has been increasing due to a captive breeding program. The benefits of that program are now in danger of being lost. While there are no abundance estimates for steelhead in the Russian River watershed, their numbers have declined substantially and Central California Coast steelhead are likely to become in danger of extinction in the foreseeable future.

When it became clear that voluntary water conservation efforts to provide minimal flows for fish would fall short this year, the California Department of Fish and Wildlife (CDFW), working with NMFS, requested that the State Water Resources Control Board (State Water Board) take action to provide the small amount of water necessary to maintain pools that can support summer rearing and migration of coho salmon and steelhead. Coho salmon and steelhead depend on pools in these tributaries to grow during the summer months and then migrate to the ocean from the late fall through spring. The four Russian River tributary watersheds that are affected are: Dutch Bill Creek, Green Valley Creek, Mill Creek, and parts of Mark West Creek.





Fact Sheet

Outreach

In 2014, CDFW and NMFS established the California Voluntary Drought Initiative (Drought Initiative). The Drought Initiative targets priority Russian River tributary watersheds, among other watersheds in California, for the development of voluntary agreements between CDFW, landowners, and other parties to provide instream flows for fish, associated monitoring, and access for potential fish rescue efforts. Earlier this year, recognizing the dire conditions facing these important fish species this year, the State Water Board, CDFW and NMFS broadly publicized their plea for voluntary efforts and met with area landowners to secure participation in the Drought Initiative.

Unfortunately, the outreach efforts have had limited success, with only 20 residential landowner agreements providing additional instream flows in place under CDFW's Drought Initiative as of June 5, 2015. The additional flow represented by these 20 agreements is not enough to make a difference towards the species' survival.

Proposed Emergency Regulation

The proposed emergency regulation will protect coho salmon and steelhead in four Russian River tributary watersheds: Dutch Bill Creek, Green Valley Creek, Mill Creek and parts of Mark West Creek. The four watersheds have been identified by CDFW and NMFS as a high priority for Central Coast California coho salmon preservation and encompass 113 square miles and about 13,000 landowners.

The regulation would require enhanced conservation measures for all users of water (e.g. residences and businesses, including wineries) diverting from the four watersheds, including groundwater, resulting in more water remaining instream. The regulation also includes reporting for surface and groundwater use. Groundwater is included in the proposed regulation because the close hydraulic connection between groundwater and surface water in the region make groundwater pumping a significant factor in stream flows. Water used for commercial agriculture purposes only would be excluded from the conservation restrictions.

Unless gray water is available for use, the conservation measures eliminate all watering of ornamental lawns; limit watering of all other landscaping to twice a week and only between the hours of 8 p.m. to 8 a.m.; limit car washing to commercial car washes that recirculate water; and prohibit the filling or refilling of decorative ponds and fountains. Water used for community recreation facilities would be permitted, though with limitations. The regulation includes other restrictions as well and applies to non-potable as well as potable water.

The proposed regulation would require diverters, if directed by the State Water Board, to provide information on the sources and uses of both surface and groundwater diverted from the watersheds and applies to all landowners in and suppliers of water from the watersheds. Information obtained through these informational orders will provide the State Water Board with critical information to accurately estimate total water demand, and the burden that this demand places on stream flows, in the four priority tributary watersheds.

The regulation would not impose the enhanced conservation restrictions on water users who are complying with a voluntary agreement, but participation in the voluntary program would not affect any other independent conservation or water use restriction obligations such as an information order or curtailments, if imposed in the future.



Compliance Assessment

The State Water Board is responsible for determining compliance for both the enhanced conservation measures within the four tributaries as well as responses to informational orders issued under the emergency regulation. Landowners that do not comply with the conservation measures or respond to an information order may be subject to penalties of up to \$500 per day.

Next Steps

The State Water Board will consider the proposal at its June 16-17 meeting. If approved, it will be sent to the Office of Administrative Law for approval, and would become effective on or about June 29.

The State Water Board will evaluate compliance with the enhanced conservation measures over the coming months. Additional measures, such as curtailments to meet a minimum baseflow requirement, may be necessary in the future if water conservation and informational orders are insufficient to protect coho salmon and steelhead viability in the four priority tributary watersheds.

For more information, visit the Russian River Tributaries Emergency Regulation Webpage:
www.waterboards.ca.gov/waterrights/water_issues/programs/drought/water_action_russianriver.shtml.

Last updated 6.08.15



State of California – Natural Resources Agency
DEPARTMENT OF FISH AND GAME
Office of the Director
1416 Ninth Street, 12th Floor
Sacramento, CA 95814
www.dfg.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



May 28, 2015

Tom Howard
Executive Director
California State Water Resources
Control Board
1001 I Street
Sacramento, CA 95814

Dear Mr. Howard:

Subject: Recommendations for Conservation Actions to Support Listed Salmonids
During the 2015 California Drought for Select Tributaries to the Russian River

The California Department of Fish and Wildlife (CDFW) has been working collaboratively with the National Marine Fisheries Service (NMFS), local landowners, and the State Water Resources Control Board (State Water Board) to address ongoing conditions resulting from the drought. Low flow conditions in tributaries of the Russian River have resulted in significant declines in salmonid production and survival during the 2014 season and drought conditions have persisted in 2015. These watersheds contain Central California Coast (CCC) coho salmon and CCC steelhead, which are listed under the Federal Endangered Species Act (ESA) as endangered and threatened, respectively. Coho salmon are also listed as Endangered under the California Endangered Species Act (CESA). CDFW has determined the following:

- These tributaries have historically supported spring and summer rearing habitat for naturally producing coho salmon and steelhead and support some of the last remaining habitat available during drought.
- These tributaries sustained perennial flow in the previous three drought years and available habitat is limited by lack of flow.
- These tributaries are subject to large numbers of summer diversions that are cumulatively affecting the amount of water available for instream habitat.
- The exact number, location, and extent of diversions are unknown. Better information can help parties manage diversions cumulatively as it relates to instream habitat.
- When parcels do not have access to municipal water sources, water is extracted from the watershed whether by surface or subsurface diversion.
- Surface and subsurface diversion of streamflow is not subject to any mandatory conservation measures.
- Many of the parcels adjacent to the creeks are residential and irrigation of outdoor landscaping is a large source of water use in many residential households.

Conserving California's Wildlife Since 1870

Voluntary Drought Initiative

On January 17, 2014, Governor Edmund G. Brown Jr. declared a drought state of emergency. On April 25, 2014, the Governor issued an Executive Order continuing the State of Emergency and strengthening the state's ability to manage water and habitat effectively in drought conditions. On December 22, 2014, Governor Brown issued an Executive Order that extended certain aspects identified in the January 2014 and April 2014 Executive Orders until May 31, 2016.

Importantly, the April 2014 Executive Order directed CDFW to work with other state and federal agencies and with landowners in priority watersheds to protect threatened and endangered species and species of special concern and maximize the beneficial uses of scarce water supplies, including employment of voluntary agreements to secure instream flows, relocation of members of those species, or through other measures. In 2014, CDFW worked in various river systems around the state to pursue voluntary agreements with landowners.

CDFW partnered with the NMFS to develop a California Voluntary Drought Initiative (Voluntary Drought Initiative) program, which identified Green Valley, Mill, Dutch Bill and Mark West Creeks as priority watersheds. These creeks are tributaries to the mainstem Russian River. CDFW encourages the development of Voluntary Drought Initiative Agreements (Agreements) between CDFW and other parties to provide instream flows for fish, associated monitoring, and potential fish rescue actions. In October 2014, April 2015, and May 2015, CDFW provided letters to all landowners within select areas of these four streams to encourage water conservation and the development of Agreements to enhance flows to support summer rearing habitat critical to the survival of coho salmon and steelhead. As of now, CDFW believes that conditions in these priority watersheds are quickly deteriorating and without significant water conservation efforts most if not all portions of these tributaries could experience fish mortality due to early drying. Coho require hydrologic connection between pool habitat to maintain adequate dissolved oxygen and temperature conditions for survival.

In addition to those cooperative efforts, we encouraged residents to take additional water conservation actions and provided information on potential voluntary actions that could be taken to protect threatened and endangered species and maximize the beneficial uses of scarce water supplies. In order to communicate the dire conditions in these watersheds and to encourage landowner cooperation, CDFW has conducted several outreach meetings to facilitate the Voluntary Drought Initiative process. Through our communications with landowners, we have received several complaints regarding other landowners who have not been responsive to CDFW efforts and are likely having a considerable effect on instream flow. CDFW will continue to work collaboratively with landowners to implement voluntary activities; however, additional

action may be needed to ensure sufficient flow for summer rearing and adult passage in the fall and early winter during the 2015 drought.

In 2015, as of the date of this memorandum, CDFW has entered into Agreements with nineteen residential landowners to forgo irrigation of lawns, implement additional water conservation measures and provide creek access to CDFW to monitor fishery and stream conditions and to implement potential fish rescue actions. CDFW is also in discussions with several landowners including representatives from the wine industry, to develop Agreements to release stored water to enhance instream flow for coho salmon. Several landowners including Jackson Family Winery have also donated funds to local groups to help residential landowners purchase tanks under the Emergency Tank Program to help minimize the effect of water diversions on instream habitat.

In broad terms, CDFW's goal in the Russian River is an ambitious one. The Russian River hydrologic unit covers an area approximately 1,485 square miles and includes about 240 named and numerous unnamed tributaries. It is the subject of a fisheries restoration plan articulated in CDFW's Recovery Strategy for Coho.

Coast-wide coho salmon recovery in California depends on recovery success in the Russian watershed. We know that a coalition of collaborative partners exists in the watershed and that this coalition is willing to work together to make it through this drought. We are charged to bring back coho salmon to healthy and sustainable population levels. In the immediate, we hope to bridge hydrological conditions in this fourth year of drought (and any future years) such that it might be possible to maintain minimal hydraulic connectivity in these four tributary streams to support habitat conditions that provide a reasonable probability of survival of steelhead and coho salmon juveniles during the summer low flow period. Both in the broad, long-term goal – and the immediate – CDFW believes working with all parties provides the best chance for success.

Emergency Regulations

CDFW has coordinated with State Water Board staff regarding potential emergency regulatory measures under consideration for regulation by State Water Board. Based on that coordination and the significant public outreach in the last few weeks, CDFW is not now recommending the State Water Board move forward with requiring regulations for curtailment of diversions, although that need may arise as the summer progresses. Instead, for now, CDFW and NMFS recommend that the State Water Board develop emergency regulations, pursuant to Water Code section 1058.5, for areas within Green Valley, Mill, Dutch Bill and Mark West Creek watersheds

(<https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=98347&inline>), tributaries to the Russian River to: (1) issue an informational order to determine the extent of current surface and subsurface diversion operations in each watershed; and, (2) immediately

Tom Howard, Executive Director
California State Water Resources
Control Board
May 28, 2015
Page 4

implement conservation measures to limit the amount of water extracted from these watersheds during the 2015 drought that track conservation measures the State Water Board has required elsewhere. These regulations include measures to:

- Forgo irrigation of all lawn and ornamental annual areas;
- Forgo all irrigation between 8 am and 8 pm and within 48 hours of rain event;
- Forgo washing cars, sidewalks and driveways; and,
Forgo expansion of all other water uses beyond 2014 levels.

CDFW acknowledges State Water Board staff and many parties around the state are busy faithfully and collaboratively implementing the Sustainable Groundwater Management Act. The recommendation for an information order is in no way intended to interfere with local leadership on implementation. CDFW will continue to work with landowners to pursue Agreements under the Voluntary Drought Initiative. We thank the nineteen enrollees so far. We await any other parties who might like to design their Agreement for participation in the Voluntary Drought Initiative. CDFW recommends that landowners operating in conformance with the terms of an executed agreement that includes conservation commitments be exempt from new conservation regulations that may be implemented by State Water Board for these tributaries.

If you have questions regarding these recommendations, please contact Ms. Corinne Gray, Senior Environmental Scientist (Specialist), at (707) 944-5526; or Mr. Craig Weightman, Environmental Program Manager, at (707) 944-5577 or Mr. Scott Wilson, Regional Manager, at (707) 944-5517; or by writing to CDFW at Bay Delta Region, 7329 Silverado Trail, Napa, CA 94558.

Sincerely,



Charlton H. Bonham
Director

cc: Mr. Gary Stern
Mr. David Hines
NOAA Fisheries
777 Sonoma Avenue, Room 325
Santa Rosa, CA 95404

Tom Howard, Executive Director
California State Water Resources
Control Board
May 28, 2015
Page 5

cc: Barbara Evoy, Deputy Director
State Water Resources Control Board
Division of Water Rights
Barbara.Evoy@waterboards.ca.gov

California Department of Fish and Wildlife

Sandra Morey, Deputy Director
Ecosystem Conservation Division
Sandra.morey@wildlife.ca.gov

Scott Wilson, Manager
Bay Delta Region (Region 3)
Scott.wilson@wildlife.ca.gov

Craig Weightman, Environmental Program Manager
Bay Delta Region (Region 3)
Craig.weightman@wildlife.ca.gov

Corinne Gray, Senior Environmental Scientist
Bay Delta Region (Region 3)
Corinne.gray@wildlife.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

June 8, 2015

PROPOSED DROUGHT EMERGENCY REGULATION REQUIRING ENHANCED WATER CONSERVATION AND WATER USER INFORMATION FOR THE PROTECTION OF SPECIFIC FISHERIES IN RUSSIAN RIVER TRIBUTARIES

You are receiving this letter because you own one or more properties in an area of the Russian River watershed for which the State Water Resources Control Board (State Water Board) is considering the adoption of an emergency regulation to require: (1) enhanced water conservation; and (2) information on your water use. The State Water Board will consider adoption of the proposed drought emergency regulation on June 17, 2015, at its public meeting.

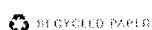
The ongoing drought emergency places juvenile Central California Coast (CCC) coho salmon (coho salmon) and CCC steelhead (steelhead) in Russian River tributaries in a perilous situation. Low flows, already a problem before the drought, have been made worse by the extremely dry conditions. Increased pumping of surface and groundwater results in disconnected stream systems with isolated pools containing low oxygen levels and elevated temperatures that kill fish and threaten coho salmon with extinction. The coho salmon has been highlighted by the National Marine Fisheries Service (NMFS) as the eighth most endangered species under its jurisdiction considered at risk of extinction. Swift action is necessary to protect their limited habitat and avoid extinction given the continuing dry conditions. Successful implementation of the proposed regulation will provide the small amount of water necessary to maintain acceptable temperature and oxygen conditions for summer rearing and migration of coho salmon and steelhead in four Russian River tributary watersheds: Dutch Bill Creek, Green Valley Creek, Mill Creek, and parts of Mark West Creek. Coho salmon and steelhead depend on these pools to grow during the summer months and then migrate to the ocean from the late fall through spring.

Historically, the Russian River coho salmon were sufficiently abundant to sustain a commercial harvest of more than 13,000 fish annually and were the anchor for the coho salmon population. Populations have declined substantially since the 1950s. By the 1990s, coho salmon returning to the Russian River watershed averaged less than 600 fish. Populations have continued to decline with the loss of water due to increased pumping of surface and groundwater in these tributaries that used to flow year-round. As few as 2-7 fish were observed returning annually between 2000 and 2008.

