



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 June 17, 2014 – 7:30 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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| Est. Time | Item | Subject |
|--------------|--------------------------|---|
| 7:30 p.m. | CALL TO ORDER | |
| | 1. | APPROVE MINUTES FROM REGULAR MEETING , June 3, 2014 |
| | 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 |
| | | <ul style="list-style-type: none"> a. Proposed FY15 Equipment Budget b. FY15 & FY16 Novato Capital Improvement Projects Budget c. FY15 Proposed Novato Water Operations Budget d. FY15 Proposed Recycled Water System Budget |
| | 6. | MONTHLY PROGRESS REPORT |
| | | ACTION CALENDAR |
| | 7. | Approve: Oceana Marin Sewer Service Charge Increase Ordinance - First Reading |
| | 8. | Approve: Budgeted FY15 Atherton Tank Rehabilitation – Approve Bid Advertisement |
| 8:30 p.m. | INFORMATION ITEMS | |
| | 9. | Second Review – FY15 West Marin Water and Oceana Marin Sewer Budgets |
| | 10. | West Marin Water Outside District Water Consumption (2011-2013) |
| | 11. | City of Novato General Plan 2035 Policy White Paper |
| | 12. | MISCELLANEOUS |
| | | Disbursements |
| | | Equipment Inventory Summary |
| | | Thank You Note from Customer |

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 |
|----------------------|-------------|---|
| | | <u>News Articles:</u> PD Editorial: A second chance for James Gore, Deb Fudge City to study groundwater Construction Starts on Russian River Fish Passage Improvement Project North Marin water, restricted this summer, could see rate hike Board of Supervisors Approves New LAFCO Executive Director Costly Russian River project to ease fish migration Bill Pisenti, longtime conservative activist, dies at 96 |
| | 13. | <i>Closed Session:</i> In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager |
| 9:00 p.m. | 14. | <i>ADJOURNMENT</i> |

1

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

6 **CALL TO ORDER**

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

12 Novato Residents, Julia Lucchesi and Addison Baccei, District employees Mike Baccei
13 (Electrical/Mechanical Technician), Sarah Lucchesi (Chemist II), Pablo Ramudo (Water Quality
14 Supervisor), Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance
15 Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the
16 audience.

17 **MINUTES**

18 Director Baker provided the District Secretary with some minor corrections to the draft
19 minutes from the May 20, 2014 meeting.

20 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried
21 the Board approved the minutes from the previous meeting as amended.

22 **GENERAL MANAGER'S REPORT**

23 **Groundwater Management Plan**

24 Mr. DeGabriele informed the Board he attended the meeting in Rohnert Park about the
25 Santa Rosa Plain Groundwater Management Plan. He said that it was well attended and that a
26 member of the public complained about Sonoma County Water Agency sending Russian River
27 water to Marin County and he was able to correct their response and give them the history behind
28 the water deliveries and differentiate between North Marin Water District and Marin Municipal Water
29 District.

30 **Stafford Lake Bike Park**

31 Mr. DeGabriele advised the Board that he attended the groundbreaking of the Stafford Lake
32 Bike Park on Saturday, May 24th.

1 Marin County Water Conservation League

2 Mr. DeGabriele informed the Board that he attended the Marin Conservation League
3 meeting on water committee meeting. He stated that the Marin LAFCO Executive Officer spoke
4 about the process of the municipal service review and the water supply and delivery in Marin
5 County.

6 City of Novato

7 Mr. DeGabriele advised the Board that he has been asked to attend the City of Novato's
8 planning commission meeting on Monday, June 16th and the City Council meeting the next day to
9 where a presentation of a white paper on Novato Water Supply will be made. He advised that a
10 Coro Fellow has been working with Mr. DeGabriele for the past couple of months on the white paper
11 intended to inform the City of Novato General Plan Update.

12 **OPEN TIME**

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

15 **STAFF / DIRECTORS' REPORTS**

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

18 Director Fraites reported a water leak in front of the Center Road apartments.

19 **CONSENT CALENDAR**

20 On the motion of Director Schoonover, seconded by Director Petterle and unanimously
21 carried, the following items were approved on the consent calendar:

22 **RESPONSE TO MARIN GRAND JURY IMPLEMENTATION REVIEW COMMITTEE**

23 The Board approved a response to the Marin County Civil Grand Implementation Review
24 Committee, a new committee formed to assess the follow through of respondents to prior Civil
25 Grand Jury Reports. The District received the letter from the new committee requesting a specific
26 update to the District's 2013 response to the Grand Jury's report: "Marin's Retirement Health Care
27 Benefits: The Money Isn't There." The Implementation Committee specifically asked what the
28 District had accomplished regarding requiring active employees to make a contribution towards the
29 cost of their retiree health care benefits. Our response in 2013 was reiterated to the review
30 committee: NMWD can propose employees make a contribution toward cost of retirement health
31 care when compensation is next negotiated upon expiration of the current MOU with the NMWD
32 Employee Association.

1 **RENEW AGREEMENT WITH WORKERS' COMPENSATION THIRD-PARTY ADMINISTRATOR**

2 Athens Administrators was renewed as third party administrators for the District's self-
3 insured workers compensation program. Athens has performed this function for the District for a
4 total of seven years, from Fiscal Year 2005 through 2008 and again from Fiscal Year 2012 to
5 current.

6 **ACTION CALENDAR**

7 **ADDITIONAL WATER CONSERVATION PROGRAMS IN RESPONSE TO 2014 DROUGHT**

8 Ryan Grisso, Water Conservation Coordinator, informed the Board that staff proposes to
9 add two water conservation pilot programs in response to the 2014 drought. He stated that the
10 District is working with Waste Management on a sheet mulching pilot program where Waste
11 Management or their contractor would provide customers with materials such as, cardboard,
12 compost and mulch, to cover 600 sqft of lawn. Mr. Grisso stated that the final details of the program
13 need to be worked out with Waste Management but it's expected that up to 20 customers could
14 participate with a total cost not to exceed \$8,000. He stated that the second program would be a \$75
15 rebate for up to 15 customers to install qualified hot-water re-circulation systems. He noted that a re-
16 circulating pump would provide hot water more quickly to plumbing fixtures more distant from the hot
17 water heater. Mr. Grisso stated that the total estimated rebate cost is \$4,000.

18 Director Baker stated that there are a lot of variables from customer to customer and asked
19 about people with tank less water heaters. Mr. Grisso said the details are still being worked out and
20 there are going to be a lot of variables.

21 Director Baker asked about the sheet mulching and the potential drainage issues in the
22 winter months.

23 Mr. Grisso said that the sheet mulching program is very popular and has been extremely
24 successful for other water agencies.

25 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,
26 the Board approved and authorized the General Manager to implement the Sheet Mulching Pilot
27 Program and/or negotiate and execute an agreement for the Sheet Mulching Pilot Program for an
28 amount not to exceed \$8,000 and approved and authorized the General Manager to implement the
29 Hot Water Recirculation System Rebate Program.

30 **REVISED RESOLUTION SETTING WATER CONSERVATION REBATE AMOUNTS**

31 Mr. Grisso informed the Board that he has two resolutions he would like to revise regarding
32 water conservation rebate amounts. He requested that a pool cover rebate be brought back and

1 provide up to \$50 for a District qualified pool cover. Mr. Grisso stated that the second rebate amount
2 he would like to add is the Ultra-High Efficiency Toilets (1.1gpf or less) to \$150.

3 President Rodoni asked about the use of the washing machine rebates. Mr. Grisso stated
4 that the washing machine rebates are down since last year. President Rodoni asked if staff should
5 change the rebate to \$150 during the drought period to encourage more customers to buy washing
6 machines. Mr. Grisso believes they will purchase the washing machines regardless of the rebates
7 and said he would speak with the salesmen at Sears to see if they believe it would be good
8 incentive to increase the rebate amount.

9 Director Baker requested a brief recap or historical perspective of District toilet requirements
10 and rebates at a future meeting.

11 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,
12 the Board approved the proposed changes to Resolution 06-01 entitled: "Revised Resolution 06-01
13 of the North Marin Water District Board of Directors Setting Water Conservation Rebate Amounts for
14 Novato Service Area," and Resolution 06-02 entitled: "Revised Resolution 06-02 of the North Marin
15 Water District Board of Directors Setting Water Conservation Rebate Amounts for West Marin
16 Service Area."

17 **EMPLOYEE DOWN PAYMENT ASSISTANCE – 15 GUSTAFSON COURT**

18 Mr. Bentley informed the Board that staff has come up with a unique proposal regarding the
19 District property at 15 Gustafson Court, which is currently rented by two District employees. He
20 advised the Board that the couple recently married and thereby are entitled to the cash benefit
21 afforded employees who have duplicate medical coverage. He noted that they have expressed
22 interest in owning the home, but lack the down-payment necessary to purchase the property. Mr.
23 Bentley stated that staff propose to make a payroll advance to the couple in the form of a \$100,000
24 loan put into escrow for purchase of the home. He advised the Board that the down payment loan
25 would be repaid through foregone duplicate medical payments from the employees. He noted that
26 the couple would then take out a first mortgage, thereby acquiring the home from the District at an
27 approved price. Mr. Bentley advised the Board that the current market value of the house is
28 estimated at \$545,000, and is asking the Board to authorize staff to work with legal counsel and
29 employ an appraiser to work out the details of the proposed payroll advance and sale of the home.

30 Director Baker stated that it was a great idea but cautioned staff to keep in mind the history
31 of the last owner.

1 On motion of Director Fraites, seconded by Director Petterle and unanimously carried, the
2 Board authorized staff to work with legal counsel and employ an appraiser to work out the details of
3 the proposed payroll advance and sale of the home.

4 **PURCHASE OF FY15 INSURANCE**

5 Mr. Bentley advised the Board that consistent with prior years, staff recommends the District
6 purchase insurance through Gallagher Insurance Services in San Francisco. He stated that the
7 insurance package includes Property, Vehicle Physical Damage, Public Officials Errors and
8 Omissions and Employment Practices Liability, General and Auto Liability Umbrella, Employee
9 Fidelity (crime), Excess Worker's Compensation and, new this year, Cyber Liability Insurance. Mr.
10 Bentley stated that staff recommends purchasing Cyber Liability Insurance because the District
11 holds private customer and employee information and, should the District's computer system be
12 hacked, the District must notify all customers/employees affected. He noted that a major benefit of
13 Cyber Liability Insurance is that it provides for the cost associated with notification and data breach
14 response. He informed the Board that the total cost for FY15 Insurance would be \$132,256, up 9%
15 over last year, principally due to the addition of Cyber Liability Coverage.

16 On motion of Director Petterle, seconded by Director Fraites and unanimously carried, the
17 Board approved the purchase of FY15 insurance in the amount of \$132,256 to be included in
18 FY2014/15 Operations Budget.

19 **CALPERS SIDE FUND PAY OFF**

20 David Bentley reminded the Board that at their Workshop in January, staff introduced the
21 concept of paying off the District's CalPERS Side Fund liability of \$2.1M. He noted that since the
22 workshop the District's cash balance has increased \$1.4M which allowed the District to increase its
23 cash reserve to \$17.6M, providing adequate money to extinguish the Side Fund liability. He stated
24 that it would save the District 7.5% in interest charged by CalPERS. Mr. Bentley advised the Board
25 that in 2003, when the District was included in a CalPERS risk pool with agencies that have less
26 than 100 employees, the Side Fund was created by CalPERS to account for the difference between
27 the funded status of the entire risk pool and the funded status of the District's plan.