As you may know, the California Department of Fish and Wildlife (CDFW) has been working with NMFS, local landowners, and the State Water Board to address continuing drought conditions and promote voluntary efforts to provide water for fish. Unfortunately these efforts have not been as successful as hoped, with only 20 residential landowner agreements in place under CDFW's California Voluntary Drought Initiative Program as of June 5, 2015. The additional flow represented by these 20 agreements is not enough to make a difference towards the species' survival. In a letter dated May 28, 2015, CDFW and NMFS recommended that the State Water Board develop emergency regulations for

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov



ATTACHMENT 2

June 8, 2015

the affected watersheds to: (1) issue informational orders to determine the extent of current surface and subsurface diversion operations in each watershed; and (2) immediately implement conservation measures to limit the amount of water extracted from these watersheds.

The proposed emergency regulation would require: (1) all landowners within the four watersheds to provide information on their source(s) and use of water; and (2) enhanced conservation measures by users of water sourced from the four watersheds. Initially the enhanced conservation measures would apply only to those users of water in the upper watershed, which provides the most critical habitat for summer rearing. The enhanced conservation measures apply to non-economic uses of water and are in addition to the end-user restrictions required by the most recently-adopted statewide drought emergency water conservation regulation adopted by the State Water Board on May 5, 2015. Examples of enhanced conservation measures that would be required include:

- No application of water, except gray water, to ornamental turf;
- Application of water, except gray water, to all other landscapes is limited to two days per week between the hours of 8:00 pm and 8:00 am; and
- No washing of motor vehicles except with gray water or at car wash facilities where the water is part of a recirculating system.

The proposed emergency regulation would also prohibit new groundwater wells or surface water diversions¹ for the duration of the emergency regulation, which is 270 days, unless extended by the State Water Board. Enhanced conservation in combination with no increase in water extractions in these four watersheds should help to provide the minimal amount of water needed to maintain pools essential for rearing coho salmon and steelhead.

Please note that this letter is not the formal Notice of Proposed Emergency Rulemaking (Notice) required by the Government Code. If you wish to receive the Notice and updates on the proposed emergency regulation in the future, please subscribe to the "Russian River Tributaries Emergency Regulation" e-mail subscription list at:

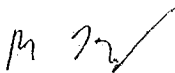
http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml.

The proposed emergency regulation and related information, including the State Water Board agenda, are available online at:

www.waterboards.ca.gov/waterrights/water_issues/programs/drought/water_action_russianriver.shtml.

If you have questions regarding this letter please call the Russian River Tributaries Hotline at (916) 322-8422 or e-mail the Russian River Email Inbox at rr_tribs_emergency_reg@waterboards.ca.gov.

Sincerely,



Barbara Evoy
Deputy Director
Division of Water Rights

¹ Except for winter diversions to offstream storage that first receive an approval from the Deputy Director for the Division of Water Rights.

DRAFT
**Emergency Actions due to Insufficient Flow for Specific Fisheries in
Tributaries to the Russian River**

=====

In Title 23, Division 3, Chapter 2, change name of Article 24 and add Section 876 to read:

**Article 24. Curtailment of Diversions and Other Actions Based on Insufficient Flow to Meet
All Needs**

**§ 876 Emergency Enhanced Water Conservation and Additional Water User Information for the
Protection of Specific Fisheries in Tributaries to the Russian River**

The State Water Resources Control Board (State Board) has determined that it is a waste and unreasonable use of water under Article X, section 2 of the California Constitution to divert or use water sourced from within the watersheds listed in subdivision (c) in a manner inconsistent with subdivision (d) during the current drought emergency, regardless of water right seniority, given limited available supply and the need for the water to support other more critical uses.

(a) For the purposes of this section:

- (1) "Diverters" means all those who divert or pump water from surface waters or from sub-surface waters that are hydraulically-connected to the surface stream within the watersheds identified in subdivision (c).
- (2) "Diversions" means all water diverted or pumped from surface waters or from sub-surface waters that are hydraulically-connected to the surface stream within the watersheds identified in subdivision (c).
- (3) All sub-surface water is considered hydraulically-connected to the surface stream if pumping that water may contribute to a reduction in stream stage or flow of any surface stream within the watersheds identified in subdivision (c).
- (4) "Gray water" means all untreated rainwater collected in a runoff capture system or any water meeting the definition in Health and Safety Code section 17922.12.
- (5) "Ornamental turf" means all turf other than turf used for community recreation by education facilities, recreation-related business, non-profit organizations, or recreational facilities, including but not limited to sports fields and playgrounds, that are generally accessible to the public.
- (6) "Landscapes" includes all plantings besides ornamental turf, including but not limited to trees, annual plants, perennial plants, and edible plants, but does not include agricultural commodities meeting the definition of Government Code section 51201, subdivision (a).

(b) For the protection of threatened and endangered fish, all water users who receive water from diversions sourced within the watersheds designated in subdivision (c) shall comply with subdivision (d). To better assess impacts on surface stream stage and flow, all landowners in, or suppliers of water from, the watersheds designated in subdivision (c) shall comply with subdivision (e).

(c)(1) The State Board has authority to ensure the protection and preservation of streams and to limit diversions to protect critical flows for species, including for state- and federally-threatened and endangered salmon and steelhead species. The following watersheds have been identified as critical rearing habitat for juvenile state- and federally-listed Central California Coast coho salmon (CCC coho salmon) and Central California Coast steelhead (CCC steelhead). All landowners and water users within the following watersheds and the use of said water shall be subject to this section.

- (A) The portion of the Mark West Creek watershed as defined by the United States Geological Survey- Watershed Boundary Dataset- Hydrologic Unit Code 180101100706. Mark West Creek enters the Russian River from the south at river mile 31, along the northern border of Forestville. This portion of the Mark West Creek watershed spans approximately 40 square miles.
- (B) Mill Creek. Mill Creek is a tributary to Dry Creek, which enters the Russian River from the west at river mile 42, approximately one mile south of Healdsburg. The Mill Creek watershed spans approximately 23 square miles.
- (C) Green Valley Creek. Green Valley Creek enters the Russian River from the south at river mile 29, along the northwestern border of Forestville. The Green Valley Creek watershed spans approximately 38 square miles.
- (D) Dutch Bill Creek. Dutch Bill Creek enters the Russian River from the south at river mile 13, within the town of Monte Rio. The Dutch Bill Creek watershed spans approximately 12 square miles.

(2) The State Board recognizes that the upper portion of each of the watersheds listed in (c)(1) is the most critical for mid- to late-summer rearing of state and federally threatened and endangered salmon and steelhead species. These upper portions are defined as:

- (A) On Mark West Creek, the portion of the watershed upstream of the confluence with an unnamed tributary (the tributary flowing parallel to western Riebli Road) as defined by the Latitude/Longitude of 38.5066°N and 122.72607°W.
- (B) On Mill Creek, the portion of the watershed upstream of the confluence with Felta Creek, and including Felta Creek, as defined by the Latitude/Longitude of 38.58098°N and 122.88306°W.
- (C) On Green Valley Creek, the portion of the watershed upstream of the confluence with Atescadero Creek as defined by the Latitude/Longitude of 38.44841°N and 122.88697°W.
- (D) On Dutch Bill Creek, the portion of the watershed upstream of the confluence with Tyrone Gulch as defined by the Latitude/Longitude of 38.44776°N and 122.99979°W.

(d)(1) The use of potable and non-potable water sourced from areas identified in accordance with subdivision (d)(4) is prohibited for any of the following actions, except where necessary to address an immediate health and safety need or where used exclusively for irrigation for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b):

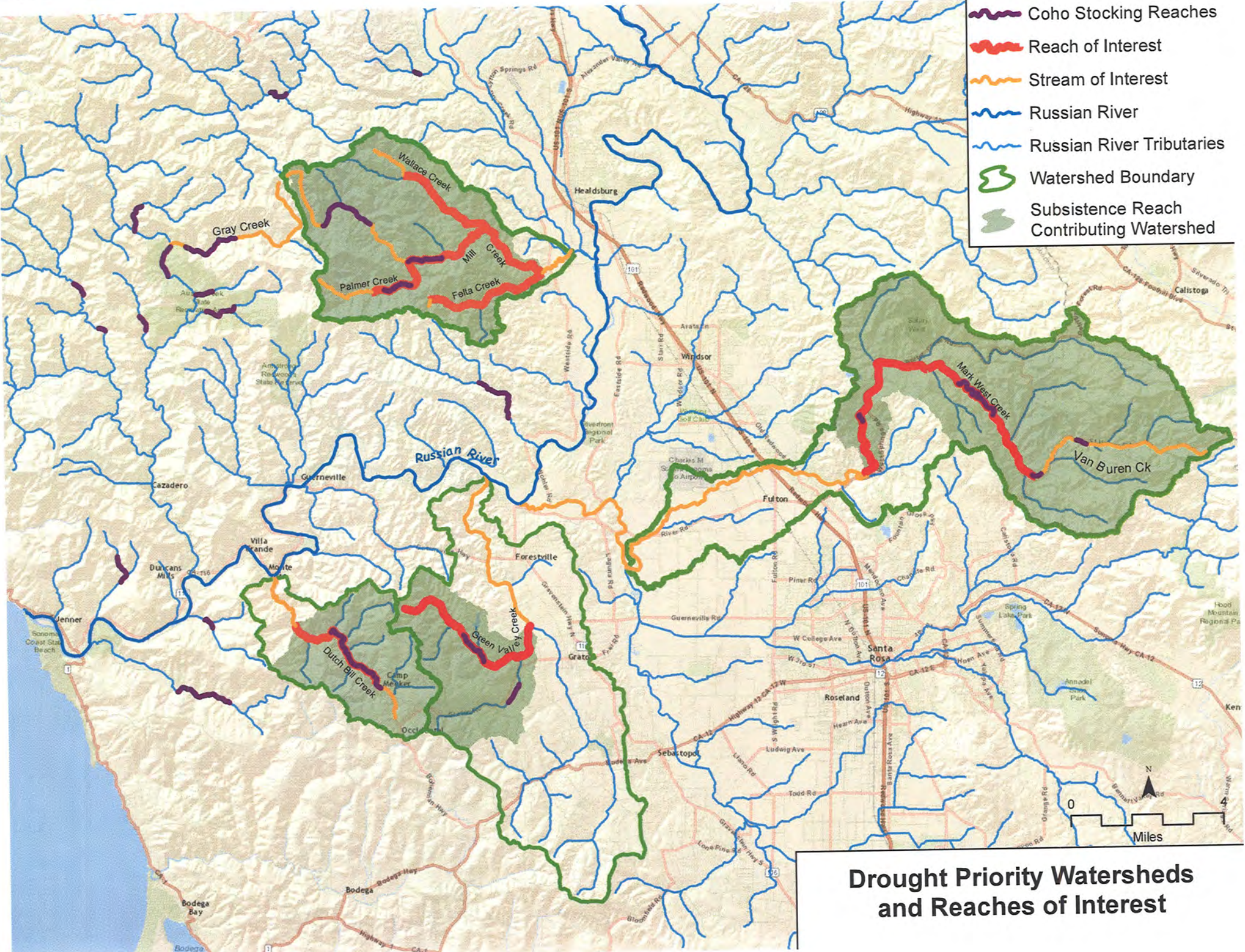
- (A) The application of water, except gray water, to ornamental turf;
 - (B) The application of water to landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
 - (C) The application of water, except gray water, to landscapes more than two days per week;
 - (D) The application of water, except gray water, to landscapes between the hours of 8:00a.m. to 8:00p.m.;
 - (E) Washing motor vehicles, except with gray water or at car wash facilities where the water is part of a recirculating system;
 - (F) The application of water to driveways and sidewalks;
 - (G) The use of water, except gray water, to fill or refill decorative ponds, fountains and other decorative water features;
 - (H) The use of water, except gray water, in a fountain or other decorative water feature, except where the water is part of a recirculating system; and
 - (I) The application of water to landscapes during and within 48 hours after measurable rainfall.
- (2) To ensure no increase in water use or diversions that may harm endangered or threatened fish populations, the development of new surface or sub-surface diversions, is prohibited within the watersheds designated in subdivision (c). New winter diversions to offstream storage may be excepted from this prohibition with the prior approval of the Deputy Director for the Division of Water Rights (Deputy Director) or the Deputy Director's designee.
- (3) To prevent the waste and unreasonable use of water and to promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily, if daily laundering is offered. The hotel or motel shall prominently display and/or communicate notice of this option to each guest using clear and easily understood language.
- (4) The conservation measures identified in subdivision (d) shall take effect immediately throughout the watersheds designated in subdivision (c)(2). The Deputy Director, after consultation with the California Department of Fish and Wildlife (CDFW) or the National Marine Fisheries Service (NMFS), may extend those requirements to some or all of the remainder of each tributary watershed identified in subdivision (c) to support CCC steelhead and CCC coho salmon passage this migratory season.
- (5) Subdivision (d) shall not place additional restrictions on a party who participates in a voluntary drought initiative program (program) determined by CDFW or NMFS to be at least equivalent to the conservation measures in subdivision (d), so long as the party fully complies with the terms and conditions of the program. CDFW or NMFS must provide the Division of Water Rights with a copy of the program and a list of all parties included in the program to confirm participation. Participation in such a program shall not affect any other obligations to implement conservation practices, comply with informational orders, curtail diversions, or comply with other requirements or prohibitions not based on subdivision (d).

- (6) The conservation measures required by subdivision (d) do not supersede or affect other conservation requirements for water suppliers, or individual end users.
 - (7) The taking of any action prohibited in subdivisions (d)(1) or (d)(2) or failure to take the action required by subdivision (d)(3) is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal, including civil liability pursuant to Water Code section 1846.
- (e) Due to the known hydraulic connection between sub-surface water and surface streams in the Russian River watershed, as well as the limited water use information in the area, additional information on diversions and use is needed to better assess impacts on surface stream flows. The Deputy Director may issue informational orders to some or all landowners in, or suppliers of water from, the watersheds identified in subdivision (c)(1), requiring them to provide additional information related to diversion and use of water, including but not limited to the: date of first use, location of diversion, type of diversion, types of beneficial uses, distance of well from the nearest surface stream, depth of the well, well screen interval(s), place of use, estimated 2014 diversion amount, estimated 2014 use amount, source of water, volume of storage, estimated pumping/diversion rate, amount of water anticipated to be needed this year, or any other information relevant to forecasting use and impacts to the surface streams in the current drought year or in contingency planning for continuation of the existing drought emergency. Any party receiving an order under this subdivision shall provide the requested information within 30 days. The Deputy Director may grant additional time for the submission of information regarding diversion and use of water upon substantial compliance with the 30-day deadline and a showing of good cause.
- (1) Each landowner is responsible for immediately providing notice of any informational order(s) to all water users associated with the parcel of land related to the informational order.
 - (2) The failure to provide the information requested within 30 days or any additional time extension granted, is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.
- (f) The State Board has established an email distribution list that landowners or others may join to receive notices and updates regarding informational orders and conservation measures required per this section. Notice provided by email or by posting on the State Board's webpage shall be sufficient for all purposes related to notices and updates regarding the provisions of this section.