28 Mr. Bentley provided the Board with four options for paying off the Side Fund: 1) keep
29 everything the same, paying the 7.5% interest, 2) Bond financing, 3) a bank loan, or 4) use the
30 money in reserves and pay off the Side Fund. Mr. Bentley recommended that rather than taking on
31 new debt to extinguish the Side Fund, the District should use the existing District treasury funds.

1 Director Schoonover asked if the reserves would remain satisfactory. Mr. Bentley stated that
2 the District has met the reserve goal of 90% of operating expenditures and he is comfortable going
3 forward paying off this debt to CalPERS.

4 President Rodoni requested that Mr. Bentley add a footnote to the Financial dashboard
5 regarding the payment to CalPERS and cautioned staff that additional rate increases should not be
6 proposed to back-stop the District reserve total for this purpose.

7 On motion of Director Schoonover, seconded by Director Baker and unanimously carried,
8 the Board authorized staff to extinguish the District's CalPERS Side Fund liability paying \$2,073,701
9 to CalPERS by June 30, 2014, thereby reducing the semi-monthly CalPERS contribution each year
10 through FY25.

11 **INFORMATION ITEMS**

12 **PROPOSED PERMITS FOR DISCHARGES OF POTABLE WATER**

13 Pablo Ramudo, Water Quality Supervisor, informed the Board about upcoming permits for
14 potable water discharges. He stated that both the State Water Resources Control Board and the
15 San Francisco Bay Area Regional Water Quality Control Board are preparing permits for both
16 planned potable water discharges, such as flushing, draining of tanks for maintenance, and for
17 unplanned discharges, such as main breaks, tank overflows, fire hydrant breaks, etc. Mr. Ramudo
18 advised the Board that the Regional Board asked seven large water utilities to participate in a limited
19 stakeholders group and now the board has asked for public comment. He noted that the permit will
20 most likely be adopted and in place by the end of the year. Mr. Ramudo stated that the proposed
21 permits would require a best management practices plan, numeric limits for chlorine, effluent
22 monitoring of discharges, an action level for turbidity, and an erosion control plan for planned
23 discharges.

24 Director Baker asked if the new provisions would require new equipment. Mr. Ramudo
25 stated that staff is looking to put together a dosing pump capable of adding a neutralizing agent to
26 disinfected water and which could fit on a trailer. Mr. Clark added that the device would be cost less
27 than \$4,000 and has been used in the past to neutralize chlorine during pipe disinfection.

28 Mr. Ramudo stated that there were two recent unplanned discharges in the Novato System
29 that are examples of discharges that will be covered when the new permits are adopted.

30 Mr. Ramudo informed the Board of the recent overflow at Wild Horse Tank on May 22nd
31 where a communication failure occurred. He stated the over flow ran for approximately 5 hours
32 spilling 168K gallons. Mr. Ramudo stated that the water from the tank was discharged into land

1 adjacent to the tank and traveled into Vineyard Creek. He advised the Board that a report of the
2 incident and discharge was requested by the Regional Board.

3 Mr. Ramudo advised the Board on May 25th a main break occurred on Maestro Road near
4 the intersection with Wilson Ave. He stated that some of the water went directly into the creek and
5 27 customers were without water due to the break. He informed the Board that once water service
6 was restored and the main flushed, samples were taken from two locations to confirm continued and
7 adequate disinfection. Mr. Ramudo advised the Board that a Water Quality Alert was hand delivered
8 to each affected customer and a second set of samples were collected the next day. He noted that
9 the results from both sets of the samples were negative for coliform bacteria a second notice was
10 delivered to the customers.

11 Mr. Ramudo stated that the residents affected were extremely appreciative of the
12 hardworking crew and the quick response time.

13 Director Baker asked about the communication failure at Wild Horse Tank and if the
14 problem was corrected.

15 Mr. Ramudo stated that the equipment has been thoroughly inspected and corrected. Mr.
16 Clark informed the Board that human error was involved and that a control circuit shorted out on the
17 sensor alarm. He stated that in the budget this year, staff is going to purchase a high level sensor
18 which would be a secondary alarm if the tank reaches a higher level. He noted that staff is now
19 checking all alarms when switching shifts.

20 President Rodoni asked when there is a planned large discharge if the District can take the
21 opportunity to move the water into the Recycled water system. Mr. Ramudo stated that it was legal
22 but not always feasible. He stated that the proximity of recycled water and ability to relocate the
23 water is taken into account with every planned discharge of potable water.

24 Mr. DeGabriele stated that Pablo Ramudo has done an excellent job taking on a new
25 leadership role with ACWA on the permits and attended the regional board and state board
26 meetings and has done a lot of work for the Districts interest as well as the entire water community.

27 **INITIAL REVIEW - FY15 WEST MARIN WATER AND OCEANA MARIN SEWER BUDGETS**

28 Mr. Bentley provided the Board with the initial review of the FY15 West Marin Water and
29 Oceana Marin Sewer Budgets. He stated that in West Marin the proposed commodity rate increase
30 is 7%, with no increase in the bimonthly service charge. He noted that the proposed West Marin
31 Water increase would total \$31 annually for the typical residential customer. Mr. Bentley informed
32 the Board that the proposed budget also includes \$43,000 in drought surcharge revenue generated

1 between July 1 and November 1 due to the anticipated enactment of a 25% mandatory water use
2 restriction. He stated that the drought surcharge would be effective July 1st and be \$2.50/1,000
3 gallons used in excess of 200 gallons per day for residential customers. He noted that for non-
4 residential customers the surcharge would start from the first gallon used. Mr. Bentley informed the
5 Board that the West Marin Water System Budget projects a cash deficit next year of \$8,000. He
6 noted that the water sales volume is budgeted to decrease by 11% due to the mandatory water use
7 restriction and the West Marin system is projected to consume 70MG next year compared to 79MG
8 this year. Mr. Bentley stated that the Operating expenditures are budgeted to increase 12% from last
9 year. He stated that the proposed budget includes \$35K for purchase of 200 acre-feet of water from
10 MMWD to maintain adequate flow in Lagunitas Creek, and an additional \$18K in water conservation
11 expense due to anticipated enhancement of mandatory water use restrictions. Mr. Bentley advised
12 the Board that staff updated the Coastal Annual Water Rate Comparison and, even with the
13 proposed 7% commodity rate increase, the District's water cost is at the bottom of the list.

14 Mr. Bentley informed the Board that in Oceana Marin the budget projects operating
15 expenditures to increase 17% from the current budget year, and 27% from the current year
16 estimated actual. He stated that with the termination of the agreement with Phillips and Associates
17 to provide for Operation and Maintenance of the Oceana Marin system, there will be significant
18 expense added to the budget to complete deferred maintenance items. He advised the Board that
19 there is also \$30K incorporated into next year's budget to update the Oceana Marin Master Plan. Mr.
20 Bentley informed the Board that a 5% rate increase (\$3 per month, to \$68/month) is proposed for
21 FY15, which will generate an additional \$8,000 per year. Mr. Bentley informed the Board that after
22 completing the Oceana Marin Sewer Rate Survey, the District cost is close to the top of the chart.

23 Mr. Bentley advised the Board that the West Marin Water and Oceana Marin Sewer budgets
24 will be reviewed again at the June 17th meeting and a public hearing to consider the proposed water
25 and sewer rate increases and to adopt the water and sewer budgets is scheduled for June 24th in
26 Point Reyes Station.

27 President Rodoni asked where customers outside of District boundaries would fall in regards
28 to the drought surcharge. Mr. Bentley said the outside customers would also be subject to the
29 drought surcharge and that he would be making a report at the next meeting regarding these
30 customers. He noted that there are 13 customers, nine of which are residential.

31 President Rodoni informed the Board that he has written an editorial letter that will be
32 featured in the Point Reyes Light explaining the history of our water rights, inviting customers to the
33 meeting on June 24th, and why the mandatory water use reduction of 25% is required.

1 **NORTH BAY WATER REUSE AUTHORITY BOARD MEETING – MAY 19, 2014**

2 Drew McIntyre informed the Board that he and Director Schoonover attended the North Bay
3 Water Reuse Authority Meeting on May 19th and stated that the NBWRA Board unanimously
4 approved moving forward with the consulting contracts for the next three years with funding
5 approved in one year increments. He stated that the Board also received a copy of an email
6 regarding Marin Municipal Water District's withdrawal from being a Phase 2 participant. Mr. McIntyre
7 advised the Board that there was initial discussion about forming a Joint Powers Agency which
8 could lower administrative costs during Phase 2 implementation. He stated that he would keep the
9 Board apprised on this topic.

10 **NBWA MEETING – JUNE 6, 2014**

11 Director Fraites informed the Board that he will be attending the North Bay Watershed
12 Association meeting on Friday, June 6th and would report back at the next Board meeting.

13 **WAC/TAC MEETING – JUNE 2, 2014**

14 Mr. DeGabriele complimented President Rodoni and his job well done as the Chair of the
15 Water Advisory Committee at the meeting on June 2nd. He stated that the meeting agenda wasn't
16 fully completed because of the press conference with Congressmen Thompson and Huffman. He
17 stated that President Rodoni did a great job as master of ceremonies during the press conference.

18 Mr. DeGabriele advised the Board that the summary of the Water Advisory Committee
19 Meeting was provided to them tonight and stated that the WAC adopted a Resolution supporting the
20 upper Russian River water conservation programs. He stated that there was discussion on the
21 current water supply and the Temporary Urgency Change Order and provided the Board with a letter
22 from the State Water Resources Control Board to water right holders noticing that the rights have
23 been curtailed and that they are no longer authorized to divert water from the upper Russian River.
24 He noted that Sonoma County Water Agency is being cautious and not going back to the state
25 board for another Temporary Urgency Change Petition. Mr. DeGabriele advised the Board that the
26 on June 1st the upper Russian River went from critical to dry classification.

27 Mr. DeGabriele informed the Board that Lester Snow former Director of the California
28 Department of Water Resources, made a presentation on the California Water Foundation
29 Sustainability Profile initiative. He stated that Sonoma County Water Agency will be the pilot
30 program, the first agency to walk down the Sustainable Water Management Profile approach. He
31 advised the Board that four categories will be reviewed: Supply, Demand, Environmental, and
32 Finances and that there will be ten stressors within the four categories to evaluate. He noted that the
33 pilot work will start in mid-July and hopefully conclude by the end of this calendar year. Mr.

1 DeGabriele stated that the Sonoma County Water Agency has asked the District to test 100 meters
2 with some regulated flow control valves as part of the pilot program.

3 President Rodoni stated that Lester Snow provided an interesting discussion about
4 groundwater depletion in the Central Valley and what is occurring, a plan and strategy to stop the
5 depletion and reverse the situation.

6 President Rodoni informed the Board that he had a nice conversation with Brenda Aldeman
7 who has written a couple of articles that were incorrect and not fair about the Districts water use. He
8 stated that it was a well received conversation and she was complementary of the Sonoma Marin
9 Saving Water Partnership and was interested in protecting the lower Russian River.

10 President Rodoni thanked Mr. DeGabriele for all of his help and Mr. McIntyre and Mrs.
11 Young for coming and supporting him at the meeting.