Authority: Sections 1058, 1058.5, Water Code

Reference: Article X, Section 2, California Constitution; Sections 100, 102, 104, 105, 109, 174, 275, 1011, 1051, 1052, 1058.5, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463

- Coho Stocking Reaches
- Reach of Interest
- Stream of Interest
- Russian River
- Russian River Tributaries
- Watershed Boundary
- Subsistence Reach Contributing Watershed



**Drought Priority Watersheds
and Reaches of Interest**

State floats tighter water regulations to protect Russian River salmon

BY GUY KOVNER THE PRESS DEMOCRAT on June 10, 2015, 9:17PM06/10/2015

Thousands of landowners along Sonoma County's four major coho salmon spawning streams would be required to report their use of water from both surface sources and wells under proposed new state regulations intended to protect the highly endangered fish species.

The sweeping proposal, announced this week, is aimed at about 13,000 landowners in 113 square miles of the watersheds around four Russian River tributaries: Dutch Bill and Green Valley creeks in the west county, Mark West Creek north of Santa Rosa and Mill Creek west of Healdsburg.

The mandatory water reporting would be done via an electronic form that landowners would fill out online, said Andrew Hughan, a spokesman for the State Water Resources Control Board, which proposed the framework.

The move represents a significant escalation of what had been a voluntary water conservation request of landowners along the same streams earlier this spring. But water regulators noted that state wildlife officials determined last month that those measures fell far short in protecting dry-season flows for salmon in what is now the state's fourth year of drought.

"Swift action is necessary to protect their limited habitat and avoid extinction given the continuing dry conditions," Barbara Evoy, deputy director of the water board's division of water rights, wrote in a letter announcing the state's proposal.

Some details, including the specific watershed boundary lines, will be determined by the water board, which is scheduled to consider the proposed regulation at its June 17 meeting.

In addition to mandatory water reporting by residential and commercial property owners, including vineyards and wineries, the proposed rules would also require "enhanced conservation measures," such as use of gray water — from sinks and showers, for example — instead of drinking water for watering lawns and washing cars. Those water-use restrictions do not affect commercial agriculture.

By including groundwater in the proposed regulation, however, state regulators crossed into what was, until recently, a virtual vacuum in California water rules dating back to the Gold Rush era. Dropping water tables and dwindling streams in the drought have forced the state to increasingly recognize the connection between surface and groundwater levels in its regulations.

"Groundwater is included in the proposed regulation because the close hydraulic connection between groundwater and surface water in the region makes groundwater pumping a significant factor in stream flows," a water board fact sheet said.

Sonoma County officials are now working on a local groundwater management plan, likely to include well monitoring, in the wake of the Legislature's enactment last fall of a statewide framework for regulating underground water sources on a large scale for the first time in history.

Jim Doerksen, whose Santa Rosa-area ranch would be covered by the proposed regulation had mixed reviews of the state action.

“They are finally admitting that the wells dried up our creeks. I agree with them,” said Doerksen, a retired Santa Clara County water district hydrologist and longtime critic of county and state water policy. His ranch touches on a mile of Mark West Creek, which once harboured abundant coho salmon and steelhead trout runs.

Doerksen said the creek started running low in 2005, about five years after grape vines were planted along it. Vineyard wells have lowered the water table, Doerksen contends, eliminating natural springs that sustained streams around the county.

Russian River coho salmon, which once supported a commercial harvest of more than 13,000 fish a year, have been in decline since the 1950s and are now rated as the eighth most endangered species under federal protection, Evoy’s letter said.

A multimillion-dollar effort to restore the native fish species, launched in 2001, revolves around planting about 200,000 fish — bred at the Don Clausen Fish Hatchery below Warm Springs Dam on Lake Sonoma — each year in about 20 streams.

But increased pumping of surface and groundwater results in “disconnected stream systems with isolated pools containing low oxygen levels and elevated temperatures that kill fish and threaten coho salmon with extinction,” Evoy’s letter stated.

Tito Sasaki, chairman of the Sonoma County Farm Bureau’s water committee, said the regulation would have “very little positive effect” on the conditions for endangered fish in county streams.

Mandated water use reports “don’t solve the problem” and would diminish “the cooperative approach we are trying to develop with the state” over water use during the drought, he said.

Requiring farmers to install water meters on their wells would be “extremely onerous,” Sasaki said.

Landowners who do not provide the water use information or comply with the conservation measures may be subject to penalties of up to \$500 a day, the water board said.

In April, state regulators asked 650 landowners along the four local streams to voluntarily reduce water diversions. Officials threatened to halt the diversions if the results were insufficient. They made no mention of well water.

That effort resulted in voluntary agreements with only 20 homeowners, an amount deemed insufficient by state fish and wildlife officials. The proposed mandatory regulations were requested in a May 28 letter from Fish and Wildlife Director Charlton Bonham to Tom Howard, executive director of the water board.

The letter expressed the wildlife agency’s conclusion that conditions in the four watersheds draining into the Russian River were “quickly deteriorating and without significant water conservation efforts most if not all portions of these tributaries could experience fish mortality due to early drying.”

A week before the April request for voluntary cutbacks, biologists warned that about 300,000 juvenile coho salmon in Russian River tributaries were in danger of being trapped and perishing as streams dropped and became cut off from the Pacific Ocean.

Coho salmon and steelhead, a threatened species, depend on pools in the tributary streams to grow during the summer and then migrate to the ocean from late fall through spring.

Hughan, the state water board spokesman, defended the broad approach taken by the state in its latest bid

to safeguard the fish.

“The problem is huge,” he said “Everyone living in the watershed is affecting the streams so we need as many residents to participate as possible to keep as much water in the streams as possible.”

You can reach Staff Writer Guy Kovner at 521-5457 or guy.kovner@pressdemocrat.com. On Twitter [@guykovner](https://twitter.com/guykovner).

17

DISBURSEMENTS - DATED JUNE 4, 2015**ITEM #17**

Date Prepared 6/2/15

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


Seq	Payable To	For	Amount
EFT*	US Bank	May Bank Analysis Charge (Lockbox \$912, Credit Card Processing \$690 & Other \$617) (Less Interest Credit of \$217)	\$2,002.23
49287*	Borok, Ben	Reimbursement for Owner to Install New RP Backflow Devices at 8 Addresses on Grant Avenue	7,770.00
1	All Star Rents	Portable Air Compressor Rental (Hydro Tanks) (1 Day)	99.94
2	AT&T	Fax Data Lines	140.46
3	Baker, Jack	May Director's Fee (\$410) & North Bay Watershed Assoc Meeting on 5/1/15 (\$205)	615.00
4	Bentley, David L.	Exp Reimb: May Mileage & Exp Reimb	280.08
5	Borges & Mahoney	Annual Maintenance on Chlorine Injector (STP)	519.92
6	Burlington Safety Lab	Lineman Glove Testing (4 Pair)	85.00
7	California State Disbursement	Wage Assignment Order	811.50
8	CalPERS	Health Insurance Premium (Employees \$52,320, Retirees \$9,865 & Employee Contrib \$12,359)	74,543.30
9	CED of Santa Rosa	Long Line Modems (2) (Tank Access Hatch/Level Alarms)	1,313.38
10	Core Utilities	Consulting Services: April IT Support (\$5,000), Program New Radios for RTU Telemetry & SCADA (\$1,875), Troubleshoot Monthly STP Operations Reports (\$150), Core Billing Corrections (\$100), Alteration to Online Payment Program (\$275), iPrism Internet Use Filtering (\$75), Troubleshoot Network Problems due to Power Outage (\$250) & Add Ability to Send Bill Inserts to eBill Customers (\$900)	8,625.00


Seq	Payable To	For	Amount
11	Environmental Science Assoc	Progress Pymt#36: Professional Services: Recycled Water Expansion Project, South Service Area (Balance Remaining on Contract \$11,473)	3,456.86
12	Evoqua Water Technologies	Service on Lab Deionization System	215.52
13	Fraites, Rick	May Director's Fee (\$410), Novato Watershed Tour on 5/1/15 (\$205) & Novato Flood Protection Watershed Program on 5/14/15	820.00
14	Grainger	Pressure Transducers (2) (\$442), Wire Harness, Electrical Enclosures for Radio Switch (\$335), Adjustable Wrench (\$57), Broom Handles (6) & Bucket Organizers (2)	918.23
15	Hach	Reagents (STP)	493.87
16	Larsengines	Chainsaw Chains (4)	90.30
17	Lincoln Life	Deferred Compensation PPE 5/31/15	11,111.35
18		Cafeteria Plan: Childcare Reimbursement	208.33
19	McAghon, Andrew	Lawn-Be-Gone Mulching Program (7) (4,500 S.F)	2,925.00
20	McLellan, WK	Misc Paving	1,287.00
21	Murdoch, Colin	Refund Overpayment on Open Account	711.32
22	Nationwide Retirement Solution	Deferred Compensation PPE 5/31/15	1,825.00
23	Novato Sanitary District	Repair of NSD Force Main on North Hamilton Parkway Allegedly Caused by NMWD Contractor Installing 16" Recycled Water Line	12,076.68
24	Nute Engineering	Prog Pymt#2: Oceana Marin Master Plan Update (Balance Remaining on Contract \$17,176)	6,355.50
25	Pace Supply	Dismantling Joints (2) (\$2,590) & Meter Stops (36) (\$997)	3,587.92
26	Pape Machinery	Fuel Filters (2), Oil Filter, Air Filters (2), Engine Oil (4 gal) (\$105) & Parts to Make a New Hydraulic Hose (\$101)	345.92
27	Peps Equipment	12,000 Gal Tank for Dispensing Recycled Water	28,000.00

Seq	Payable To	For	Amount
28	Peterson Trucks	Hour Log Books (12) (\$47) & Vehicle Inspection Books (12)	85.73
29	NMWD Petty Cash	Petty Cash Reimbursement	90.19
30	Petterle, Stephen	May Director's Fee	410.00
31	RMC Water & Environment	Progress Pymt #7: Engineering Services - NMWD-RW Project Title 22 Report (Balance Remaining on Contract \$3,312)	4,446.50
32		Cafeteria Plan: Uninsured Medical & Childcare Reimbursement	286.25
33	Rodoni, Dennis	May Director's Fee (\$410), WAC/TAC Coordinating Meeting on 4/24/15 (\$205) & WAC/TAC Meeting on 5/4/15 (\$205)	820.00
34	Schoonover, John	May Director's Fee Less Deferred	360.00
35	Scott Technology Group	Annual Maintenance on Admin Copier (4/30/15-4/29/16)	1,551.43
36	Staples Advantage	Copy Paper (60 reams - Letter) (\$224), Mesh Tray, Coffee Filters (160), Service Env (500) (\$240) (Eng), Mechanical Pencils (48), Cubicle Wall Clips (48), 2" File Fasteners (500) (\$59), Staplers (2), Pens (48) (\$65), Scotch Tape (10), Dry Erasers (3) & Sharpies (3)	721.96
37	U.S. Bank	Memorial Donation (Boy Scouts - Employees Mother) (\$50), Fee to Correct Soc Sec Number (\$10), Marin Conserv League Breakfasts w/ Mike McGuire (\$17 - DeGabriele), Ad for Drought Public Hearing (\$53), 11 x 17" Binding Covers (200) (\$102), Facebook Advert-Water Conserv (\$18), Renewal of Internet Domain Names & SSL (3yrs - \$210), Lab Supplies (\$73), DT Search Software (\$160 - Clark), Plumbing Code Book (\$176 - McIntyre), Pipe Lubricant Spray (36-16oz cans) (\$323), Birthday Breakfasts (\$190), Measuring Wheel (\$87 - Grisso), Business Lunch (\$30 - DeGabriele), Expandable Plug (\$314 - Kane) & Cal Water Law Conference Registration (\$695 - DeGabriele)	2,507.76
38	Verizon California	Leased Line	99.10

Seq	Payable To	For	Amount
39	Winzer	Bolts, Nuts, Washers & Wire Ties for Auto Shop	289.48
40		Cafeteria Plan: Childcare Reimbursement	1,130.00
		TOTAL DISBURSEMENTS	<u>\$184,033.01</u>

The foregoing payroll and accounts payable vouchers totaling 184,163.01 are hereby approved and authorized for payment.

 6/2/15
Auditor-Controller Date

 6/2/2015
General Manager Date

Connie Filippi

From: David Bentley
Sent: Thursday, May 14, 2015 11:33 AM
To: Connie Filippi
Cc: 'jack baker'
Subject: FW: North Bay Watershed Association 5/1/15 mtg.

Connie
Please compensate Director Baker accordingly....David

From: jack baker [<mailto:jckbaker@gmail.com>]
Sent: May 14, 2015 11:14 AM
To: David Bentley
Subject: North Bay Watershed Association 5/1/15 mtg.

As I represented our District at the referenced NBWA mtg. held in Novato at the Marin Community Foundation offices, pls. initiate compensation for my participation in said mtg.

Thank you

Jack B.

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE RICK FRAITES	
50 Forrest Rd	DATE <u>5/19/15</u> (TODAY'S DATE)
Novato, CA 94947	AMOUNT: \$205.00

I attended the Novato Flood Protection Watershed Program on 5/14/15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.



SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

☒ MAIL TO PAYEE

☐ HOLD FOR _____

☐ OTHER _____

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0213

Prepared By	Accounting Review	POST DATE	Vendor No.
			FRAI01



Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ		\$205.00

NMWD Comment	

Job Number	GL Account	Amount
	56001-01-11	\$205.00
TOTAL		\$205.00

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE RICK FRAITES	
50 Forrest Rd	DATE <u>5/5/15</u> (TODAY'S DATE)
Novato, CA 94947	AMOUNT: \$205.00

I attended the Novato Watershed Tour on 5/1/15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.


 SIGNATURE

CHARGE TO: 56001-01-11


DISPOSITION OF CHECK

X MAIL TO PAYEE

- ☐ HOLD FOR _____
☐ OTHER _____

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0213

Prepared By	Accounting Review	POST DATE	Vendor No.	 NORTH MARIN WATER DISTRICT
			FRAI01	

Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ		\$205.00

NMWD Comment

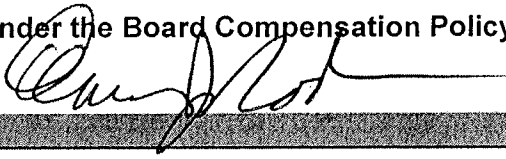
Job Number	GL Account	Amount
	56001-01-11	\$205.00
TOTAL		\$205.00

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE DENNIS RODONI	DATE <u>4 30 15</u> (TODAY'S DATE)
P.O. Box 872	AMOUNT: \$200.00
Pt. Reyes Station, CA 94956	

I attended the WAC/TAC coordinating meeting on 4 24 15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.



 SIGNATURE


CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

☐ MAIL TO PAYEE
☐ HOLD FOR _____
☒ OTHER:
ACH PAYMENT

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0213

Prepared By	Accounting Review	POST DATE	Vendor No.	 NORTH MARIN WATER DISTRICT
			RODO01	

Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK-Req) Amount
CKRQ		\$200.00

NMWD Comment

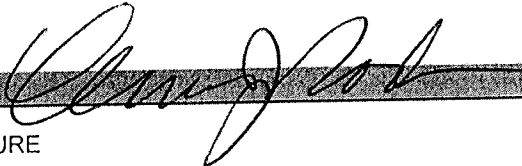
Job Number	GL Account	Amount
	56001-01-11	\$200.00
TOTAL		\$200.00

NORTH MARIN WATER DISTRICT CHECK REQUEST

PAYEE DENNIS RODONI	DATE <u>5 4 15</u> (TODAY'S DATE)
P.O. Box 872	AMOUNT: \$200.00
Pt. Reyes Station, CA 94956	

I attended the WAC/TAC meeting on 5 4 15
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

and wish to be compensated as provided under the Board Compensation Policy.


 SIGNATURE

CHARGE TO: 56001-01-11

DISPOSITION OF CHECK

☐ MAIL TO PAYEE
☐ HOLD FOR _____
☒ OTHER:
ACH PAYMENT

APPROVED TO PAY BY _____

T:\FORMS\CHECK REQUEST FOR BOARD.DOC
REV. 0213

Prepared By	Accounting Review	POST DATE	Vendor No.
			RODO01



Invoice Number (CK Req ID)	Invoice (CK Req) Date	Invoice (CK Req) Amount
CKRQ		\$200.00

NMWD Comment

Job Number	GL Account	Amount
	56001-01-11	\$200.00
TOTAL		\$200.00

DISBURSEMENTS - DATED JUNE 11, 2015

Date Prepared 6/9/15

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 5/31/15	\$127,209.30
EFT*	US Bank	Federal & FICA Taxes PPE 5/31/15	54,754.43
EFT"	State of California	State Taxes & SDI PPE 5/31/15	9,605.58
1	Able Tire & Brake	Tires (2) ('02 Intl 5yd Dump) (\$756), Forklift Tire Tube & Tire Repair (\$52)	827.49
2	All Star Rents	High Weed Mower Rental (1 Day)	174.94
3	Anthony, Bonnie	Novato "Toilet Rebate" Program	100.00
4	Ash, Terry	Novato "Washer Rebate" Program	50.00
5	Athens Administrators	Replenish Workers Comp Account Cost (Venegas) (\$4,389) & June Workers' Comp Admin Fee (\$1,000)	5,388.88
6	AT&T	May Internet Service @ PRTP	75.00
7	AT&T	Leased Lines	574.19
8	Automation Direct	RTU Network Cards	402.00
9	Ball, Steve	Novato "Cash for Grass" Program	400.00
10	Bartram, Kevin & Dianna	Novato "Washer Rebate" Program	50.00
11	Bastogne	Refund Water Payment with Invalid Account Number	100.00
12	Bay Area Barricade Service	Signs "Entering Stafford Lake Watershed" (3) (\$207), "Violators Will Be Prosecuted" (3) (\$147), "No Smoking" & "Fire Extinguisher Inside"	381.50
13	Bernier, Maria	Novato "Toilet Rebate" Program	100.00

Seq	Payable To	For	Amount
14	Bold & Polisner	April Legal Fees: Petaluma Blvd So (\$167), AEEP Caltrans Reimb B3 (\$396), Conflict of Interest (\$18), Employer Assisted Housing (\$74), Governor's Water Use Order (\$209), Jr. ADU (\$218), Prop 18 Letter (\$105), Risk Management (\$844) & Tier Rates (\$344)	2,373.29
15	Building Supply Center	3/4" PVC Pipe (3)	13.64
16	Calmels, Suzanne	Novato "Cash for Grass" Rebate Program	350.00
17	CalPERS Retirement System	Pension Contribution PPE 5/31/15	43,281.18
18	Chandrasekera, Carmela	Exp Reimb: Bay Area Water Works Association: Membership \$20 (1/15-12/15) & Dinner \$50	70.00
19	Colenbrander, August	Refund for Leak Bill Adjust	2,151.18
20	Costco Wholesale	Coffee (\$68) & Coffee Supplies	83.32
21	CPI International	PVC Tubing (3) (Lab)	167.57
22	CSAA Insurance Group	Claim Settlement - Water Damage at 1170 McClelland	15,500.00
23	CSW/Stuber-Stroeh Engineering	Project Pymt #27: Marin Sonoma Narrows NMWD Aqueduct Energy Efficiency Project (Balance Remaining on Contract \$78,077)	27,192.26
24	Deluxe for Business	Cash Receipt Books (4,000) (2-yr Supply) (Front Counter)	620.30
25	Drust, Lynne	Novato "Pool Cover Rebate" Program	50.00
26	Durkin Signs & Graphics	Equipment Decals (7)	92.65
27	Electrical Equipment	New Starter Contacts for School Road P/S (3)	448.16
28	Eurofins Eaton Analytical	Testing Services (Lab)	3,500.00
29	Fisher Scientific	Vials (100) (\$141), Absolute Ethanol & Parafilm (4" x 125') (Lab)	199.05
30	Forman, Marjorie	Novato "Washer Rebate" Program	50.00
31	Gallemaert, Renee	Novato "Toilet Rebate" Program	100.00
32	Gates, Doris	Novato "Cash for Grass" Program	400.00

Seq	Payable To	For	Amount
33	Ghilotti Construction	Prog Pymt#13: Construct AEEP Reaches A-D/MSN B3 Pipeline Project (Balance Remaining on Contract \$2,738,227)	168,781.48
34	Golden Gate Petroleum	Gasoline (\$3.39/gal) & Diesel (\$3.13/gal)	4,857.89
35	Graham, Danielle	Novato "Toilet Rebate" Program	200.00
36	Grainger	Calibration Gas Cylinder (\$435), Insulated Lineman's Gloves (2 Pair) (\$184), High Pressure Hose for Vac Trailer (\$142), Office HVAC Filters (144) (\$1,344)	2,105.70
37	Haas, Bradley	Novato "Cash for Grass" Rebate Program	300.00
38	Hach	Ampule Kits (2) (\$469) & Reagent	522.04
39	Hall, Melissa	Novato "Cash for Grass" Program	180.00
40	Hertz Equipment Rental	Crane Truck Rental (2 Days) (Removal of PRTP Well #2 Pump for Inspection & Chemical Storage Tanks @ STP)	981.00
41	Hession, Philip	Novato "Toilet Rebate" Program	100.00
42	Kawata, Nancy	Novato "Cash for Grass" Program	105.00
43	Kawata, Ron	Novato "Washer Rebate" Program	50.00
44	Kenney, Edwin	Novato "Cash for Grass" Program	400.00
45	Kortisova, Veronika	Novato "Toilet Rebate" Program	100.00
46	Macdonald Architects	Progress Pymt #6: Engineering Services for Lynwood P/S (Balance Remaining on Contract \$5,335)	4,772.76
47	Mackey, John	Novato "Toilet Rebate" Program	100.00
48	Marin Landscape Materials	Cement (3 sacks), Crushed Rock (3/4 yd) (\$72) & Concrete (42 bags) (\$211)	327.73
49	Marin County Radio Shop	Install Radio & External Speaker ('15 F250 4 X 4 - \$731 & '15 Intl Dump Truck - \$703)	1,434.59
50	Marks, John	Novato "Cash for Grass" Program	400.00
51	Martin, Anne	Novato "Toilet Rebate" Program	100.00

Seq	Payable To	For	Amount
52	McLellan, WK	Misc Paving	4,285.99
53	Merkel, Rod	Novato "Cash for Grass" Program	260.00
54	Mitch's Certified Classes	Backflow Prevention Assembly Test Course (6/22-6/26) (J. Lemos)	1,000.00
55	Narducci, Ronald	Novato "Toilet Rebate" Program	100.00
56	Natov, Janet	Novato "Toilet Rebate" Program	100.00
57	North Marin Auto Parts	Oil Filter, Air Filter, Wiper Blades (\$48) ('99 Dodge Ram), Screws, Door Clips (2 sets), Hose End, Hose Crimp, 2-Cycle Oil (2-32 oz), Front Grease Seal & Trailer Cord Plug	113.39
58	North Bay Gas	C02, Nitrogen (\$457) (STP), SCBA (2 Cylinders) (\$215) & May Cylinder Rental (\$142)	847.71
59	Novato Disposal Service	May Trash Removal	432.54
60	Office Depot	Clipboards (5) (\$153), Paper Clips (500) & Steno Pads (12)	169.90
61	O'Reilly Auto Parts	Washer Fluid, Glass Cleaner, Armorall (\$44) & Upholstery Cleaner	94.39
62	Pace Supply	4" Polyurethane Foam Swabs (2), 1 1/4" Couplings (8), PVC Elbows (12), 1" Bushings (4), 1 1/4" Pipe (200') (\$128), PVC Elbows (8), 4" Tees (3) & Ball Valve (\$283)	524.83
63	PG&E	Power Bldgs/Yard (\$3,982), Rectifier/Controls (\$1,586), Pumping (\$23,355), Treatment (\$129) & Other (\$121)	29,172.33
64	Phillips Transportation	Lab Hazardous Waste Disposal	220.00
65	Pini Hardware	Mouse Traps (10), Post Hole Digger, Wrench, Water Filter, PVC Cement, Hedge Shears, Filter Glue, Tubing (STP), Liquid Electrical Tape, Hardware, Telephone Wire, Neoprene Cement (O.M. Boat), Screws, Foam & Wall Filler	154.13
66	Poldino, Lee	Novato "Cash for Grass" Program	180.00
67	Raiger, Rick	Novato "Washer Rebate" Program	50.00
68	Sequoia Safety Supply	Brief Relief Urine Bags (100)	253.97

Seq	Payable To	For	Amount
69	Shirrell Consulting Services	June Dental Insurance Admin Fee	293.80
70	Shirrell Consulting Services	May Dental Expense	8,826.30
71	Silverado Avionics	Radios for New Trucks (2)	2,828.10
72	Simonds Machinery	Replacement Pump for Hayden P/S #2	1,831.43
73	Simpson, Andrew	Novato "Washer Rebate" Program	50.00
74	Simpson, Marty	Novato "Pool Cover Rebate" Program	50.00
75	State Water Resources Control	Deer Island RWF SRF Loan Principal & Interest	273,366.91
76	Strahm Communications	Postage for West Marin Water Line	203.00
77	United Parcel Service	Delivery Service: Sent VFD Back for Repairs	57.11
78	USPS	Replacement Key for P.O. Box	9.00
79	Verizon California	Leased Lines	849.65
80	Verizon Wireless	Cellular Charges: Data (\$111) & Airtime (\$147) (19)	257.59
81	Verizon Wireless	May CIMIS Station Data Transfer Fee	29.73
82	Waste Management	Trash Dumping (3 yds)	112.58
83	Wingenbach, Tony	Refund Overpayment on Closed Account	30.00
84	Winzer	Oil Absorbent Powder (12-28oz Cartons)	218.57
TOTAL DISBURSEMENTS			<u>\$809,627.05</u>

The foregoing payroll and accounts payable vouchers totaling \$809,627.05 are hereby approved and authorized for payment.



Auditor-Controller

Date

6/9/15



General Manager

Date

6/9/2015

MEMORANDUM

To: Board of Directors

June 12, 2015

From: Kerry Lemos, Maintenance Supervisor 

Subject: High System Pressure at Indian Hills Hydro-Pneumatic Tank

x:\e-m\memo's\indian hills ps control failure.doc

Recommended Action: Information Only

Financial Impact: \$2,000

On the evening of June 9th around 8:30 pm a pump control failed at the Indian Hills Pump Station, located on Indian Hills Drive near Flint Court. This pump control is not currently on the SCADA system but is scheduled for a control upgrade next fiscal year. The lead duty pump failed to stop at the preset pressure and the pump continued to run from approximately 8:30 pm to 8:30 am when it was manually turned off and the system pressure bled down to normal through the pressure relief valve. During this time the pressure relief valve at the pump station had opened and was holding the discharge pressure around 135 PSI, which would have made the tank pressure around 100 PSI.

The lead pump pressure switch had a stop drive motor that burned out and caused the pump to continue to run. The control unit was replaced with a spare and the pressure relief valve setting was lowered to approximately 105 PSI at the pump station. Two customers reported minor damage due to the high pressure while the crew was on-site. One was a broken irrigation valve and the other was two toilets that flooded. The customer did not indicate the toilets got the floors wet or were overflowing into the bowls. Neither seemed too concerned about it and both customers were advised to call the office for further assistance.

Approximately 26 customers experienced high-pressure during the 12-hour period.

NORTH MARIN WATER DISTRICT

POLICY: DIRECTORS COMPENSATION AND PROCEDURE **POLICY NUMBER: 13**

Original Date: 2004
Last Reviewed: April 2013
Last Revised: April 2013

Each director shall receive compensation in a standard amount not to exceed two hundred dollars (\$200) per day for each day's attendance at meetings of the Board or for each day's service rendered as a director by prior approval of the Board. Said standard amount shall be escalated annually on January 1st based upon the change in the San Francisco Bay Area Consumers Price Index for the prior 12 month period but no greater than 5% per year pursuant to the California Water Code Section 20200. Such service shall include: attendance at special Board meetings or subcommittee meetings; attendance at workshops/seminars relevant to District activities; attendance at meetings with other public entities where District interests are subject to consideration. Furthermore, such service compensation shall not exceed a total of six days in any calendar month and any Director shall have the option to decline compensation for attending any special meetings or other activities relevant to the District's interest.

When a Director is authorized by prior approval of the Board to attend a meeting out of the immediate area (beyond Marin or Sonoma Counties), the Director may request reimbursement of actual and necessary expenses for travel, meals, lodging and meeting registration, as applicable, along with the standard amount per each days service noted above.

Actual and necessary expenses shall remain within IRS Publication 463 guidelines, except that lodging for conferences or an organized educational activity shall not exceed the maximum group rate published by the conference or activity sponsor. Expenses shall be documented with receipts and attached to the submitted reimbursement voucher.

Procedure:

Compensation for meetings of the Board, including special meetings, will be presented on the first disbursement list of the month following the month of attendance, as is currently the practice.

Compensation for attendance at committee meetings or other meetings attended on behalf of the Board will only be authorized after that Board member has submitted a voucher with justification to the Auditor-Controller.

Voucher Format:

I attended the [describe meeting and purpose of attendance] on [date] and wish to be compensated as provided under the Board compensation policy.

/signature/ /date/

Revised: 2004, 08/06, 04/13

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Vouchers must be submitted no later than six calendar days prior to month end for inclusion in the disbursement package and may be submitted electronically (email/facsimile).

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Coastal Commission Revised Sea Level Rise Policy Guidance Available for Review



Revised Sea Level Rise Policy Guidance

The requested deadline for written comments is July 10, 2015.

Download the document in full or by chapter [here](#).

The California Coastal Commission Releases the Public Review Draft of the Revised Sea Level Rise Policy Guidance

Commission staff is now seeking input on the revised Sea Level Rise Policy Guidance. The content of the document will be presented on Wednesday, June 10 at the Coastal Commission [hearing](#) in Newport Beach. Commission action may occur at a later date. Download the full document [here](#).