12 **MISCELLANEOUS**

13 The Board received the following miscellaneous information: Disbursements, Water Quality
14 Alert Notifications, Customer Letter praising Construction Employees, Press Release: Construction
15 work on Pt. Reyes – Petaluma Road to Begin Early June for West Marin Pipeline, In Loving Memory:
16 George Grossi, Baywork Status Report, Novato Heights Property Owners Update, and Fire Station
17 No. 64 Ground Breaking Ceremony.

18 The Board received the following news articles: Pipeline over the Richmond-San Rafael
19 Bridge eyed for Marin water supply, Meeting slated to discuss summer plans for Estuary, Coast
20 Guard housing, shuttering in Point Reyes, spurs interest in property, Officials: Fire board
21 appointment illegal, Two Mendocino County water districts closer to merger, and Construction
22 beginning on Pt. Reyes-Petaluma Road in early June.

23 The Board also received the following miscellaneous items at the meeting: Water Advisory
24 Committee Meeting – June 2, 2014, and Customer letter and response.

25 Director Baker asked what the District's has to do with Novato Heights. Mr. DeGabriele
26 stated that the District has access to the Half Moon pump station on Ridge Road and Half Moon
27 Tank in that neighborhood and feels it important to help out when necessary. Director Baker said he
28 was impressed with the letter that was sent out to the property owners.

29 President Rodoni thanked District staff for getting the word out about the construction work
30 on the Gallagher Well Pipeline Project starting out in Point Reyes.

1 **ADJOURNMENT**

2 President Rodoni adjourned the meeting at 8:45 p.m.

3 Submitted by

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Katie Young
District Secretary

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MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve - Proposed FY15 Equipment Budget
t:\aclword\budget\15\equip budget fy15 hearing.docx**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$198,000**

Presented for your third and final review, public hearing and approval is the proposed FY 2014/15 (FY15) Equipment Budget. There have been no changes since the Board's last review of the Equipment Budget on May 20.

FY14 estimated actual expenditures are forecast at \$211,000. The proposed FY15 budgeted equipment expenditures is \$198,000. The 5-Year Financial Plan includes \$260,000 for FY15 Equipment purchases.

Purchase of rolling stock (two replacement cars, a forklift for the yard, and a used 4x4 loader) comprise 88% of the Proposed FY15 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 FY15 Equipment Budget as presented.

**Proposed
Equipment Expenditures
Fiscal Year 2014/2015 Budget**

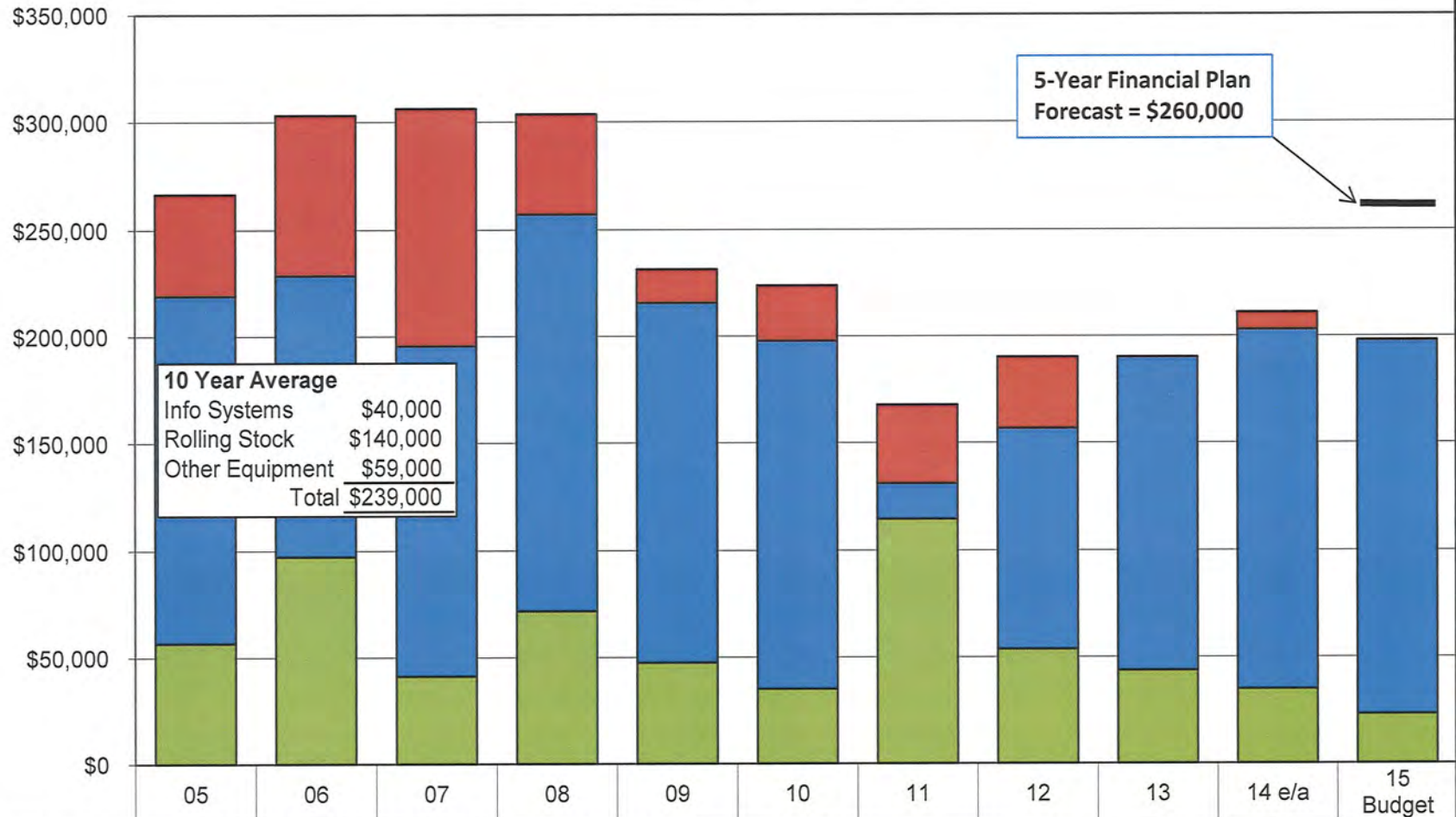
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| | | Proposed | Description |
|---|----|-------------------------------------|--|
| 1 CONSTRUCTION | | | |
| 12102.01.00 | a. | 2" Mole for Services | \$6,000 Replacement piercing tool (mole), hose, oiler and launch pad used to install or replace service lines without trenching. |
| 12102.01.00 | b. | Leak Calculator with 3 Data Loggers | \$12,000 Used to locate or triangulate small leaks in mains and services where the water does not surface. |
| 12102.01.00 | c. | Hydraulic Power Grit Utility Saw | \$5,000 For cutting large diameter pipe in close quarters, and replaces use of gas powered saw in confined space. |
| | | | \$23,000 |
| 2 VEHICLE & ROLLING EQUIPMENT EXPENDITURES | | | |
| 12104.01.00 | a. | 4x4 Loader (Used) | \$89,000 Replace '93 Case 4x4 Loader. 2,445 hours. Will be auctioned |
| 12104.01.00 | b. | Forklift | \$30,000 Replace '89 Kalmar Forklift. 4,445 hours. Will be auctioned |
| 12104.01.00 | c. | Replacement Car | \$28,000 Replace '05 Honda Civic Hybrid with 65K miles due to cost of battery replacement and electronic control repairs. Will be auctioned. |
| 12104.01.00 | d. | Replacement Car | \$28,000 Replace '05 Honda Civic Hybrid with 46K miles due to cost of battery replacement and electronic control repairs. Will be auctioned. |
| | | | \$175,000 |
| Total | | | \$198,000 |

| | Adopted Budget 2013/14 | Estimated Actual 2013/14 | Proposed Budget 2014/15 |
|---------------|---------------------------------------|---|--|
| RECAP | | | |
| Equipment | \$56,000 | \$43,000 | \$23,000 |
| Rolling Stock | \$175,000 | \$168,000 | \$175,000 |
| | \$231,000 | \$211,000 | \$198,000 |

History of Equipment Purchases



| | 05 | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 e/a | 15 Budget |
|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| Info Systems | \$47,650 | \$74,666 | \$110,726 | \$46,572 | \$15,761 | \$25,925 | \$36,375 | \$33,346 | \$0 | \$8,000 | \$0 |
| Rolling Stock | \$162,234 | \$131,185 | \$154,281 | \$185,181 | \$168,055 | \$162,696 | \$16,671 | \$103,057 | \$146,305 | \$168,000 | \$175,000 |
| Other Equipment | \$56,715 | \$97,287 | \$41,238 | \$71,888 | \$47,520 | \$35,082 | \$114,612 | \$53,724 | \$43,764 | \$35,000 | \$23,000 |
| Total | \$266,599 | \$303,138 | \$306,245 | \$303,641 | \$231,336 | \$223,703 | \$167,658 | \$190,127 | \$190,069 | \$211,000e | \$198,000 |

5-Year Vehicle and Equipment Replacement Plan

Updated 5/15/2014

| FY14/15 | New Item Description | Replacement Item Description | Cost |
|---------|-------------------------|------------------------------|-----------------|
| 1 | Forklift | #902B 1989 Kalmar | \$30,000 |
| 2 | 4X4 Loader (used) | #62 1993 Case 4X4 Loader | \$89,000 |
| 3 | Replacement Car w/Radio | #56 2005 Honda Civic Hybrid | \$28,000 |
| 4 | Replacement Car w/Radio | #57 2005 Honda Civic Hybrid | \$28,000 |
| | | | Total \$175,000 |

Note: 56, 57, 62 & 902B will be auctioned. Hondas replaced due to the expected high cost of battery & electronic control repairs.

| FY15/16 | New Item Description | Replacement Item Description | Cost |
|---------|--|--|-----------------|
| 1 | Backhoe 4X4 Diesel | #77 2004 John Deere 310 SG | \$115,000 |
| 2 | 1/2 Ton 4X4, alt fuel w/Tool Box & Radio | #501 2006 Chevy Colorado 4X4 | \$25,000 |
| 3 | 3/4 Ton 4x4 pickup, Alt fuel, Radio, Light Bar | #506 2008 Ford F250 4x4, bad fuel/engine | \$30,000 |
| | | | Total \$170,000 |

Note: 77, 501, & 505 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: 57, 55 & 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 | #47 2002 Chevy 4x4 | \$65,000 |
| 3 | Hybrid Car w/ Radio | #510 2009 Toyota Prius | \$30,000 |
| 4 | 1/2 ton V6 2WD w/Tool Box and Radio | #41 2001 Dodge Ram | \$25,000 |
| | | | Total \$155,000 |

Note: 32, 41, 40, 510 will be auctioned

x:\fleet\equipment replacement plan\5 year plan.xls\5yr 14-15

5b

MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller

Subj: Public Hearing/Approve - FY15 & FY16 Novato Capital Improvement Projects Budget
t:\acl\wordtbudget\15cip fy15 hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$17.5M FY15 & \$4.6M FY16 Gross Expenditure Budget

Presented for your final review, public hearing and approval is the proposed Novato Service Area FY2014/2015 (FY15) and FY2015/2016 (FY16) Capital Improvement Projects Budget. There has been no change to the recommended budget since the Board's last review on May 20.