The revised Sea Level Rise Policy Guidance provides an overview of best available science on sea level rise for California and recommended steps for addressing sea level rise in Coastal Commission planning and regulatory decisions.

This revised draft includes updates on related efforts and state actions, and incorporates the feedback the Commission received during a 120-day public comment period following the release of the first draft Guidance in October 2013. For a summary of responses to public comments, click [here](#). The most significant revisions include:

- A discussion of [Safeguarding California](#) and recent Executive Orders
- A new section on using scenario-based analysis to approach sea level rise planning

- A new section on storms, extreme events, abrupt change, and sea level rise
- A new section on sea level rise adaptation planning and environmental justice
- A revised chapter on sea level rise adaptation strategies, including additional strategies
- A new chapter on the legal context of adaptation planning

These revisions were coordinated with other California state efforts related to climate change and adaptation, including the *2014 Safeguarding California* document produced by the California Natural Resources Agency. This revised draft reflects the broad concepts and strategies in *Safeguarding California* - particularly the *Coast and Oceans* chapter - and complements it by providing information specific to the Coastal Act, including Local Coastal Programs and Coastal Development Permits.

Submitting Comments

Comments can be submitted via email (SLRGuidanceDocument@coastal.ca.gov), by U.S. mail, or verbally at Commission public hearings in June, July, and/or August 2015. We request that written comments be submitted no later than COB **Friday, July 10, 2015** in order to be considered in preparation of the final document submitted for possible Commission action at the August 2015 hearing. We encourage broad participation in the review of the document and welcome all feedback, both in writing and at the Commission hearings.

Questions?

If you have questions or would like additional information, please do not hesitate to contact our Sea Level Rise Working Group at SLRGuidanceDocument@coastal.ca.gov, or call Kelsey Ducklow at 415-904-2335 or Carey Batha at 415-904-5268. After Commission adoption, staff intends to provide additional opportunities to learn more about the Guidance through webinars, workshops, and other outreach events. For more information about these events, please check [here](#) or subscribe to the [SLR mailing list](#).

Water boss says Marin must cut back use

Krihsna Kumar, general manager of the Marin Municipal Water District, said the county saved about 13.5 percent more water from the previous drought year. Robert Tong — Marin Independent Journal

By Mark Prado, Marin Independent Journal

POSTED: 06/03/15, 5:12 PM PDT | UPDATED: 2 HRS AGO 5 COMMENTS

Marin residents are under pressure to meet state-ordered water cuts, the Board of Supervisors heard this week, even if local supplies are pretty darn healthy thanks in part to conservation efforts.

Krishna Kumar, general manager of the county's largest water agency, briefed Marin supervisors Tuesday on the county's water situation as drought is the conversation at water coolers throughout California.

New water-saving edicts took effect Monday and will remain in place until February 2016. To determine compliance, the state will look at water use during the coming period and compare water use to the same time frame in 2013, the last time the state was not in drought.

Kumar — general manager of the Marin Municipal Water District — noted the county had done a good job of conserving water in 2014, saving about 13.5 percent from the previous year. But to get to a 20 to 24 percent cutback this year — as required by state mandates — will not be easy, said Supervisor Kate Sears.

"I think that means we have to do quite a bit more," she said, asking Kumar if heavy water users have been targeted.

The water chief said a conservation team responds to phone calls and emails from residents who report excessive use and has one-on-one conversations with water wasters.

"We guide them through the process," Kumar said. "That moral persuasion seems to be working."

The mandates require the Marin Municipal Water District to cut use by 20 percent. The North Marin Water District has to cut water use by 24 percent. The state developed those percentages by looking at per-capita water use between July and September 2014. The higher the water use, the more a community must now cut back.

In April the Marin Municipal board passed new rules requiring residents and businesses with irrigation systems to use them only three days a week. There also will be a ban on using the systems 48 hours after measurable rainfall.

North Marin's board approved similar measures last month. Its rules differ in that homes and buildings with odd-numbered addresses will only be able to water Monday, Wednesday and Friday. Even-numbered addresses will water Tuesday, Thursday and Saturday. All watering would be limited to between 7 p.m. and 9 a.m. as with Marin Municipal customers.

Watering with a hose is allowed as long as there is a shut-off nozzle attached.

Water officials are confident the restrictions will allow them to meet mandates, but Supervisor Steve Kinsey was not sure.

Advertisement

“Getting that next (required) percent is going to be a lot harder than getting the first 13 percent,” Kinsey said. “We need community outreach.”

Water agencies that flagrantly disregard the rules could face penalties of up to \$10,000 a day from the state.

For customers, Marin Municipal has an enforcement provision that includes fines of \$250 for violating regulations and restrictions on water use.

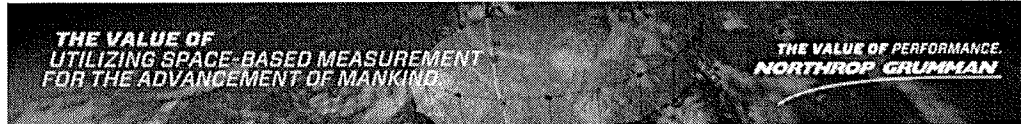
North Marin can disconnect water service if rules are violated. If water service is disconnected, a re-connection fee of \$50 is assessed. If another violation occurs, a re-connection fee of \$75 is imposed. Any water service that is disconnected twice is reconnected with a flow-restricting device and a fee of \$100 is charged.

Marin has done a good job in conservation as mirrored in water supplies.

Marin Municipal’s reservoirs are about 89 percent full, 101 percent of average for this time of year. North Marin’s Stafford Lake is now 80 percent full, 85 percent of average for this time of year. Lake Sonoma, which provides North Marin with 80 percent of its water, is 86 percent full, or 89 percent of average.

“We must be the exception in all of California,” Kumar said. “There are no other areas where water districts will have these numbers.”

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Energy & Sustainability » ProPublica

Vegas Water Chief Preached Conservation While Gambling on Growth

ProPublica examines the wheeling and dealing that Pat Mulroy has orchestrated over nearly three decades to find more water for Las Vegas and use it to help the city keep expanding

By Abraham Lustgarten and ProPublica | June 2, 2015 |

One afternoon last summer, Pat Mulroy stood in 106-degree heat at the broad concrete banister atop the Hoover Dam, the wall that holds back the mighty Colorado River, and with it the nation's largest reserve of water.

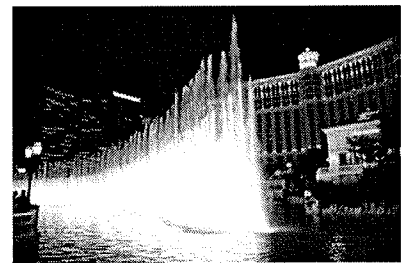
The reservoir is the brain stem of the system that helps sustain just about every person from here to San Diego. But as Mulroy looked out over the drought-beleaguered pool, then at 39 percent capacity, it appeared almost empty.

"Scary," Mulroy said.

Few people have played a greater role in determining how the reservoir's coveted and contested water supply has been used than Mulroy. Much of it has gone to nourish the Southwest's booming cities, and for 26 years, Mulroy was the chief arbiter of water for the fastest-growing city of them all, Las Vegas. As the head of the Las Vegas Valley Water District, she handled the day-to-day approval of water for new housing developments, emerald golf courses and towering casinos. As the general manager of the Southern Nevada Water Authority—a second job she held starting in 1993—she also budgeted water for Las Vegas' future, helping to decide its limits. As the Water Authority's general director, Mulroy stretched her enormous influence over state bounds, shaping how Nevada negotiated with the six other states sharing Colorado River water.

Deploying a prickly wit and a rare willingness to speak truth about the water challenges hammering the Western states, Mulroy met head-on a reality few other leaders wished to face: that the Colorado River's ability to support the West's thirst to grow its economy and embrace the large population that came with it was not unbounded. She has been lionized for espousing conservation and pioneering a list of progressive urban water programs in Las Vegas while fiercely negotiating tough agreements between the states to use their water more efficiently and come to terms with having less.

But an examination of Mulroy's reign shows that, despite her conservation bona fides, she always had one paramount mission: to find more water for Las Vegas and use it to help the city keep expanding.



Though the Water Authority has managed to reduce its overall water consumption since the drought began in 2002, the Las Vegas Valley used 1.2 billion gallons more water in 2014 than in 2011.

Nick Ares/Flickr

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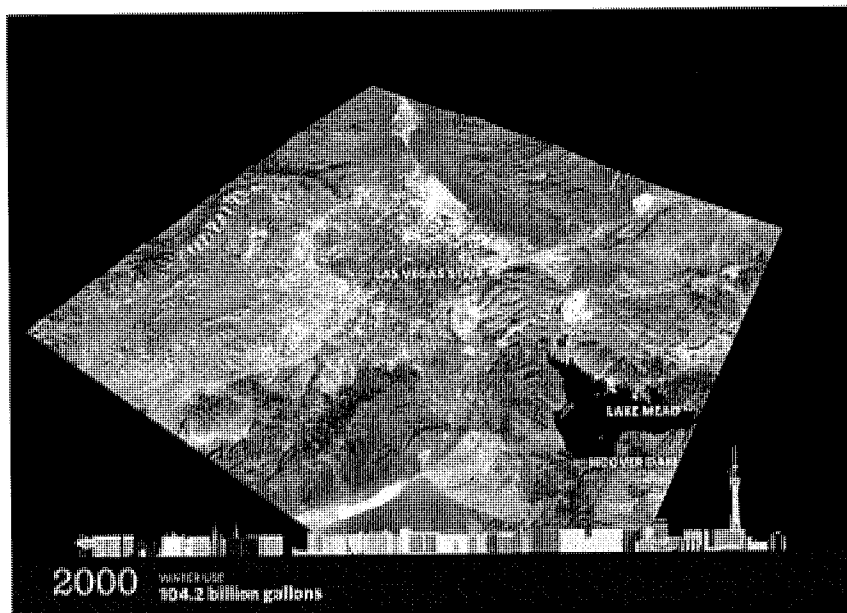
Mulroy wheeled and dealed, filing for rights to aquifers in northern Nevada for Las Vegas, and getting California to use less water while her city took more. She helped shape legislation that, over her time at the Water Authority, allowed Las Vegas' metropolitan footprint to more than double. She supported building expensive mechanisms with which to extract more water for the city's exploding needs—two tunnels out of Lake Mead and a proposed pipeline carrying groundwater from farms in the east of the state. Not once in her tenure did the Authority or the Las Vegas Valley Water District she ran beneath it reject a development proposal based on its use of water. The valley's total withdrawals from the Colorado River jumped by more than 60 percent on her watch.

Yet even last summer—staring at the effects of growth and drought on the reservoir, where once-drowned islands were visible for the first time in as much as 75 years—Mulroy apologized for none of it. She bridled at the idea that Las Vegas or other desert cities had reached the outer edge of what their environments could support.

"That's the silliest thing I have ever heard," she said, her voice rising in anger. "I've had it right up to here with all this 'Stop your growth.'"

ProPublica is exploring how the West's water crisis reflects man-made policies and management strategies as much, or possibly more, than it does drought and climate change.

Whether and how cities grow is one of the most decisive factors in determining the future of Western water supplies, and, to some extent, the nation's economy. For much of the last century the West has been guided by a sort of "bring 'em on" philosophy of the more people the better. Teddy Roosevelt first envisioned using the Colorado River's resources to move west a population the size of that day's Eastern Seaboard. They came in droves, supported by infrastructure the federal government built—including the Hoover Dam—and the water those facilities helped supply.



Courtesy Al Shaw and Jeff Larson, ProPublica

To an arid region blessed with little rain, the newcomers brought their Eastern tastes: Kentucky bluegrass planted across sprawling yards; fountains flowing with abundance; fruits and vegetables growing in an Eden-like oasis. Hundreds of thousands of settlers turned into tens of millions of people still dividing the same finite supply of water, one that was stretched thin from the very start. By the time it became apparent that growth might need to be controlled to be both productive and efficient, Western sprawl, like a sort of Frankenstein monster, had taken on a momentum of its own.

Los Angeles went through this spurt first, roaring through the 1920s with Hollywood's ascendance and having its own legendary water wars. Then came Phoenix and Denver. Las Vegas, in many ways, was last. But in its story the tensions are the strongest, the lessons the loudest and the crisis the most imminent.

It is all the more powerful because the person charged with managing Las Vegas' water strategy was Mulroy, whose knowledge and moxie suggested she better than almost anyone could tackle the quandary Western cities had gotten themselves into.

Mulroy, of course, was not the emperor of Las Vegas. She did not have autonomy over every decision the city made about growth. But she did have enormous say.

Dina Titus, the U.S. congresswoman who represents Las Vegas, thinks Mulroy squandered her chance to get ahead of the water problem by managing growth, instead of supporting it unconditionally.

"The Water Authority had the attitude that if people come, they'll get the water, beg, borrow or steal," Titus said. "And that's what they set out to do with very little long-term concern for what the impact was going to be."

Today Las Vegas is on the brink of a new building binge, and Mulroy, 62, remains uncompromisingly bullish. Standing 5-foot-5, her gray-blond hair wilting in the sweltering sunshine, her upper lip curled as she contemplated the idea that the city should rein itself in. Water can be found, she said emphatically, standing over the near-empty reservoir. Without growth, cities have no jobs and no future to offer coming generations.

"You have Detroit," she warned. "There isn't a city in the country or the world that wants to be Detroit."

Pat Mulroy first landed in Las Vegas in 1974, getting a \$50 room at the Desert Rose Motel and sleeping on a round bed with a red velvet comforter beneath a mirror mounted on the ceiling.

She had flown in from Frankfurt, Germany, where she was born and raised, to accept a scholarship to study German literature at the University of Nevada, Las Vegas. A narrow slit of windows was cut into the hotel's cinderblock wall and it looked away from Las Vegas Boulevard, into the desert. The morning after her arrival, Mulroy, 21 years old, spread the curtains, gazed outside and saw what looked like a lava pit. "Oh my god I'm on Mars," she recalled thinking.

Mulroy went on to earn first a bachelor's and then a master's degree at U.N.L.V. Initially, she said she intended to chase a career with the State Department, an interest she picked up from her father, who worked as a civilian in the Air Force. He was an Irish Catholic Kennedy Democrat. Her mother was German but had grown up in India, spoke five languages and worked as a housekeeper and sometimes-translator for Gen. Dwight D. Eisenhower. Together they had instilled a no-limits mentality in their daughter.

"The notion that because you were born a certain way mattered didn't exist in my house," she said.

But then a friend of her father's at the U.S. Embassy in Bonn told her that a woman would never rise in the diplomatic corps. She was momentarily disillusioned, and turned her focus to studying in the United States.

After later dropping out of her doctorate program at Stanford to help raise money to send her sister to college, she returned to Las Vegas and took a \$13,000-a-year job as a junior management analyst with Clark County. She became part of the county's legislative team, lobbying for tax and governance bills up in Carson City.

It was impossible to work for Las Vegas-area government and not find yourself staring at the underbelly of Nevada's culture. Gangsters walked the halls of the county seat, crowding hearings or petitioning the commissioners for their building projects. "Where do you find people to build a gaming industry those days?" she asked. "It was with the mob."