Following 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 FY15 project is incorporated into the detail listing attached.

| <u>Project</u> | <u>FY15</u> | <u>FY16</u> |
|---|---------------------------|---------------------------|
| Aqueduct Energy Efficiency Project - Hwy 101 ¹ | \$13,000,000 | \$2,000,000 |
| Atherton Recoat & Mixing System (5 MG) | 2,200,000 | 0 |
| Crest Pump Station Design/Construct | 30,000 | 620,000 |
| Other Projects | <u>2,710,000</u> | <u>2,000,000</u> |
| Gross Project Outlay | \$17,510,000 | \$4,620,000 |
| Less Loan/Grant Funding ¹ | <u>(13,000,000)</u> | <u>(2,000,000)</u> |
| Net Project Outlay (internally funded) | <u>\$4,510,000</u> | <u>\$2,620,000</u> |

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.5 million annually in internally funded projects, which is the cap approved by the Board in February 2013 in response to the updated 2012 Novato Water Master Plan. However, as discussed previously, Novato Water's proposed CIP plan is front-loaded with the \$2.3 million Atherton Tank Recoating project, which pushes the average to \$3.6 million over the next two years, and which will require budgetary discipline to maintain a \$2.5 million average over the next five years.

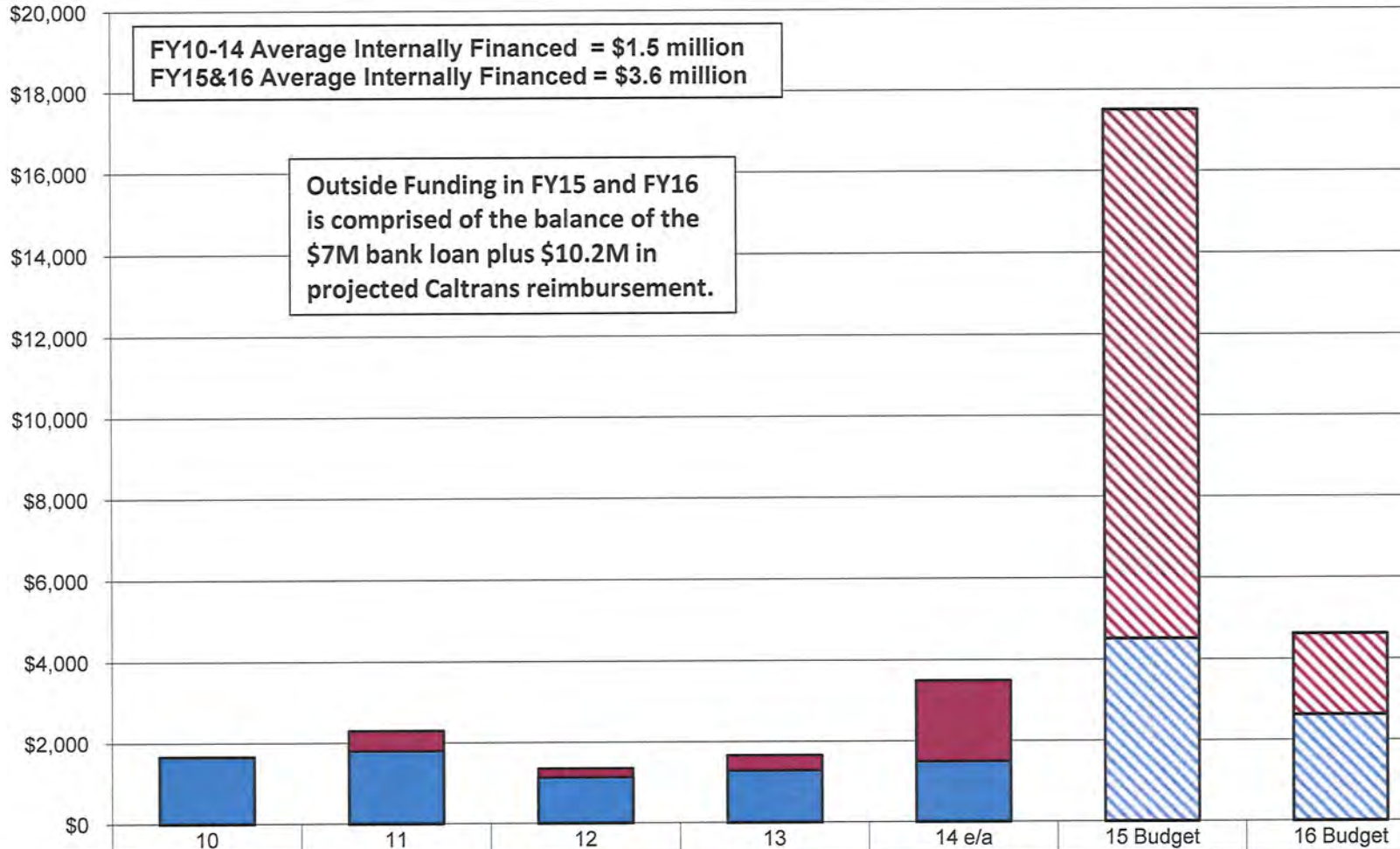
RECOMMENDATION:

Approve the FY15 & FY16 Capital Improvement Projects Budget as presented.

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

Novato Water Capital Improvement Project Expenditures

Thousands



FY10-14 Average Internally Financed = \$1.5 million
 FY15&16 Average Internally Financed = \$3.6 million

Outside Funding in FY15 and FY16 is comprised of the balance of the \$7M bank loan plus \$10.2M in projected Caltrans reimbursement.

| | | | | | | | |
|---------------------|---------|---------|---------|---------|---------|----------|---------|
| Debt/Grant Financed | \$0 | \$500 | \$215 | \$377 | \$2,000 | \$13,000 | \$2,000 |
| Internally Financed | \$1,654 | \$1,796 | \$1,132 | \$1,277 | \$1,488 | \$4,510 | \$2,620 |
| Total | \$1,654 | \$2,297 | \$1,347 | \$1,653 | \$3,488 | \$17,510 | \$4,620 |

Proposed Capital Improvement Projects

6/9/14

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| | | FY15 | FY16 | FY15 Project Description |
|---|--|---------------------|--------------------|---|
| 1. PIPELINE REPLACEMENTS/ADDITIONS | | | | |
| a. | Main/Pipeline Replacements | | | |
| 1 | STP Trans Line Evaluation (13,200') | \$130,000 | | Assess condition of 18-inch concrete cylinder pipe |
| 2 | So Novato Blvd - Rowland to Sunset (12" CI) | \$350,000 | | 2nd year of 2-year project to replace Cast Iron Pipe at the end of its useful life. |
| 3 | Shields Ln 6" Cast Iron (6"@1,120') | \$105,000 | | Replace Cast Iron Pipe at end of its useful life. |
| 4 | Other Pipeline Replacements (60+ years old) | | \$300,000 | |
| | | \$585,000 | \$300,000 | |
| b. | Main/Pipeline Additions | | | |
| 1 | Zone A Pressure Improvements - Ignacio A | \$200,000 | | Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area. |
| 2 | San Mateo 24" Inlet/Outlet | \$30,000 | \$440,000 | 1st year of a multiyear project to install a new 24-inch, 2,000 foot long pipeline from San Mateo Tank to the end of Palermo Court to improve fire flow in the northern most part of Zone 2 |
| | | \$230,000 | \$440,000 | |
| c. | Polybutylene Service Line Replacements | | | |
| 1 | Pacheco Valle (42 Services) | \$125,000 | | Ongoing Polybutylene service line replacement program |
| 2 | Replace PB in Sync w/City Paving (30 Srvcs) | \$90,000 | \$90,000 | PB service replacement coordinated with City Overlay Program |
| 3 | Other PB Replacements (60 Services) | | \$250,000 | |
| | | \$215,000 | \$340,000 | |
| d. | Relocations to Sync w/City & County CIP | | | |
| 1 | Other Relocations | \$80,000 | \$80,000 | Relocate facilities for as yet unidentified City/County Projects |
| | | \$80,000 | \$80,000 | |
| e. | Aqueduct Replacements/Enhancements (Note 1) | | | |
| 1 | Energy Efficiency Proj-Hwy 101 Widening | \$13,000,000 | \$2,000,000 | North Marin Aqueduct upsizing/relocation |
| | | <u>\$14,110,000</u> | <u>\$3,160,000</u> | |

Proposed Capital Improvement Projects

6/9/14

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| | FY15 | FY16 | FY15 Project Description | |
|-------------------------------|---|------------------|--------------------------|---|
| 2. SYSTEM IMPROVEMENTS | | | | |
| a. | RTU Upgrades | \$10,000 | \$10,000 | Replace aging and unreliable RTUs |
| b. | Flushing Taps at Dead-Ends (12 biennially) | | \$50,000 | |
| c. | DCA Repair/Replace (~14/yr) | \$150,000 | \$150,000 | Detector Check Assembly replacements |
| d. | Anode Installations (150/yr) | \$30,000 | \$30,000 | Place anodes on copper laterals for corrosion protection |
| e. | Radio Telemetry | \$25,000 | \$25,000 | Install radio transmitters to replace leased lines |
| f. | Inaccurate Meter Replacement | \$10,000 | \$10,000 | Replacement of inaccurate meters based on recommendations in the FY06 meter testing study. |
| g. | Backflow Device Upgrade - BMK (15 Srvcs/yr) | \$30,000 | | Replace DCVs with above grade RPP devices |
| h. | Tank Access Hatch/Level Alarms (10 Sites) | \$35,000 | \$35,000 | Enhance tank security by adding remote alarm notification of unauthorized entry. |
| i. | Sampling Stations (6 biennially) | \$50,000 | | Install the final 7 water quality sampling stations. There are now 64 permanent stations installed & only 7 more locations to go. |
| j. | Facilities Security Enhancements | \$25,000 | | Ongoing program. This year will focus on installation of a security camera monitoring system in the Corp Yard. |
| k. | Emergency Generator Connections | \$15,000 | | Installation of quick plug connections at Winged Foot, Woodland Heights and Ponti Pump Stations |
| l. | Automate Zone Valve (Slowdown Ct) | | \$50,000 | |
| | | <u>\$380,000</u> | <u>\$360,000</u> | |

Proposed Capital Improvement Projects

6/9/14

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| | FY15 | FY16 | FY15 Project Description |
|---|---------------------------------------|-----------|--|
| 3. BUILDING, YARD, STP. IMPROVEMENTS | | | |
| a. Administration Building | | | |
| 1 | Admin Office/Lab/Yard Remodel Plan | \$50,000 | Move from conceptual to preliminary design phase. |
| 2 | Electronic Document Management System | | |
| | | \$150,000 | |
| 3 | Office HVAC | \$200,000 | System is 50 years old and no longer provides efficient heating and cooling. Estimated pay back is less than 10 years. |
| 4 | Office Emergency Generator | \$150,000 | Customer service, lab and operations equipment requires an emergency power supply when primary power service is interrupted. |
| | | \$400,000 | \$150,000 |
| b. Corp. Yard/Warehouse/Construction Office | | | |
| 1 | Other Yard Improvements | | \$30,000 |
| | | \$0 | \$30,000 |
| c. Stafford Treatment Plant | | | |
| 1 | Start-up Flushing Connection | \$50,000 | To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water. |
| 2 | Dam Concrete Apron Repair | | \$50,000 |
| 3 | STP Emergency Power Generator | \$150,000 | Needed to provide emergency power to the chlorine gas scrubber system in the event primary power service is interrupted. Recommended by Marin County Health and Safety Department. |
| 4 | Other Treatment Plant Improvements | | \$75,000 |
| | | \$200,000 | \$125,000 |
| | | \$600,000 | \$305,000 |