"I knew Moe Dalitz, I knew Morris Shenker. I had to deal with Tony Spilotro," Mulroy went on, ticking off some of the most notorious criminals and mob associates in Nevada history. "Moe Dalitz was the greatest gentleman you ever wanted to meet. Tony Spilotro was a scumbag—a dirty, filthy scumbag."

Cash flowed like water in those days, she said, and early one morning before a county commission vote, her boss, in the hopes of keeping the process clean, dispatched her to retrieve envelopes off the desks of commissioners before they arrived to discover what was in them. The envelopes were each stuffed with 50 \$100 bills.

In 1985, Mulroy was promoted out of a county administrative post to help run the Las Vegas Valley Water District, one of seven feuding water utilities that served Las Vegas and the rest of Clark County. When her boss lost the confidence of his board in 1989, she inherited the whole department. "I didn't want the job. I didn't have the self-confidence. I didn't think I could do it," she said recently. "It seemed daunting."

Indeed, Mulroy, though ambitious, had no engineering or environmental experience, and had thought little about water as a resource. She was 36 then, with two children younger than 3 years old at home. Her attention, as she put it, was "kind of split," and she was weighted by guilt for the hours she poured into work and just as torn about the hours she spent away from the office.

But the job was politics, not science, and that came to her naturally. She had learned that politics works through relationships, not rules, and she applied the lesson to her new position. The valley, back then, still had a quaintness to it, with a population of just 741,000 and a Las Vegas strip that looked little like it does today. There was no ersatz Eiffel Tower or Empire State Building and no Bellagio hotel, with its musically synchronized water cannons. As Las Vegas grew up and corporate bigwigs displaced mobsters as the city's ruling class, Mulroy prided herself on being a student of character.

"You develop an instinct and a political sixth sense. I can smell a phony a mile off," she says now. "The minute someone flatters you, back up, take a hard look. The more sweetness and niceties that come out of someone's mouth, especially if they don't know you, beware, don't get caught."

Shortly after Mulroy took charge of the Water District she learned that the people who ran her utility, as well as the valley's other water agencies, didn't know how much water the area had—let alone how much water they were committing to give out. The valley gets just four inches of rainfall a year. Moreover, the groundwater springs that once supplied Las Vegas had been drawn down so far the land was collapsing above them. Las Vegas depended on Lake Mead for almost all of its water, and Mulroy feared that with surging growth the city would soon need more than it was allowed to take.

Her fears were confirmed when consultants she hired as one of her first acts developed a set of models that produced a damning assessment of the area's water resources. Tapping all the water it had at the time, their models warned, Las Vegas would run out of water completely in five years. The Water District wasn't even sure it had enough water to deliver what it had promised to development projects already underway.

On Valentine's Day 1991, Mulroy took what seemed like a logical step: She placed a moratorium on new water commitments in Las Vegas, stomping on the brakes of the city's booming growth. For the first time, there would be no new construction permits issued for buildings, subdivisions or the city's signature open spaces: golf courses. Even the permitting for new casinos, the engine of the state's economy, would have to pause. Only projects that had already been approved would be allowed to proceed.

Within a day or two, she received an urgent phone call from casino magnate Steve Wynn beckoning her to his office in a suite at the Mirage hotel. Wynn, one of Nevada's most influential businessmen, told her Las Vegas couldn't attract investors to pay for new development if it couldn't assure them they'd be able to get the most basic of permits for their projects.

"He wanted to know what the hell was going on," Mulroy said.

To give Wynn the answer he wanted—that the moratorium was temporary—Mulroy needed to get more water. The federal Bureau of Reclamation, which controlled the water coming out of Lake Mead, might let the Las Vegas Valley take more, but not while the valley's utilities remained as disorganized as they were.

In a feat of diplomacy, Mulroy convinced the other six utilities that she could get each of them more water if they formed a single agency and let her negotiate for the group. The Southern Nevada Water Authority was born; Mulroy got more water, and a year after it began, she lifted the permitting freeze. She would never try to enact a moratorium on growth again.

Years later, she acknowledged that Wynn's challenge amounted to a charge to never slow down growth. And she is blunt about how she chose to respond to it.

"I would rather be strategic and not be Don Quixote swinging at windmills," Mulroy said of her dealings with the city's business leaders. "They want to be an economic engine. They want to be a major global city. That's their strategic plan. That's their vision of themselves. They want to be Los Angeles."

"Had we not done it, they would have found someone who would."

Once Mulroy realized there would be no stopping Las Vegas' growth, even temporarily, she attacked the challenge of meeting the city's growing need for water with equal measures of pragmatism and creativity.

Starting in 1989, she made a series of moves to increase the metro area's water supplies, immediately and into the future.

She quietly filed for virtually all of the unclaimed rural water rights across Nevada, water Las Vegas could eventually import. She swooped in a few years before an enormous Fort Mohave coal power plant closed and struck a deal to transfer the facility's long-term water rights to Las Vegas. And through the original deal brokered to get more water from the Bureau of Reclamation, she increased her agency's water budget by almost 70 percent by persuading the federal government to give Las Vegas credits for the waste water it poured back into Lake Mead.

The golf courses of Las Vegas are only the most vivid symbols of possibly reckless growth. (Christaan Felber, special to ProPublica)

When Nevada's governor appointed Mulroy to the state's negotiating team for the Colorado River, expanding her authority by giving her a role in discussions between the seven state governments sharing the Colorado, she directed her search for more water across state lines.

She negotiated innovative swaps in which water savings in one place could be conveyed to another. She used the Water Authority's resources to help pay to build a reservoir capturing excess river flow before it ran into Mexico from California, saving hundreds of millions of gallons of water, of which the Southern Nevada Water Authority got a significant share. She pushed Los Angeles and San Diego's utilities to learn to get by with less, which they did in part by paying California farmers to fallow some of their fields.

Over time, Mulroy became known for pressing her view that, when it came to the Colorado River, the interests and fates of all the basin states were inextricably intertwined, giving all a stake in conserving it.

"She became synonymous with water conservation and Nevada's quest to define itself with respect to water management," said John Wodraska, who headed Southern California's Metropolitan Water District during Mulroy's ascent.

Others, though, saw her deal-making largely as enabling Las Vegas to use an ever-expanding amount of water with little of the discipline and restraint she urged on others. Mulroy instituted what she calls "soft conservation" measures to save water in Las Vegas—advertising water savings on billboards, running community education programs and banning artificial lakes in new developments. But across the 1990s, the overall water consumed by the Las Vegas metro area grew by 61 percent.

"Everybody has a water supply, and we were living within ours," said Tina Shields, interim water department manager for the Imperial Irrigation District in California, one of the largest rights holders to Colorado River water and a frequent target of Mulroy's criticism. "Others needed to live within theirs."

Building in Las Vegas is heating up again, but the plan for how to supply adequate water for this latest expected boom depends on a controversial \$3.2 billion pipeline that has not been built. (Christaan Felber, special to ProPublica)

Some of the resentment Mulroy engendered surely reflected her manner as much as her message. She could be bombastic and provocative. Her adversaries called her the Iron Maiden or the Water Witch. (Her staff gave her a broom and she mounted it on the wall in her office.) She wasn't afraid to antagonize those she saw as standing between Las Vegas and water she thought it was entitled to.

She angered Colorado officials by advertising in local newspapers to try to buy water from farmers there. She threatened to take California all the way to the U.S. Supreme Court if it kept diverting more water from the Colorado than it was supposed to. She blasted farmers in neighboring states for wasting water by flood-irrigating their hayfields.

"Pat Mulroy had what we called a command presence," said Richard Bryan, the former U.S. senator and former governor from Nevada. "She was knowledgeable, self-assured without being arrogant, and when she spoke, she spoke with authority."

By the end of the '90s, the Las Vegas that Mulroy helped enable was considerably bigger and more bustling than the one she first knew.

The Las Vegas Valley's population had nearly doubled during the decade, coming to exceed 1.3 million people. An average of 48,000 new homes were added each year to accommodate the influx, as were a dozen new casinos. Eight miles from downtown, the Howard Hughes Corporation began construction of Summerlin, a 22,500-acre suburban micro-community complete with schools, parks, shopping centers and nine golf courses.

Mulroy capped off the '90s by helping to shape the Southern Nevada Public Land Management Act, which cleared the way for still more growth.

Historically, Nevada's settlers claimed only two million acres of land within the state's borders, leaving the rest to federal control because it wasn't viable without water.

Legislation in 1998, advanced by Bryan and Nevada's other senator, Harry Reid, and then-congressman John Ensign, allowed the U.S. Department of the Interior to sell tens of thousands of acres of federal land to private developers, enabling Las Vegas Valley authorities to steer federal land sales they otherwise would not have the right to control. It thus also formally freed Las Vegas from old urban boundaries.

Mulroy was part of the brain trust that refined the bill, hosting several early meetings at the Water Authority to discuss it. She insisted that if Las Vegas' footprint was going to be larger, the Water Authority would need to add staff and infrastructure to supply water to the new areas. Her price: A 10 percent slice of the revenue from each lot sold. The Water Authority's haul from the sale of federal lands eventually came to almost \$300 million and helped bolster financing for the pipelines, tunnels, pumps and more that Las Vegas eventually built to double its capacity to move water out of the Colorado River.

More controversially, it also allowed Mulroy to start buying up northern Nevada farmland, paying as much as \$32 million for properties that previously sold for no more than a few hundred thousand dollars. With the land came the right to tap vast aquifers underneath it. The Southern Nevada Water Authority would eventually become one of the largest owners of ranch land in the state.

Mulroy says the 1998 federal legislation merely allowed Nevada a say in sales the government was pursuing anyway, but she does not deny that enormous growth followed. To enable it—or respond to it, as she says—Mulroy pushed big infrastructure investments that she describes as a turning point. "The second treatment plant, the second tunnel," she said, referring to the \$2.1 billion project to expand the water intakes from Lake Mead, "that was the big growth spurt."

Las Vegas spilled into the space opened up by the 1998 land measure at an astonishing pace.

More than 34,000 acres were sold in the first decade after the act was passed, more than twice the size of Manhattan, and master-planned mini-cities appeared on the edges of the Las Vegas metro area. Neighborhoods teemed with bulldozers and paving machines and rang with a cacophony of nail guns and air compressors. Business leaders joked that the beeping backhoe had become Nevada's state bird.

To Rob Mrowka, who once worked as the Clark County Environmental Planning manager, it was all part of the "Western development-industrial complex."

"That whole vicious cycle just kept pushing the boundary out and out and then you need greater and greater services," said Mrowka, who is now a senior scientist with the Center for Biological Diversity, an environmental advocacy group that has sued to stop Mulroy's effort to import more water from upstate. "Elected officials didn't pay any attention to the long-term issues. It was always balls to the wall. The specter of rapid growth was like a mermaid sitting on a rock, calling."

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In May 2002, Mulroy was in her large, corner office with views of the strip in the distance when her deputy, Kay Brothers, brought unexpected news.

"We are walking right into a wrecking ball," Mulroy recalls Brothers saying. Abysmal snowpack in the Rockies would put about one-quarter the normal amount of water into the Colorado River that season.

The Water Authority relied on a 50-year water plan it updated every couple of years that was supposed to project the area's need for water against population growth and infrastructure demands. The plan was dependent on a stopgap measure Mulroy had negotiated: Nevada's ability to take a share of excess river water left unclaimed by the other states.

The Water Authority had allowed a tsunami of growth on the belief that their figures were unassailable. But the Authority's forecasts—which Mulroy says were based on data given to them by the Bureau of Reclamation—had failed to anticipate the risk that a severe drought could affect the Colorado basin. The surplus water they had anticipated had suddenly evaporated. The development plan Mulroy had placed confidence in for the next half-century was suddenly worthless.

"The drought changed everything," Mulroy said.

Mulroy moved beyond public awareness campaigns and began to crack down on profligate residential and recreational water use in Las Vegas more aggressively. She banned the lush green lawns that had typically lined the city's newly developed suburban streets and offered cash incentives for homeowners to rip out their existing lawns. She also barred fountains and ornamental waterfalls, the kind that decorated just about every hotel and a good number of upscale communities. She installed watering restrictions for golf courses and demanded that new housing developments meet water efficiency guidelines.

"Conservation had to stop being a luxury and something we journeyed into slowly, but something that had to be kick-started in a very different way," Mulroy said.

She became almost evangelical about climate change—something she had previously described as "not an exact science"—and implored her counterparts in the other river states to plan for the threat it posed to Southwestern cities. "We have no rearview mirrors anymore," she told ProPublica in a 2008 interview. "All the old probabilities, throw them away. We are walking into a dramatically shifting climate and that is fundamentally going to change everything."

Mulroy even rallied the gaming and development companies to conserve water. Wynn, forever an ally, made phone calls on her behalf, helping to raise funds to further her public relations campaign and fill billboards across Las Vegas with appeals to save water and heed the drought.

By some measures, Mulroy's conservation push was successful. Las Vegas residents served by the water district reduced their water use from 314 gallons per person per day in 2003 to around 205 gallons (a figure still 30 percent more than in Los Angeles, and more than three times what San Francisco metropolitan area residents use each day.) Mulroy argues that the water Las Vegas recycles should be factored in, a calculation that lowers use in the valley to merely twice that of San Francisco residents. Las Vegas' net water consumption, as long as you subtract that water recycled back into Lake Mead, began to decline.

But the drought didn't go away. Lake Mead's levels steadily dropped by nearly one foot every month. The seven river states began to talk about an emergency shortage declaration, in which water deliveries throughout the Southwest would be cut back.

Through it all, Las Vegas' building boom continued, fueled by increasing casino revenue, a spike in tourist visits and a seemingly irrational mortgage and real estate market.

The casinos employed huge numbers of service industry workers. The workers needed housing. By 2008 there were about 200,000 more homes in the valley than there were in 2000, and every new development served by the Las Vegas Valley Water District received a water commitment letter agreeing to hook up water. Other utilities serving parts of the valley under the Water Authority acted similarly.

Mulroy maintains that she had no real opportunity to thwart building, even if she had wanted to.

"We can't pick and choose who gets water and who doesn't," she said. "Whoever gets zoned, whoever gets the business licensing, whoever gets approval, we have to service. They come to us courtesy of county and city zoning."

She referred ProPublica to the Water District's service rules which lay out her legal authority, but those rules state that the "District may deny any request for a water commitment or request for a water connection if the District has an inadequate supply of water."

It was certainly true that the local officials in charge of planning and zoning had little or no interest in taking on the casino and building industries that benefited most from growth.

In 2003, one former Clark County commissioner, Erin Kenny, got caught accepting more than \$25,000 from a strip club developer with business before the commission, then implicated her colleagues, testifying that such bribes were common. Kenny and two other commissioners went to prison.

"Growth was abundant, it was rabid, it was almost unstoppable," Kenny said in a recent interview.

To this day, candidates for Clark County and other area commission seats get a substantial amount of their political contributions from the building and development industry. The commissioners not only make the most important decisions about growth, they also sit on the boards of the water utilities, including the Water Authority, controlling decisions on water use in the Las Vegas Valley. Furthermore, some of the most significant new housing developments built in Las Vegas—accounting for thousands of new homes—were built in places where planning officials approved zoning changes to allow higher-density building.

"The money from the gaming industry and the money from developers, they controlled the politics," said Don Williams, a one-time campaign manager for Harry Reid and a veteran Las Vegas area political analyst. "The casinos wanted to control planning. They didn't elect people who were interested in slowing things down for the good of the area."

The industry's response to any measure seen as anti-growth could be virulent. Titus, the local congresswoman, says she was once pictured on the cover of a construction trade magazine with a noose around her neck after she pushed for growth restrictions and then passed a bill as a state senator that restricted re-zoning rural land for high-density construction.

Still, Titus was disappointed by the Water Authority's complicity in the headlong rush to build. "It was one and the same with the local government," Titus said. "They encouraged the growth and accommodated the growth and found ways to foster the growth. They thought of that as the goal."

Many were surprised and disillusioned by Mulroy's acquiescence, especially after her persistent efforts to advance conservation, both in Las Vegas and among the seven states that shared the Colorado River. Her department signed off on an endless procession of development proposals, based on the notion that as long as they met the standard water efficiency criteria she had helped the county set up, all projects were equal.

Neither the Water Authority nor the Clark County zoning department factors the total amount of water a new project will require into its permitting decision. They do not prioritize water-efficient developments over others, instead approving proposals on a first-come-first-served basis as long as they comply with zoning categories and more generic efficiency guidelines.

Chris Giunchigliani, a current Clark County commissioner who once served on the Water Authority board, sees the agency—which she called "the final arbiter" of what can and should be built—as centrally responsible for why Las Vegas' building boom continued through the drought years.

Still, she empathizes with Mulroy's predicament.

"When a city thinks the only way they can generate a tax base is by generating growth, the word is, 'Don't tell us we can't do this,'" she said. It's "Find a way to make it possible."

Growth stalled briefly in the Las Vegas Valley during the 2008–2009 financial crisis, but is heating up again.

Though the Water Authority has managed to reduce its overall water consumption since the drought began in 2002, the Las Vegas Valley used 1.2 billion gallons more water in 2014 than in 2011. According to a recent report from the U.S. Conference of Mayors, the valley is expected to add another 1.3 million people by 2042. By the Water Authority's own demand projections, that growth will translate into taking at least 240 billion gallons of water each year, 74 percent more than Las Vegas demands today.

As a consequence, the ranch land bought up by the Water Authority in northern Nevada could be seen as Mulroy's parting gift to her parched city. But getting the water underneath that land to Las Vegas will require building a \$3.2 billion pipeline across half the state, an idea that has generated immense controversy.

Some experts fear that if the city taps this water supply, it will suck dry wetlands that support valuable species, cripple farm communities and possibly cause ground across the Great Basin valley to subside. But the pipeline's supporters herald it as a visionary step towards reducing Las Vegas' near-universal dependence on the Colorado River. "We really need to diversify our resources," said Bronson Mack, the Water Authority's spokesman.

The debate provides a frame for assessing Mulroy's legacy.

Before she ran the Las Vegas Valley's water supply, the city's environmental constraints seemed insurmountable. But Mulroy demonstrated that with enough money, savvy and will, almost any limit could be overcome. In 1991, warned she had five years of water, she deployed creative accounting to maximize every possible gallon of water credit the city could muster. In the mid-2000's—faced with a renewed crisis—she again found water by taking it out of residents' lawns and fountains. In a sense, she pulled off a miracle. Las Vegas absorbed nearly three decades of astronomical growth with the water it had, and it did it in the midst of the worst drought in a generation.

"She is the prophet of growth," said Bruce Babbitt, the former governor of Arizona and former U.S. Secretary of the Interior, who has worked both with and against Mulroy on various projects. "No question."

But what will happen next? Lake Mead reached its lowest level since 1937 last month. Today the lake is just 20 inches above the level that can trigger a formal emergency declaration. If levels drop past that point on Jan. 1, 2016, something the government forecasts as a one-in-three chance, the federal government will declare a shortage and every state in the Colorado River basin—including Nevada—will face dramatic cuts in supply.

When Mulroy stood above the Hoover Dam last summer, looking down at the shocking white 148-foot-tall bathtub rings lining the orange sandstone walls of the dwindling reservoir, it hardly looked as though the strategy that had worked for the past two decades would work in the future.

"Las Vegas and Southern Nevada have been a harbinger," said Wodraska, the former L.A. water chief, reflecting on the push to turn so much of the arid West into cities. "You're in a desert. I think we're going to look back and shake our heads and say, 'What were we thinking when we tried to create this artificial environment that just is not sustainable?'"

The Southern Nevada Water Authority's most recent 50-year water plan once again aims to outline how the area's water resources can meet the needs of its population and economy. In six charts presented in the document, there is no scenario the Water Authority could conceive in which demand for water does not significantly outstrip the current supply, unless it completes the pipeline and begins to harvest water from other parts of the state.

That reality seems to have provoked desperate measures. The Water Authority is finishing a \$1.4 billion tunnel and pumping station that amounts to a drain hole in the bottom of Lake Mead, a project Mulroy describes as "a survival policy," that would allow the city to continue taking water even after the generators and pumps in the Hoover Dam stop operating and California, Arizona and Mexico,

which is also entitled to the tail end of the Colorado's water, are completely cut off. "We'll still be pumping," Mulroy said. "You better be able to take the last drop."

In February 2014, Mulroy retired, saying she was tired of fighting Las Vegas' water battle, which she described as constantly in crisis. She nominated as her successor her senior deputy general manager, John Entsminger, a lawyer experienced with interstate Colorado River negotiations and known to be a supporter of Mulroy's water management strategy.

In her last days at the Water Authority, Mulroy began to talk about the drought as a natural disaster—like a flood, which often garners federal aid money and a swift emergency response—just slower moving. If the federal government made disaster money available for droughts, she thought, it could help in water conservation and water purchases. "This is as much an extreme weather event as Sandy was on the East Coast," she told The Las Vegas Review Journal in 2013.

These days, Mulroy is a senior fellow with the Brookings Institution, where she focuses on climate adaptation and global water policy. She is particularly interested in scaling up her experience in the Colorado basin, examining what a projected nine billion people inhabiting the planet will mean for its water supplies. But she is still involved in Colorado River issues daily.

In a sort of stump speech she has delivered to audiences around the world, she advocates what she calls a "mosaic" approach to the West's water problems. It involves a little bit of everything: a slice of conservation, some compromise by farmers, some new groundwater wells and so on.

Some of the mosaic tiles—like projects to desalinate ocean water, pipelines to move water west from the Mississippi River or seeding rain clouds with silver iodide—stretch technological limits and call for innovation. In some cases they demand positive, even wishful, thinking.

"Right now, we don't have the luxury to take any options off the table," she said.

The one concept she holds as an exception, however, is limiting growth. It won't be limited for Las Vegas. Or for the rest of the Colorado River basin. Not ever. To Mulroy, suggesting such a notion would be tantamount to accepting that human progress can be limited or dictated by nature.

Even with the evidence of the water crisis right in front of her, she's just not there yet.

"We live in a free country where people can move wherever they want," she said. "I can build a de-salter. I can cause more conservation. I can't slow growth and manage growth. I'm not going to waste a lot of time trying to create something that stands in exact contradiction to an ever-exploding human population."

Follow ProPublica on Medium for more conversation on the West's water crisis.

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From ProPublica.org (find the original story here); reprinted with permission.



In Your Town for June 4, 2015

POSTED: 06/03/15, 5:18 PM PDT | UPDATED: 2 HRS AGO 0 COMMENTS

LARKSPUR

Redwood High teen earns Rotary grant

Ava Sholl, president of the Interact Club at Redwood High School, has been awarded an Interact Scholarship from Rotary Club of Marin Sunrise.

The scholarships are awarded to seniors and can be used to help with books, tuition or college applications.

The Rotary Club cited Sholl's community service work and leadership in granting the scholarship.

NOVATO

Student video wins media festival award

Four sixth-graders at Sinaloa Middle School won an award for their public service announcement video, "The Orangutan: On the Road to Extinction."

The award was for best environmental concept at the California Student Media Festival. The students are Cameron Tipton, Maddie Moyer, Matthew Macias and Cheyenne Pryor, who were guided by teacher Tracy Walker.

The video will be honored at the Festival on June 6 in Los Angeles and will be aired on PBS in Southern California. The video is online at youtu.be/SVTF68KU5so.

✓ **Workshop scheduled on saving water**

A free workshop on conserving water inside and outside the home will be presented from 10 to 11 a.m. June 16 at the Margaret Todd Senior Center at 1560 Hill Road.

Ryan Grisso of the North Marin Water District will lead the workshop, which is being sponsored by the Episcopal Senior Communities/Novato Independent Elders Program.

For registration or more information, call 415-899-8290.

SAN RAFAEL

Tribute show planned for drama teacher

Terra Linda and San Rafael high school students will honor retiring teacher Christina Stroech with a free reunion show at 6 p.m. June 6 at the Performance Center at Terra Linda High School.

Past and current students will perform pieces from past high school produced shows. Stroech is retiring after 27 years teaching drama and choir to concentrate on her role as executive director with the Novato Theater.

The performance is free and open to the public at 320 Nova Albion Way.

Grand Jury: Marin taxpayers have right to know about public employee pay deals

By Nels Johnson, *Marin Independent Journal*

POSTED: 06/04/15, 5:05 PM PDT | UPDATED: 2 HRS AGO 12 COMMENTS

The public has a right to know about how Marin's elected officials strike pay and benefit deals with public employees, the county's civil grand jury says.

The jury Thursday urged county supervisors and city councils across Marin to let taxpayers see how pay and benefit pacts progress and what they cost, giving them a chance to chime in before decisions are final — and making officials more accountable for the result.

The jury's report, "The Need for Labor Negotiation Transparency," urges officials to adopt a formal negotiation process used in Orange County, Beverly Hills and several other Southern California cities called Civic Openness In Negotiations, or COIN.

The program requires public agencies to hire independent professional negotiators and an outside auditor, issue a fiscal analysis of all pay and benefit proposals, and post details of tentative labor pacts at least two board meetings before they are adopted. After each proposal is accepted or rejected during closed-door negotiations involving labor and management, it is publicly disclosed, along with costs. Tentative agreements would be made public a week before their consideration, and a final agreement would be placed on the agenda for discussion for two consecutive meetings of the agency board, giving taxpayers time to weigh in.

"Although Marin County residents pay taxes to support decisions by the Marin County Board of Supervisors and the city and town councils, there are numerous times when no transparency into the background of those decisions is made to the public," the jury said.

The issue, as the jury framed it, is "What should be disclosed to the residents of Marin, and when?" More disclosure than now provided is needed, jurors concluded.

There is now little or no time for the public to react to city or county agenda announcements of labor pact deals, and little advance disclosure of fiscal impacts in a process that excludes taxpayers "until it is too late for a reasoned public dialogue," the jury observed.

Marin residents have "minimal opportunity" to review and comment on labor issues, and the COIN process can be put to work without affecting the manner in which tentative agreements are negotiated, the jury said.

The COIN process, it asserted, illuminates "decisions made during negotiations that lead to a tentative agreement." Negotiations are not held in public, and the program does not allow the public to negotiate. It does require periodic reports about proposals and their costs — and time for the public to react to a final package before it is adopted.

Advertisement

“The COIN process mandates transparency in government decision-making, allowing residents to be informed and to participate in public discussion of how their tax dollars are spent,” the jury reported.

The panel urged the county board and local city councils to adopt COIN ordinances no later than July 1, 2016, including providing for independent negotiators and auditors, fiscal analysis, public disclosure and weeks-in-advance notice before agreements are adopted. It sought formal responses from the county board and Marin’s 11 city councils.

Marin’s Citizens for Sustainable Pension Plans urged the county board to adopt the COIN plan in April but it drew heated protests from union representatives. County supervisors expressed lukewarm interest, calling aspects of the plan challenging but worth exploring.

Supervisor Judy Arnold at the time said supervisors will never “open existing contracts” and cut benefits. Arnold, questioned about the grand jury report Thursday, said she intended “to put the report where I put all jury reports,” and then, told she would be quoted, added, “...in a bag to take home and read this weekend.”

Roland Katz, head of the Marin Association of Public Employees, could not immediately be reached for comment Thursday, but made clear last April he was no fan of the COIN program.

Jody Morales, head of the sustainable pension group, was jubilant after reading the jury report, noting it will force elected officials at the Civic Center and in city halls across Marin to issue formal responses.

“We will now have answers as to how our elected officials feel about this critical issue,” Morales told pension critics in an email blast. “We should all offer our thanks to this, and all grand juries, for their vigilance on our behalf.”

BOD MISC



Thirsty valley east of Lake County could become massive reservoir

BY GUY KOVNER THE PRESS DEMOCRAT on June 7, 2015, 12:39AM06/07/2015

MAXWELL — Cattle rancher Mary Wells lives in a remote valley of summer-gold grass where eagles wheel in the sky, wild pigs roam the surrounding hills and rattlesnakes slither over a parched 14,000-acre domain that looks almost untouched by humans.

Songbirds in the walnut and locust trees around her home for the past 41 years — a single-story wood-frame house — seem loud in the stillness of the Antelope Valley, tucked in the foothills west of Interstate 5 in Colusa County.

It pains her to consider the prospect her home might someday lie 350 feet below the surface of a \$4 billion reservoir that would be built by damming all the outlets in the valley and pumping in water from the nearby Sacramento River.

“I’m not happy about it,” Wells said, seated on her shaded patio, her suntanned face reflecting years of work on an open range. “The flowers are doing good. I have a new fence.”

But as a fifth-generation rancher, Wells said her own family’s future — and that of California agriculture — depends on water. “I wish it was here last year,” she said. “Because I look at generation six and seven and say if I’m going to give them a legacy, we’ve got to have more (water) storage.”

Wells, a former irrigation district manager, is resolutely in favor of Sites Reservoir, a water project conceived by the state Department of Water Resources more than 50 years ago and now, its backers hope, a candidate for some of the \$7.5 billion in state water bonds approved by voters in November.

Sites is at the forefront of the statewide debate, picked up by the national media, on whether California — where more than 1,400 dams store water that massive aqueducts move from the normally water-rich north to the populous south — is ready to pour more concrete into that system, a product largely of the 1950s and ’60s.

The four-year drought, exacerbated by the skimpiest Sierra snowpack in history, and the voters’ 67 percent approval of the water bond measure give dam backers reason for optimism. But they are up against critics who say that multibillion-dollar surface storage projects cost too much money for too little benefit. Such critics say newer alternatives, such as recharging groundwater supplies and recycling wastewater, are better ways to stretch an inherently limited supply.

On Interstate 5, about 70 miles north of Sacramento, exit 586 is Maxwell-Sites Road, which runs straight west into downtown Maxwell, a forlorn four-block stretch of buildings about equally vacant and occupied.

“The gateway to Sites Reservoir,” said Nadine Bailey, chief operations officer of the Family Water Alliance, a grassroots coalition committed to water issues, the paramount concern in a thriving farm belt.