Proposed Capital Improvement Projects

6/9/14

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| | FY15 | FY16 | FY15 Project Description |
|--|----------------------------|---------------------------|--|
| 4. STORAGE TANKS/PUMP STATIONS | | | |
| a. Clear Tank Sites | | | |
| 1 Woodland Hts (120,000 gal, 1974) | | \$60,000 | |
| | \$0 | \$60,000 | |
| b. Tank Rehabilitation | | | |
| 1 Atherton Recoat & Mixing System (5 MG) | \$2,200,000 | | Tank recoat & chlorine mixing system |
| | \$2,200,000 | \$0 | |
| c. Lynwood P.S. Motor Control Center | \$90,000 | | Move motor controls above-ground. |
| d. Sunset Tank Cl2 Mixing System | \$100,000 | | Chlorine Mixing System to enhance water quality. |
| e. Crest P.S. (Design/Construct) | \$30,000 | \$620,000 | Design phase of Crest zone pump station. |
| f. Davies PS Upgrade | | \$115,000 | |
| | <u>\$2,420,000</u> | <u>\$795,000</u> | |
| GROSS PROJECT OUTLAY | <u>\$17,510,000</u> | <u>\$4,620,000</u> | |
| LESS FUNDED BY LOANS/GRANTS/OTHER | | | |
| a. AEEP - Hwy 101 Widening (Note 1) | (\$13,000,000) | (\$2,000,000) | Funded by Bank Loan & Caltrans Reimbursement |
| NET PROJECT OUTLAY | <u>\$4,510,000</u> | <u>\$2,620,000</u> | |
| Total Number of Projects | 28 | 21 | |


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

5c

MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller Subj: Public Hearing/Approve – FY15 Proposed Novato Water Operations Budget
t:\acl\word\budget\15\ops review fy15 hearing.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$32.8 Million Expenditure Plan for FY15

The Public Hearing to consider the FY2014/2015 (FY15) Novato Potable Water budget was advertised in the June 12 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 20, the projected FY15 Novato Potable Water Expenditures decreased and Operating Income increased by \$127,000, to \$2,296,000, due primarily to the payoff of the CalPERS Side-Fund, which reduces the District's FY15 obligation to CalPERS by \$235,000, spread across the various enterprise funds. In addition, \$300,000 in connection fees previously anticipated to be received in FY14 has been moved into FY15.

Budget Summary

The fiscal year 2014/15 (FY15) budget proposed herein projects a net "bottom line" cash deficit of \$4.7 million, of which 90% will be covered by the Bank of Marin loan reserve for the Aqueduct Energy Efficiency Project (AEEP). The 5% rate increase effective June 1, 2014 will add \$810,000 to budgeted revenue during FY15.

The \$4.7 million budgeted cash decrease compares to a FY14 budgeted cash increase of \$2.3 million and projected FY14 cash increase of \$5.2 million. Projected FY14 water sales volume of 3.0 billion gallons exceeds the 2.7BG budgeted volume, and that, combined with slower than anticipated progress on the AEEP project, contributed to the additional FY14 cash surplus.

FY15 water sales volume is again conservatively budgeted at 2.7BG, which is appropriate given the call for a voluntary 20% water use reduction. Even at 3.0 BG, water consumption remains 15% below the pre-recession level, and is comparable with consumption from the mid-1980s through the mid-1990s.

Looking simply at operating revenue (water sales) less operating expenditures, the FY15

budget projects a net operating income of \$2.3 million, which is 19% below this year's projected net operating income, and 3% below the current year budget. Total budgeted outlay, which includes capital improvement projects, is budgeted at \$32.8 million, and is up \$10.4 million from the FY14 budget, due primarily to the \$13M budgeted for the AEEP.

Budget Detail

Water Sales - Water sales volume is budgeted at 2.7BG, which is 10% below the current fiscal year estimated actual and 15% below the 10-year average. The chart on page 6 of the budget document shows a 10-year history of billed consumption.

The 5% rate increase is structured as a 6.5% increase in the commodity rate and no increase in the bimonthly service charge. The median residential customer will see an average monthly increase of \$2.50. The rate increase will generate \$810,000 in additional revenue next fiscal year.

Other Revenue – Connection Fee revenue is budgeted at \$1,281,000, based on 12 single-family dwellings planned for the Walnut Meadows Subdivision (McClay Road), 48 apartment rental units of senior housing going in at Hamilton, 11 single-family homes being constructed on 4th Street, and an expansion of the Shell Gas Station at Novato Square. The budget projection compares with \$100,000 of Connection Fee revenue collected during the current fiscal year.

The wheeling charge to Marin Municipal Water District is budgeted at \$120,000 (\$16/AF for 7,500AF, or 2.4BG). In addition, MMWD will pay the annual fixed AEEP capital contribution of \$245,000 in accord with the terms of the Interconnection Agreement concluded last February. The combination of these two payments is almost 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 0.35%. Miscellaneous Revenue includes income from the rental home at 26 Gustafson Court (\$26,100), the Little Mountain cell phone tower lease (\$16,900), the Indian Valley Golf Club lease (\$10,200), two grazing leases (\$2,800), rental of the District's security apartment (\$10,800), rental of the Point Reyes home (\$27,000 – which amount includes in-lieu labor), and rental of the Pacheco Valle tennis courts (\$2,550).

Operating Expenditures

Total Operating Expenditures are projected to increase 4% (\$583,000) from the FY14 budget.

Details of some of the individual components of the Operating Expenditure Budget follow.

Source of Supply is budgeted to increase 3% (\$124,000) from this year's budget. 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 3.4% to \$2,276 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% (\$72,000) from this year's budget. Power cost is budgeted at 18¢/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).

Transmission & Distribution is budgeted to increase 2% (\$59,000) from this year's budget. The additional Construction Crew Laborer will allow increased focus on maintenance of valves, hydrants and backflow devices.

Water Conservation expense is budgeted to increase 11% (\$45,000 to \$445,000) to implement new rebate programs and \$25,000 is included to implement the WaterSmart Software Home Water Report Program.

General Administration is budgeted to increase 13% (\$188,000) from this year's budget. The FY15 budget includes \$194,000 for consultant work on 4 projects: 1) \$30,000 to complete the work of the Stafford Lake Taste and Odor Consultant; 2) \$50,000 for a consultant to perform hydropneumatic tank inspections; 3) \$14,000 for a "cyber liability" audit to review the District's internet and computer security systems in response to the growing volume of on-line payments being received; and 4) a re-budgeting of the \$100,000 Stafford Dam Emergency Action Plan (including an update of the 1973 Dam Failure Inundation Map) which was included in the FY14 budget but not performed. The District's excellent safety record, combined with normal market cycles, enticed Alaska National Insurance to offer the District a first-dollar workers' compensation insurance policy for \$204,000, a premium amount one-third less than the \$312,000 low-bid proposal received last year. However, when compared to the District's

\$38,000 average annual claims expense over the past ten years, the District will continue to self-insure this risk. The lower first-dollar premium proposal will, however, reduce the calculated savings accruing through self-insurance, which are projected to fall by \$78,000 next year.

Staffing - The proposed budget includes a staffing level of 51.5 full-time equivalent (FTE) employees, up 1.0 FTE (2%) from the current year budget. An additional Laborer is budgeted, to beef-up the man-hours available for system construction/maintenance activities. The proposed staffing level of 51.5 FTE is down 7.6 FTE (13%) from the level adopted in the FY08 budget.

| <u>FTE Staffing</u> | <u>FY15</u> | <u>FY14</u> |
|--------------------------|-------------|-------------|
| Administration | 6.8 | 6.8 |
| Consumer Services | 6.0 | 6.0 |
| Construction/Maintenance | 12.0 | 11.0 |
| Engineering | 8.7 | 8.7 |
| Maintenance | 8.0 | 8.0 |
| Operations | 5.0 | 5.0 |
| Water Quality | <u>5.0</u> | <u>5.0</u> |
| | <u>51.5</u> | <u>50.5</u> |

Temporary staffing is proposed to increase by 1,920 hours (33%), to 5,830 hours, budgeted as follows:

| <u>Temporary Staffing Hours</u> | <u>FY15</u> | <u>FY14</u> | <u>Reason for Change</u> |
|---------------------------------|--------------|--------------|---------------------------------------|
| Administration | 0 | 0 | |
| Customer Accounting | 2,000 | 2,000 | |
| Construction/Maintenance | 1,760 | 750 | Assist in Valve & Hydrant Maintenance |
| Engineering | 2,500 | 2,500 | |
| Maintenance | 810 | 600 | Assist w/Backflow Program |
| Operations | 700 | 0 | STP Grounds & Equip Maintenance |
| Water Quality | <u>0</u> | <u>0</u> | |
| | <u>7,770</u> | <u>5,850</u> | |

For budgeting purposes, a 3% cost-of-living salary increase has been factored into the budget effective October 1, 2014, 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 \$147,000, pushing up the total overheaded cost of payroll by \$191,000 (2.8%).

The District's average CalPERS retirement contribution rate will decrease 4.3% (to

19.3%) from the amount budgeted last year as the District will pay-off its Side Fund Liability (saving 5.456% of payroll) and employees will pay a larger share of the retirement obligation. These two actions on the retirement plan funding will save \$288,000 in payroll expense. The CalPERS Board is scheduled to approve 2015 group health insurance rates on June 17. For budgeting purposes, a 9.3% increase in group health insurance rates effective January 1, 2015 is assumed, which is the average rate of increase over the past 10 years, and which would increase budgeted labor cost by \$38,000.

Total budgeted operating expenditures are up \$583,000 compared to the adopted FY14 budget. An analysis of the significant differences between the FY14 budget and the proposed FY15 operating budget follows, listed in decreasing order of magnitude.

| Component | Increase/ (Decrease) vs. FY14 Budget | FY15 % Change |
|--------------------------------|---|--------------------------|
| Materials, Services & Supplies | \$184,000 | 6% |
| Distributed G&A & Overheads | 122,000 | 15% |
| Purchased Water Cost | 110,000 | 3% |
| Depreciation | 100,000 | 4% |
| Labor | 55,000 | 1% |
| Vehicle Expense | 12,000 | 5% |
| Net Increase | \$583,000 | 5% |

Staff Recommendation:

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

...see participation in
locking position. Novato hopes to make the playoffs again.

be good again,
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players."