Maxwell lies in the table-flat Colusa County, where 20 percent of the land is covered with emerald green rice fields, filled with 5 inches of water during the growing season of a \$285 million rice crop that locals like to say “feeds the world.”

Almond trees yield another \$285 million, planted on one-third as much acreage as rice, with the two commodities accounting for more than half of Colusa’s nearly \$1 billion annual agricultural output.

Inside the Water Alliance office in an old bank building are maps and materials for the Sites Reservoir, which would lie in the foothills 9 miles west of town. Sometimes referred to as Sites Dam, the project consists of two major dams — Sites and Golden Gate, both about 300 feet high — and nine smaller saddle dams. Together, they would impound up to 1.8 million acre-feet of water within the hills ringing Antelope Valley.

“A natural bathtub,” said Thaddeus Bettner, general manager of the Glenn-Colusa Irrigation District. “You really can’t ask for a better location.”

During high-flow periods, Sacramento River water would be diverted to Sites via two existing canals and a pipeline that would be part of the project. The days of building new dams blocking rivers, with a host of environmental impacts, are likely over, Sites backers say.

Had Sites been operational last winter, with just two major storms, it could have snared 300,000 to 400,000 acre-feet of river water that instead flowed to the ocean, Bettner said. An acre-foot is about enough water to fill a football field a foot deep, or supply a household with 893 gallons a day for a year.

Sites Reservoir would be five times the size of Lake Sonoma near Healdsburg, the major source of water for 660,000 people in Sonoma and Marin counties, and 40 percent as large as Lake Shasta, which holds up to 4.6 million acre-feet of water behind Shasta Dam, the Goliath of state dams built on the Sacramento River near Redding in 1945. Shasta and Northern California’s three other major reservoirs — Trinity, Oroville and Folsom — are now between 40 and 54 percent full.

Maxwell rancher Joe Carrancho, who tends 4,000 acres of rice, said the reservoir would bring water, electricity, flood control, jobs, taxes and higher land values to the area.

“It’s a bonanza of advantages where the disadvantages are few,” he said, sitting at a table in the Maxwell Inn, the town’s social center.

Carrancho, wearing a straw Stetson hat and a patch with the name Joe on his work shirt, said he envisions development — “something like Clear Lake” — with homes, boating facilities and a “nice golf course” ringing the lake, which would have oak groves around its southern perimeter.

“It opens up a multitude of opportunities,” he said.

A quarter-century ago, Maxwell had a hotel and motel, three grocery stores, a railroad station, two banks, a doctor’s office and two welding shops, now all gone, Carrancho said.

Marion Mathis, whose 9,000-acre ranch abuts the foothills west of Maxwell, can attest to the difference irrigation makes. When she and her husband, Glenn, moved there in 1967, they dry-farmed barley and wheat along with raising cattle. The Tehama-Colusa Canal, which came through in the 1970s, “changed everything,” Marion Mathis said.

On 1,400 irrigated acres, the ranch now grows almonds, walnuts and alfalfa as well as vegetables — in good years. Now, in their second straight season with no allotment of Central Valley Project water, Mathis has seen the cost of water shoot from about \$100 per acre-foot for CVP water to about \$500 for water purchased on the open market.

“We’re just trying to keep our (walnut and almond) trees alive,” she said, forgoing any other crops.

Sites Reservoir would give the region a more dependable water source, and Mathis said she’s more optimistic than ever that it will get built. “People want it, they know it’s important, but they say, ‘I hope it happens before I die,’ ” she said, sitting in the living room of her spacious ranch house with a swimming pool on the back deck. “They have a right to feel that way.”

The assumption that Sacramento Valley farmers will get water from Sites may be mistaken, said Steven Evans, a consultant to Friends of the River, a nonprofit organization that advocates for the return of flows to rivers impacted by dams. The benefits of Sites have been oversold by the Department of Water Resources, he said, noting that the same water released from the reservoir to improve Sacramento Delta water quality cannot also be transported to farmlands in the San Joaquin Valley.

Financial bidders for water from Sites could include giants like the Westlands Water District, which provides water to 600,000 acres of farmland in Fresno and Kings counties, and the Metropolitan Water District, a regional wholesaler that procures water for 19 million Southern Californians, Evans said.

There’s no guarantee, he said, that there will be much Sites water left “for the little farmers of Colusa County.”

Sacramento Valley landowners have made commitments for 85,000 acre-feet of water and may take as much as 120,000 acre-feet, accounting for one-third to more than half of the reservoir’s available water, leaving the remainder for investors from south of the Delta, according to a news report.

A Water Resources report asserts that benefits from Sites “would occur from Trinity to San Diego counties ... as well as in the Sacramento-San Joaquin Delta.” While the specific uses may be uncertain, the reservoir would provide an additional 400,000 to 500,000 acre-feet of stored water, taking the pressure off storage behind the Shasta Dam, Sites backers say.

Maxwell-Sites Road eventually curves to the north, passing through a narrow canyon into Antelope Valley, where a weather-beaten wooden sign at the edge of an overgrown lot reads “Sites Town Square — John Sites Founder 1887.”

Mary Wells, who bought her home from his grandson, also named John Sites, in 1974, said the 14-mile-long valley is home to 15 families. The rolling valley, with some hills that would form islands in Sites Reservoir, is primarily range land, with limited hay cultivation — and not a drop of irrigated water.

Most of the valley’s cattle are moved north in the summer; Wells’ herd is in southern Oregon until winter rains turn the dry vegetation to fodder.

“It’s like night and day,” she said, between the sparse valley and the wealth of irrigated agriculture just beyond the hills, where her daughter has walnut and almond orchards along with rice and hay fields.

Wells, whose great-great-grandfather founded the town of Williams in the 1870s, said she is willing to see her 500 acres in Antelope Valley flooded to ensure her descendants a future in farming. “What better thing can we do for them?” she said.

The Department of Water Resources pinpointed Antelope Valley as a dam site in 1957, and has since spent about \$50 million on studies, said Bettner, the irrigation district manager. The U.S. Bureau of Reclamation has chipped in \$13 million worth of studies, but there is still no complete environmental assessment nor feasibility study, he said.

Rep. John Garamendi, D-Walnut Grove, said the Sites project seemed to be in limbo between the state and federal agencies, so he and Rep. Doug LaMalfa, R-Richvale, collaborated on a bill to expedite the feasibility study, a prerequisite for funding.

Their bill hasn’t gone anywhere, but Garamendi said that progress is being made as a number of local agencies, including Colusa and Glenn counties and two irrigation districts, have formed the Sites Joint Powers Authority to take over as sponsor of the reservoir project.

“We’ve got to get to a deliverable project,” said Bettner, whose irrigation district is a JPA member.

In addition to a feasibility study, the authority has to put together a financing plan for the project, which will cost \$3.6 billion to \$4.1 billion, and get in line for a portion of the \$2.7 billion portion of state water bonds earmarked for storage.

There’s competition from other projects, including expansion of Los Vaqueros Reservoir in Contra Costa County, as well as criticism that surface storage is what Evans, the consultant, called a “19th-century solution” to water woes. California reservoirs lose 2 million acre-feet of water a year to evaporation, he said.

The environmental impacts of the Sites Reservoir are difficult to assess because the project has not yet been clearly defined, Evans said.

Peter Gleick, president of the Pacific Institute, an independent research group, said that Sites would “provide a little bit of benefit to a small number of people for a whole lot of money.”

California needs to impound more water, and the “smartest storage now looks like it’s groundwater storage,” he said. The state also needs to expand use of treated wastewater, which currently amounts to 600,000 acre-feet a year, Gleick said.

Tripling that amount is possible and would provide “far more water than any new reservoir could provide at far lower cost,” he said.

Acknowledging the drought emergency condition, Gleick said, “We want to be careful not to do the wrong thing because we feel we have to do something.”

Gov. Jerry Brown is not taking a position on Sites nor any other storage project, leaving the decisions on water bond funding to the California Water Commission, said Nancy Vogel, a spokeswoman for the California Natural Resources Agency. The commission expects to begin awarding bond funds in 2017, she said.

Carrancho, the rice grower, complained that Sites has been talked about for decades and at countless meetings with “thousands being spent on coffee and doughnuts and nothing on cement.”

The project's chances now likely depend on the weather as much as the political winds, he said.

"It's a certainty if we have another two years of drought," Carrancho said. But if rain comes again, "everybody will forget about it and go home."

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SFGATE <http://www.sfgate.com/bayarea/article/33-percent-water-rate-hike-approved-for-East-Bay-6317270.php>

24 percent water rate hike approved for East Bay

By Kurtis Alexander Updated 9:10 pm, Tuesday, June 9, 2015

East Bay residents will see an average 24 percent hike in their water bills, starting next month, after the East Bay Municipal Utility District on Tuesday approved a bump in rates, largely to make up for revenue lost during the drought.

The agency, which expects to generate \$1.8 billion for operations over the next two years, has brought in less money recently as customers cut back their water use amid the statewide call for conservation.

At its meeting Tuesday, the agency's governing board unanimously approved a temporary 25 percent drought surcharge on the metered portion of the bill to cover expected losses, as well as a long-planned permanent rate hike of 8 percent, on average, across the whole bill, to replace aging infrastructure and pay down debt on water projects.

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The typical household, using 246 gallons of water per day, will see its monthly bill rise a little less than \$12 — to \$60, according to the agency.

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SFGATE <http://www.sfgate.com/news/science/article/City-sues-over-California-water-restrictions-6316677.php>

Riverside sues over California water restrictions

Updated 4:52 pm, Tuesday, June 9, 2015

FRESNO, Calif. (AP) — The city of Riverside has sued a state agency over water restrictions intended to combat the drought, claiming the rules are unfair because the city has ample groundwater supplies.

The Southern California city argues it has been unfairly ordered to cut water use by 24 percent even though it has groundwater supplies for four years and does not rely on any imported water, according to the lawsuit filed Thursday in Fresno County Superior Court.

Riverside, a city of 317,000 people, wants to be allowed to cut water consumption by 4 percent along with some jurisdictions in Northern California that rely on surface water supplies, the suit said.

"We recognize the dire nature of the drought and believe Governor Brown's call to action is timely, necessary and visionary for the state," the city said in a statement. "However, the one-size-fits-all mandate applies a set of regulations without regard to Riverside's position of having adequate water supplies."

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Andrew Diluccia, a spokesman for the State Water Resources Control Board, declined to comment on the lawsuit.

To combat California's four-year drought, the board in May approved rules that force cities to limit watering on public property, encourage homeowners to let their lawns die, and impose mandatory water-savings targets for hundreds of local agencies and cities that supply water to customers.

Under the rules, each city must cut water use by as much as 36 percent compared with the same month in 2013.

Riverside claims the city bought private water companies with groundwater rights and built a \$100 million water treatment plant to achieve water independence. It says it should not be subject to the same level of cuts as other places and wants a judge to block the rules from taking effect for the city, according to the suit.

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Marin Municipal Water District faces lawsuit over tiered rate structure

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

POSTED: 06/10/15, 7:03 PM PDT | UPDATED: 12 HRS AGO 6 COMMENTS

A lawsuit has been filed against the Marin Municipal Water District alleging its tiered rates are in violation of state law.

The suit was filed late last month by a Mill Valley resident in Marin Superior Court, but the lawsuit is intended to be a class action case, said the attorney representing the plaintiff.

At issue is the water district's tiered rate structure, which requires those who use more water to pay more per gallon than those who use less. The suit alleges customers are charged "for water service using a tiered rate structure that is not tied to the actual costs of service to its customers" and adds that the "charges for the progressing tiers are a financial penalty intended to force conservation and are not a fee for service."

In April the 4th District Court of Appeal struck down a similar fee structure in San Juan Capistrano. That court wrote the city violated voter-approved Proposition 218, which prohibits government agencies from charging more for a service than it costs to provide it, said attorney Beau Burbidge, who filed the suit on behalf of Mill Valley resident Anne Walker.

"Under Proposition 218 Marin Municipal has the burden of proof to show cost of service and we just don't think they are be able to do it," Burbidge said.

But water district officials dispute that claim.

"Our understanding is that our current rate structure meets cost-of-service requirements, and we're conducting a review to ensure that it and any future rate structures also meet the criteria," said Libby Pischel, water district spokeswoman, who added the lawsuit is still being evaluated. "MMWD routinely reviews the rate structure to confirm that it meets cost-of-service standards."

The latest study is expected to be completed in the coming weeks and will be released to the public when it is done, Pischel said.

The suit seeks to end the tiered rate system and asks for compensatory damages, although a figure is not specified in the lawsuit. The first hearing on the case is scheduled for October, Burbidge said.

The North Marin Water District also has tiered rates and officials there say they are legally defensible and follow Proposition 218 protocol.

In the San Juan Capistrano lawsuit, a group of residents sued that city, alleging that its tiered rate structure resulted in arbitrarily high fees. The city's 2010 rate schedule charged customers \$2.47 per unit of water in the first tier and up to \$9.05 per unit in the fourth. The city, which has since changed its rate structure, was charging customers who used the most water more than the actual cost to deliver it, plaintiffs said. The law,

they argued, prohibits suppliers from charging more than it costs to deliver water.

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Experts say 66 to 80 percent of California water providers use some type of tiered rates. A 2014 University of California at Riverside study estimated that tiered rate structures similar to the one used in San Juan Capistrano reduce water use over time by up to 15 percent.

Humid tropical weather front brings sprinkling of rain to Marin



One headlight does little to push back the gloom of a rainy day at the Marin Civic Center on Wednesday. The moisture is caused by the remnants of Hurricane Blanca that hit Mexico's Baja California early this week. Frankie Frost — Marin Independent Journal

By Nels Johnson, Marin Independent Journal

POSTED: 06/10/15, 7:30 AM PDT | UPDATED: 13 HRS AGO 1 COMMENT

It felt like the tropics for a time Wednesday as a Pacific weather system powered by a storm off Baja provided a sprinkling of rain along with a mug of humidity.

The rain means Marin residents cannot employ irrigation systems for the next 48 hours, under new drought rules adopted by both the Marin Municipal and North Marin water districts. The restrictions took effect June 1.

“We are asking people to hold off on watering until Friday,” said Chris DeGabriele, general manager of the North Marin Water District.

Federal forecasters said the unsettled weather system that featured bursts of morning showers and drizzle was triggered by an upper-level low pressure system in the Pacific that scooped up the remnants of Tropical Storm Blanca and rumbled up the coast to provide a “mixed bag” of moisture in the North Bay.

Steve Anderson of the National Weather Service noted that after an afternoon shower or two, the system provided less than a quarter inch of rain. Totals in Marin at 1 p.m. included Fairfax, .20 inches; Woodacre, .19; Olema, .18; Point Reyes, .17; San Rafael, .14; Mount Tamalpais, .14; Tiburon, .13 and Novato, .04 of an inch of rain.

At several points Wednesday, the weather took on aspects of what islanders call Hawaiian sunshine as sun poked through the clouds amid a sprinkling of light rain and waves of humidity.

Marin commuters in some areas were greeted by sprinkles that made the roads slick Wednesday morning. Showers picked up a bit after 8 a.m. but predictions of a potential tropical thunderstorm fell flat.

IJ reporter Mark Prado contributed to this report.