Following a preseason

See **FOOTBALL B6**

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Filed: MAY 13, 2014.
Richard N. Benson, Marin
County Clerk, By: M.
RAKITNICHAM, Deputy.
Publish: JUNE 04, 11, 18,
25, 2014. #23785

**FICTITIOUS BUSINESS
NAME STATEMENT
FILE# 134798**

Newspaper for publica-
tion: NOVATO ADVANCE.
Business start or change
date 5/01/14. The fol-
lowing person(s) is (are)
doing businesses as:

**DRAAGYN SPORTS
(1425 BUCHANAN ST.,
NOVATO, CA 94947)**

Registrant: DUSTIN
NYGAARD, 1425 BU-
CHANAN ST, NOVATO,
CA 94947. This business
is conducted by: AN IN-
DIVIDUAL. /s/ DUSTIN
NYGAARD. Filed: MAY 15,
2014. Richard N. Benson,
Marin County Clerk, By:
J. MANNION, Deputy.
Publish: JUNE 11, 18, 25,
JULY 02, 2014.
#23807

**NOTICE OF PUBLIC
HEARING**

A Public Hearing will be
held to consider adop-
tion of the Fiscal Year
2014-2015 North Marin
Water District Budgets for
the Novato Service Area on
Tuesday, June 17, 2014 at
7:30 p.m. at District Head-
quarters, 999 Rush Creek
Place, Novato, CA.

The proposed Novato
Water budgets total
\$33.5 million and reflect
the water rate increases
approved at the District
Board of Directors meeting
held on May 20, 2014.
For more information, call
415-897-4133.

NOVATO ADVANCE JUNE
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Proposed
BUDGET

Final Review/Public Hearing

Novato
Operating Budget
FISCAL YEAR
2014-15

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
PROPOSED 2014/15 OPERATING BUDGET

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

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2014/15

| | <i>Proposed Budget 2014/15</i> | <i>Estimated Actual 2013/14</i> | <i>Adopted Budget 2013/14</i> | |
|---------------------------------------|---|---|---------------------------------------|---------------------|
| OPERATING INCOME | | | | |
| 1 | Water Sales | \$17,187,000 | \$18,184,000 | \$16,498,000 |
| 2 | Wheeling & Misc Service Charges | 379,000 | 361,000 | 564,000 |
| 3 | Total Operating Income | \$17,566,000 | \$18,545,000 | \$17,062,000 |
| OPERATING EXPENDITURES | | | | |
| 4 | Source of Supply | \$4,617,000 | \$6,015,000 | \$4,493,000 |
| 5 | Pumping | 365,000 | 344,000 | 334,000 |
| 6 | Operations | 542,000 | 647,000 | 599,000 |
| 7 | Water Treatment | 1,891,000 | 1,874,000 | 1,819,000 |
| 8 | Transmission & Distribution | 2,675,000 | 2,219,000 | 2,616,000 |
| 9 | Consumer Accounting | 559,000 | 549,000 | 538,000 |
| 10 | Water Conservation | 445,000 | 347,000 | 400,000 |
| 11 | General Administration | 1,676,000 | 1,259,000 | 1,488,000 |
| 12 | Depreciation Expense | 2,500,000 | 2,440,000 | 2,400,000 |
| 13 | Total Operating Expenditures | \$15,270,000 | \$15,694,000 | \$14,687,000 |
| 14 | NET OPERATING INCOME (LOSS) | \$2,296,000 | \$2,851,000 | \$2,375,000 |
| NON-OPERATING INCOME/(EXPENSE) | | | | |
| 15 | Interest Revenue | \$41,000 | \$93,000 | \$87,000 |
| 16 | Interest Expense | (538,000) | (549,000) | (550,000) |
| 17 | Miscellaneous Revenue/(Expense) | 120,000 | 4,000 | 109,000 |
| 18 | Total Non-Operating Income/(Expense) | (\$377,000) | (\$452,000) | (\$354,000) |
| 19 | NET INCOME/(LOSS) | \$1,919,000 | \$2,399,000 | \$2,021,000 |
| OTHER SOURCES/(USES) OF CASH | | | | |
| 20 | Add Depreciation Expense | \$2,500,000 | \$2,440,000 | \$2,400,000 |
| 21 | Connection Fees | 1,281,000 | 100,000 | 860,000 |
| 22 | Caltrans AEEP Reimbursement | 8,840,000 | 1,110,000 | 2,200,000 |
| 23 | MMWD AEEP Capital Contribution | 245,000 | 480,000 | 0 |
| 24 | Capital Equipment Expenditures | (198,000) | (211,000) | (231,000) |
| 25 | Capital Improvement Projects | (17,510,000) | (3,488,000) | (7,693,000) |
| 26 | Debt Principal Payments | (1,007,000) | (995,000) | (1,099,000) |
| 27 | Loan (To)/Repayment From RWS | 0 | 4,755,000 | 4,347,000 |
| 28 | Connection Fee Transfer to RWS | (737,000) | (1,427,000) | (536,000) |
| 29 | Total Other Sources/(Uses) | (\$6,586,000) | \$2,764,000 | \$248,000 |
| 30 | CASH INCREASE/(DECREASE) | (\$4,667,000) | \$5,163,000 | \$2,269,000 |

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2014/15

| | Proposed Budget 14/15 | Estimated Actual 13/14 | Adopted Budget 13/14 | Actual 12/13 | Actual 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 |
|---------------------------------------|-----------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| STATISTICS | | | | | | | | |
| 1 Active Meters | 20,550 | 20,500 | 20,550 | 20,492 | 20,490 | 20,464 | 20,438 | 20,416 |
| 2 Avg Commodity Rate/1,000 Gal (Net) | \$4.84 | \$4.58 | \$4.58 | \$4.32 | \$4.05 | \$3.82 | | |
| 3 Potable Consumption (BG) | 2.70 | 3.00 | 2.70 | 3.02 | 2.82 | 2.79 | 2.87 | 3.29 |
| OPERATING INCOME | | | | | | | | |
| 4 Water Sales | \$17,300,000 | \$17,860,000 | \$16,650,000 | \$16,626,526 | \$14,220,429 | \$12,727,649 | \$11,251,832 | \$11,067,484 |
| 5 Bill Adjustments | (113,000) | (108,000) | (152,000) | (104,567) | (58,770) | (66,248) | | |
| 6 Sales to MMWD | 0 | 432,000 | 0 | 0 | 0 | 0 | 0 | 351,154 |
| 7 Wheeling Charges-MMWD | 120,000 | 96,000 | 322,000 | 251,980 | 58,802 | 53,662 | 67,180 | 75,090 |
| 8 SCWA Water Conservation Reimb | 0 | 0 | 0 | 0 | 0 | 0 | 21,450 | 0 |
| 9 Miscellaneous Service Revenue | 259,000 | 265,000 | 242,000 | 223,619 | 197,752 | 145,787 | 140,796 | 145,663 |
| 10 TOTAL OPERATING INCOME | \$17,566,000 | \$18,545,000 | \$17,062,000 | \$16,997,558 | \$14,418,213 | \$12,860,850 | \$11,481,258 | \$11,639,391 |
| OPERATING EXPENSE | | | | | | | | |
| SOURCE OF SUPPLY | | | | | | | | |
| 11 Supervision & Engineering | \$18,000 | \$9,000 | \$15,000 | \$9,103 | \$9,064 | \$8,965 | \$2,007 | \$2,120 |
| 12 Operating Expense - Source | 11,000 | 11,000 | 7,000 | 6,821 | 11,488 | 5,927 | 5,745 | 4,702 |
| 13 Maintenance/Monitoring of Dam | 34,000 | 14,000 | 34,000 | 38,295 | 25,716 | 8,290 | 8,741 | 7,583 |
| 14 Maintenance of Lake & Intakes | 21,000 | 12,000 | 16,000 | 14,481 | 10,377 | 8,619 | 8,072 | 7,990 |
| 15 Maintenance of Watershed | 40,000 | 19,000 | 38,000 | 23,405 | 8,188 | 2,152 | 7,352 | 28,126 |
| 16 Water Purchased for Resale to MMWD | 0 | 254,000 | 0 | 0 | 0 | 0 | 0 | 171,447 |
| 17 Water Quality Surveillance | 13,000 | 16,000 | 13,000 | 12,776 | 16,385 | 12,377 | 13,138 | 8,448 |
| 18 Contract Water - SCWA | 4,480,000 | 5,680,000 | 4,370,000 | 5,135,330 | 5,047,469 | 3,790,789 | 3,441,147 | 3,728,052 |
| 19 TOTAL SOURCE OF SUPPLY | \$4,617,000 | \$6,015,000 | \$4,493,000 | \$5,240,211 | \$5,128,687 | \$3,837,119 | \$3,486,202 | \$3,958,468 |
| PUMPING | | | | | | | | |
| 20 Operating Expense | \$3,000 | \$0 | \$5,000 | \$0 | \$0 | \$641 | \$8,367 | \$8,567 |
| 21 Maintenance of Structures/Grounds | 34,000 | 47,000 | 36,000 | 24,115 | 29,042 | 17,153 | 18,600 | 23,080 |
| 22 Maintenance of Pumping Equipment | 71,000 | 32,000 | 69,000 | 35,637 | 50,797 | 17,354 | 10,751 | 8,807 |
| 23 Electric Power - Pumping | 257,000 | 265,000 | 224,000 | 263,471 | 204,927 | 233,222 | 200,318 | 249,190 |
| 24 TOTAL PUMPING | \$365,000 | \$344,000 | \$334,000 | \$323,223 | \$284,766 | \$268,370 | \$238,036 | \$289,644 |
| OPERATIONS | | | | | | | | |
| 25 Supervision & Engineering | \$162,000 | \$215,000 | \$236,000 | \$187,986 | \$185,838 | \$185,361 | \$176,082 | \$168,202 |
| 26 Operating Expense | 216,000 | 260,000 | 191,000 | 264,400 | 255,272 | 191,713 | 212,126 | 235,230 |
| 27 Maintenance Expense | 82,000 | 95,000 | 81,000 | 101,036 | 105,545 | 94,633 | 84,121 | 89,775 |
| 28 Telemetry Equipment/Controls Maint | 64,000 | 59,000 | 70,000 | 44,349 | 67,936 | 83,047 | 67,051 | 39,201 |
| 29 Leased Line Expense | 18,000 | 18,000 | 21,000 | 17,921 | 18,930 | 20,841 | 20,547 | 20,342 |
| 30 TOTAL OPERATIONS | \$542,000 | \$647,000 | \$599,000 | \$615,692 | \$633,521 | \$575,595 | \$559,927 | \$552,750 |

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2014/15

| | Proposed Budget 14/15 | Estimated Actual 13/14 | Adopted Budget 13/14 | Actual 12/13 | Actual 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 |
|--|-----------------------------|------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| WATER TREATMENT | | | | | | | | |
| 31 | \$94,000 | \$116,000 | \$137,000 | \$112,612 | \$100,916 | \$121,459 | \$122,312 | \$113,175 |
| 32 | 265,000 | 281,000 | 252,000 | 308,301 | 206,957 | 320,882 | 365,305 | 247,309 |
| 33 | 425,000 | 383,000 | 425,000 | 400,627 | 253,797 | 464,140 | 415,486 | 293,888 |
| 34 | 85,000 | 71,000 | 90,000 | 103,196 | 100,861 | 84,618 | 69,209 | 40,163 |
| 35 | 82,000 | 69,000 | 78,000 | 52,242 | 82,839 | 71,772 | 83,411 | 115,686 |
| 36 | 130,000 | 157,000 | 122,000 | 137,793 | 136,782 | 105,217 | 157,642 | 204,217 |
| 37 | 132,000 | 137,000 | 109,000 | 112,767 | 114,184 | 128,913 | 129,930 | 99,184 |
| 38 | 678,000 | 660,000 | 606,000 | 602,901 | 568,124 | 517,044 | 495,239 | 479,970 |
| 39 | \$1,891,000 | \$1,874,000 | \$1,819,000 | \$1,830,439 | \$1,564,460 | \$1,814,045 | \$1,838,534 | \$1,593,592 |
| TRANSMISSION & DISTRIBUTION | | | | | | | | |
| 40 | \$585,000 | \$474,000 | \$587,000 | \$427,430 | \$423,813 | \$466,110 | \$528,659 | \$560,968 |
| 41 | 125,000 | 70,000 | 125,000 | 106,669 | 96,058 | 74,154 | 98,187 | 74,786 |
| 42 | 507,000 | 534,000 | 474,000 | 460,489 | 478,959 | 422,375 | 448,650 | 420,639 |
| 43 | 141,000 | 118,000 | 134,000 | 87,843 | 140,564 | 158,247 | 164,316 | 149,759 |
| 44 | 204,000 | 103,000 | 161,000 | 117,299 | 132,239 | 190,866 | 190,255 | 131,094 |
| 45 | 110,000 | 59,000 | 117,000 | 86,906 | 49,922 | 146,814 | 102,633 | 108,752 |
| 46 | 104,000 | 117,000 | 117,000 | 102,338 | 84,714 | 124,121 | 93,754 | 86,630 |
| 47 | 191,000 | 122,000 | 201,000 | 175,880 | 190,698 | 164,388 | 199,807 | 211,630 |
| 48 | 435,000 | 438,000 | 448,000 | 483,006 | 443,509 | 347,802 | 263,714 | 250,024 |
| 49 | 129,000 | 97,000 | 144,000 | 93,360 | 135,900 | 146,170 | 143,691 | 148,112 |
| 50 | 39,000 | 64,000 | 53,000 | 7,581 | 38,361 | 36,509 | 41,557 | 30,488 |
| 51 | 105,000 | 23,000 | 55,000 | 28,531 | 33,980 | 50,354 | 77,038 | 62,794 |
| 52 | \$2,675,000 | \$2,219,000 | \$2,616,000 | \$2,177,332 | \$2,248,717 | \$2,327,910 | \$2,352,261 | \$2,235,676 |
| CONSUMER ACCOUNTING | | | | | | | | |
| 53 | \$196,000 | \$183,000 | \$181,000 | \$180,030 | \$170,589 | \$142,581 | \$142,956 | \$140,851 |
| 54 | 249,000 | 248,000 | 248,000 | 247,897 | 282,702 | 282,046 | 260,428 | 236,740 |
| 55 | 19,000 | 18,000 | 19,000 | 18,110 | 18,231 | 18,285 | 18,590 | 18,504 |
| 56 | 78,000 | 73,000 | 67,000 | 64,497 | 63,359 | 70,347 | 64,698 | 58,062 |
| 57 | 18,000 | 18,000 | 23,000 | 23,230 | 26,685 | 32,723 | 35,190 | 28,022 |
| 58 | 15,000 | 24,000 | 15,000 | 8,290 | 8,690 | 9,835 | 5,048 | 14,471 |
| 59 | (16,000) | (15,000) | (15,000) | (13,961) | (15,726) | (15,762) | (15,694) | (15,147) |
| 60 | \$559,000 | \$549,000 | \$538,000 | \$528,093 | \$554,530 | \$540,055 | \$511,216 | \$481,503 |

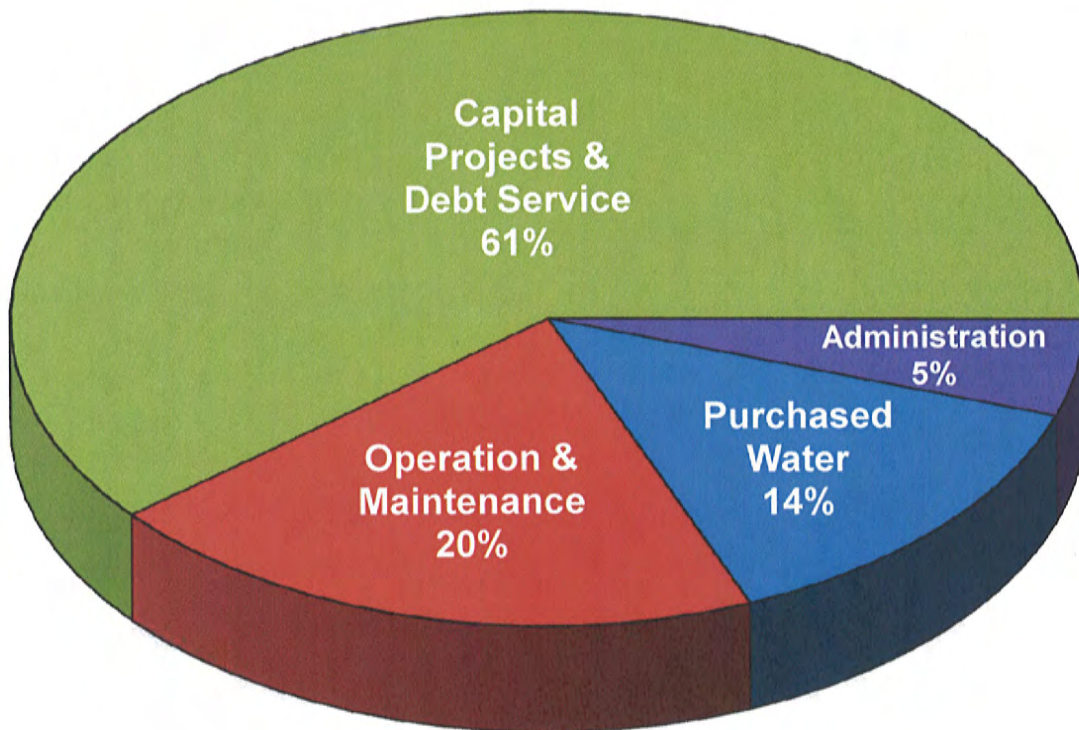
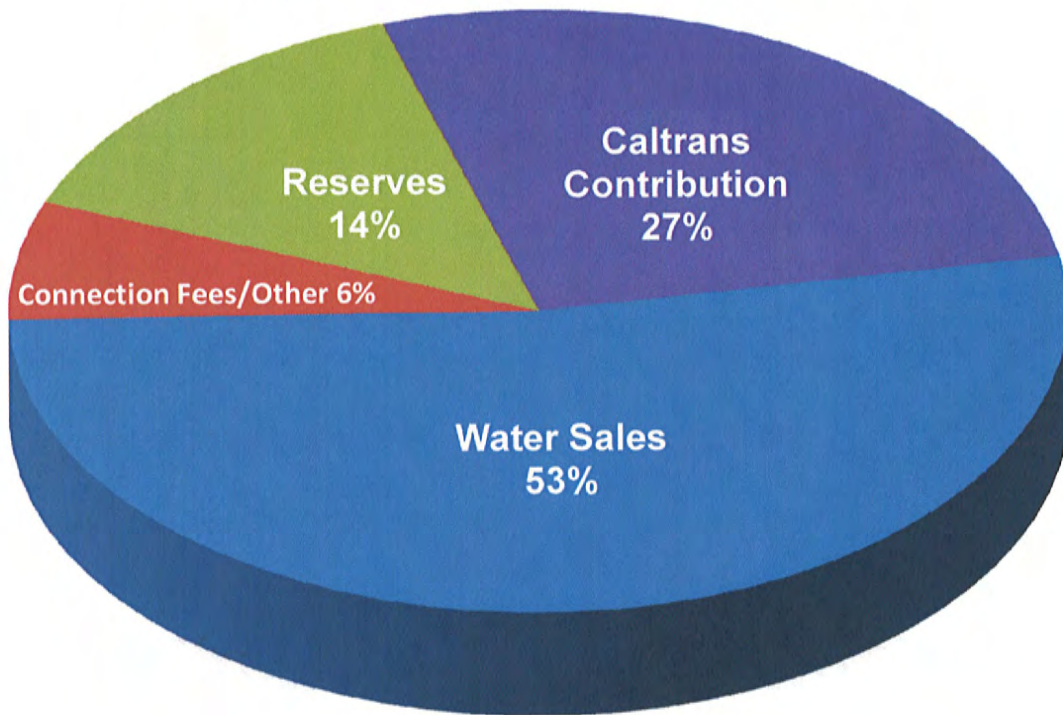
3

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2014/15

| | Proposed Budget 14/15 | Estimated Actual 13/14 | Adopted Budget 13/14 | Actual 12/13 | Actual 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 |
|---|-----------------------------|------------------------------|----------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| WATER CONSERVATION | | | | | | | | |
| 61 Residential | \$337,000 | \$281,000 | \$298,000 | \$222,637 | \$213,883 | \$338,093 | \$438,668 | \$438,588 |
| 62 Commercial | 25,000 | 2,000 | 25,000 | 1,169 | 1,414 | 15,423 | 2,707 | 28,344 |
| 63 Public Outreach/Information | 53,000 | 50,000 | 50,000 | 28,477 | 41,251 | 19,047 | 26,548 | 20,679 |
| 64 Large Landscape | 30,000 | 14,000 | 27,000 | 13,966 | 13,780 | 10,337 | 10,695 | 19,649 |
| TOTAL WATER CONSERVATION | \$445,000 | \$347,000 | \$400,000 | \$266,249 | \$270,328 | \$382,900 | \$478,618 | \$507,260 |
| GENERAL & ADMINISTRATION | | | | | | | | |
| 65 Director's Expense | \$30,000 | \$25,000 | \$15,000 | \$14,400 | \$15,000 | \$15,100 | \$16,200 | \$15,000 |
| 66 Legal Fees | 12,000 | 21,000 | 11,000 | 10,112 | 7,098 | 8,572 | 59,818 | 9,933 |
| 67 Auditing Services | 18,000 | 22,000 | 21,000 | 20,600 | 28,900 | 27,800 | 31,100 | 30,000 |
| 68 Human Resources | 33,000 | 29,000 | 32,000 | 35,917 | 21,860 | 32,112 | 33,080 | 31,848 |
| 69 Consulting Services/Studies | 194,000 | 0 | 100,000 | 53,327 | 34,731 | | | |
| 70 General Office Salaries | 1,239,000 | 1,177,000 | 1,215,000 | 1,214,210 | 1,252,684 | 1,177,170 | 1,166,410 | 1,125,232 |
| 71 Office Supplies | 52,000 | 52,000 | 57,000 | 37,232 | 22,743 | 38,870 | 47,363 | 56,621 |
| 72 Employee Events | 12,000 | 9,000 | 10,000 | 6,204 | 5,931 | 4,469 | 11,366 | 3,881 |
| 73 Other Administrative Expense | 16,000 | 13,000 | 18,000 | 18,150 | 17,254 | 17,414 | 20,090 | 21,313 |
| 74 Election Cost | 0 | 0 | 73,000 | 0 | 250 | 0 | 250 | 0 |
| 75 Dues & Subscriptions | 54,000 | 52,000 | 52,000 | 45,607 | 49,260 | 47,775 | 49,208 | 42,004 |
| 76 Vehicle Expense | 8,000 | 8,000 | 8,000 | 8,112 | 8,118 | 8,112 | 8,112 | 8,112 |
| 77 Meetings, Conf & Training | 173,000 | 127,000 | 171,000 | 112,402 | 97,626 | 101,472 | 114,985 | 112,985 |
| 78 Telephone, Water, Gas & Electricity | 35,000 | 35,000 | 26,000 | 32,995 | 26,172 | 29,012 | 27,203 | 29,595 |
| 79 Building & Grounds Maintenance | 50,000 | 33,000 | 44,000 | 41,194 | 36,438 | 35,902 | 53,907 | 44,268 |
| 80 Office Equipment Expense | 102,000 | 89,000 | 99,000 | 82,349 | 89,291 | 74,325 | 85,550 | 91,052 |
| 81 Insurance Premiums & Claims | 106,000 | 72,000 | 98,000 | 76,473 | 113,556 | 118,451 | 117,023 | 132,928 |
| 82 Retiree Medical Benefits | 156,000 | 163,000 | 157,000 | 166,699 | 160,725 | 147,084 | 138,105 | 182,220 |
| 83 (Gain)/Loss on Overhead Charges | (128,000) | (226,000) | (265,000) | (136,354) | (297,783) | (172,628) | (214,770) | (157,888) |
| 84 G&A Distributed to Other Operations | (120,000) | (77,000) | (92,000) | (77,443) | (101,630) | (104,515) | (100,811) | (92,969) |
| 85 G&A Applied to Construction Projects | (366,000) | (365,000) | (362,000) | (392,205) | (327,881) | (269,439) | (153,213) | (224,590) |
| 86 Expensed Improvement Projects | 0 | 0 | 0 | 0 | 0 | 122,785 | 1,220,617 | 1,277,995 |
| 87 Expensed Equipment Purchases | 0 | 0 | 0 | 0 | 3,383 | 29,993 | 31,266 | 34,204 |
| TOTAL GENERAL & ADMINISTRATION | \$1,676,000 | \$1,259,000 | \$1,488,000 | \$1,369,981 | \$1,263,726 | \$1,489,836 | \$2,762,859 | \$2,773,744 |
| 88 Depreciation Expense | \$2,500,000 | \$2,440,000 | \$2,400,000 | \$2,417,032 | \$2,372,380 | \$2,309,166 | \$2,312,339 | \$2,087,598 |
| 89 TOTAL OPERATING EXPENSE | \$15,270,000 | \$15,694,000 | \$14,687,000 | \$14,768,252 | \$14,321,115 | \$13,544,996 | \$14,539,992 | \$14,480,235 |
| 90 NET OPERATING INCOME/(LOSS) | \$2,296,000 | \$2,851,000 | \$2,375,000 | \$2,229,306 | \$97,098 | (\$684,146) | (\$3,058,734) | (\$2,840,844) |

**NORTH MARIN WATER DISTRICT - NOVATO WATER
FISCAL YEAR 2014-15
SOURCE OF FUNDS = \$32.8 MILLION**

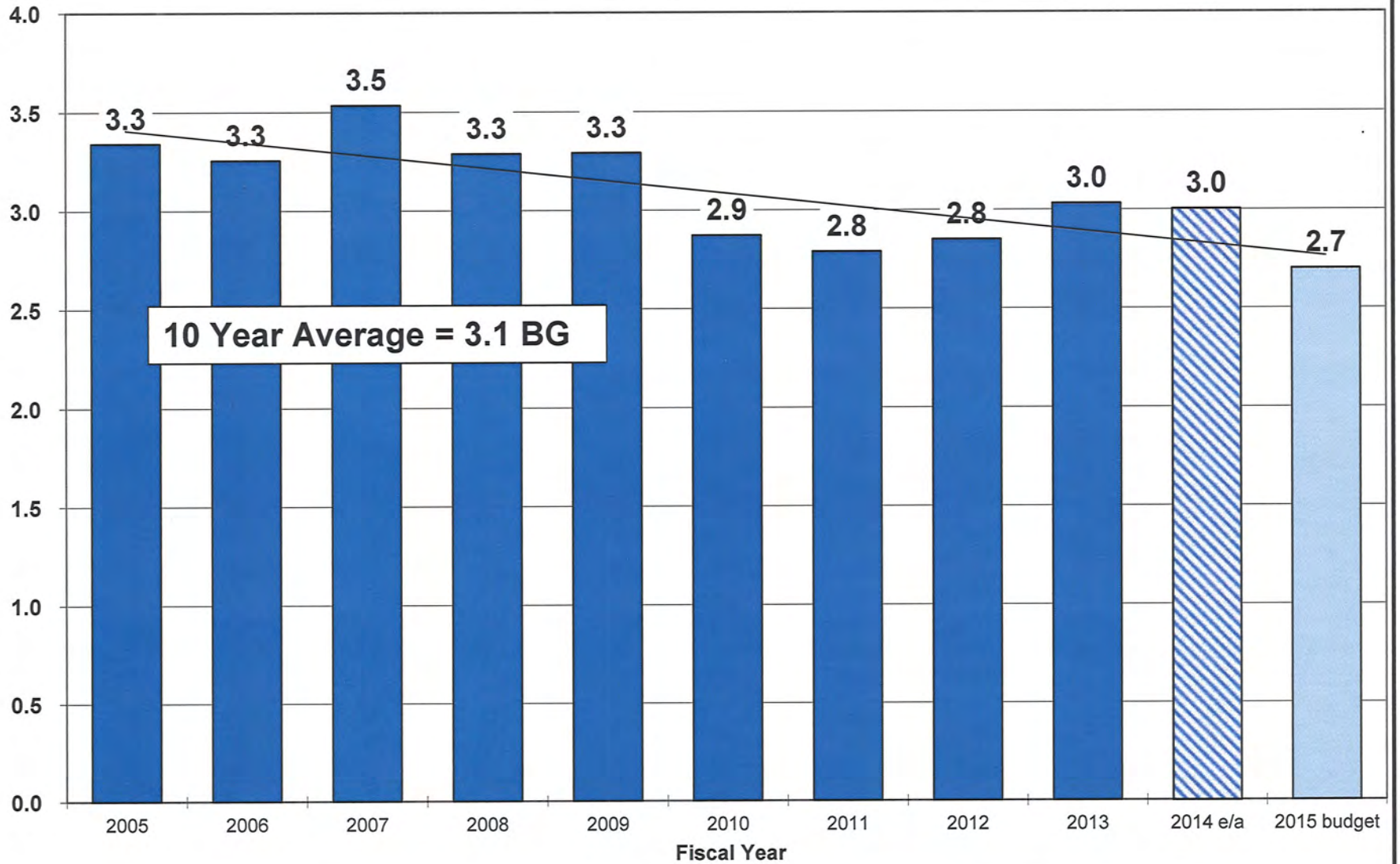


6/10/14

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Novato Water Billed Consumption 10 Year History

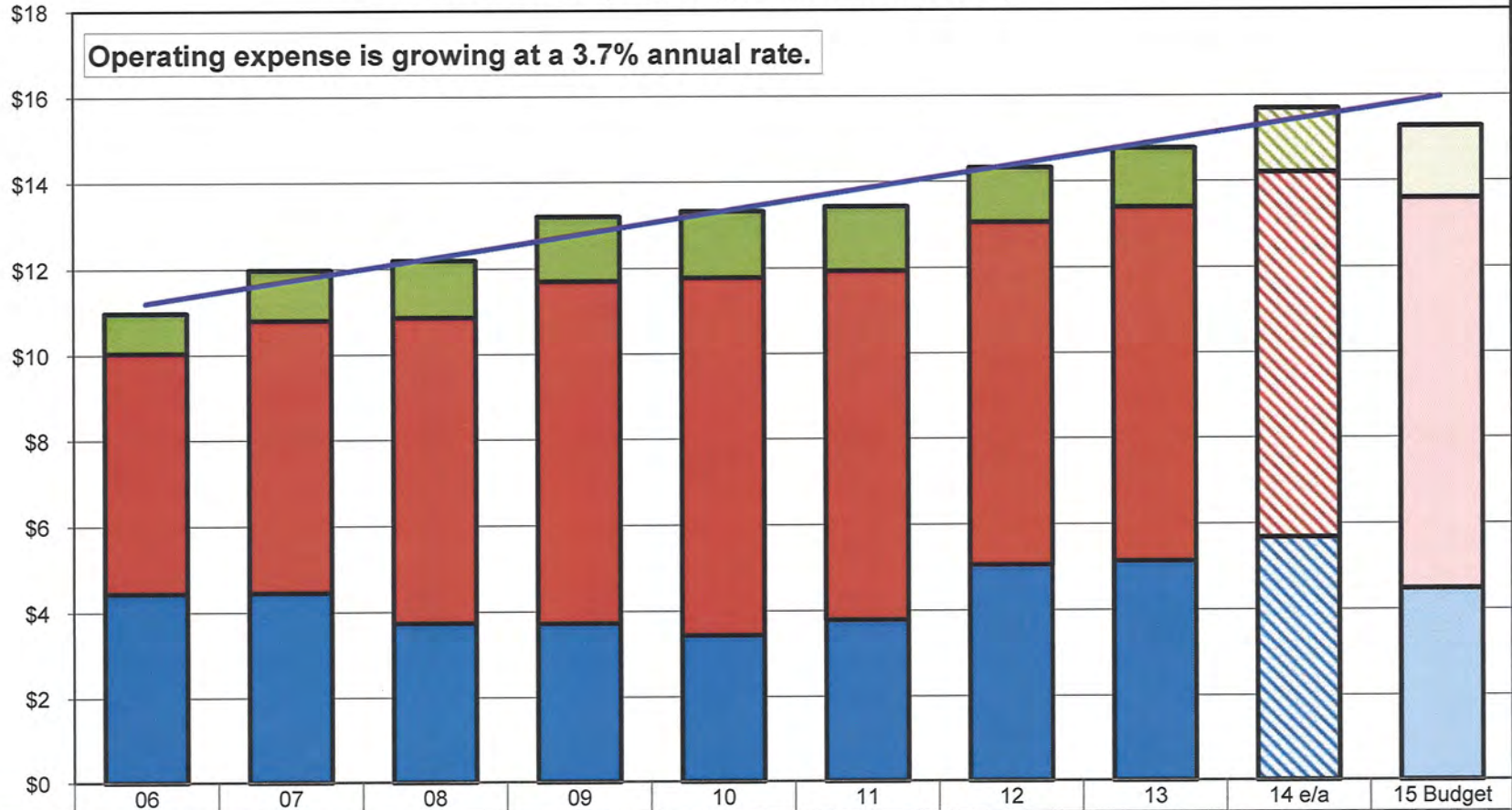
Billion
Gallons



Novato Water Operating Expense History

Million \$

Operating expense is growing at a 3.7% annual rate.



| | | | | | | | | | | |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Admin | \$0.9 | \$1.2 | \$1.3 | \$1.5 | \$1.5 | \$1.5 | \$1.3 | \$1.4 | \$1.5 | \$1.7 |
| O&M | \$5.6 | \$6.4 | \$7.1 | \$8.0 | \$8.3 | \$8.1 | \$8.0 | \$8.3 | \$8.5 | \$9.1 |
| Purch Wtr | \$4.4 | \$4.5 | \$3.7 | \$3.7 | \$3.4 | \$3.8 | \$5.0 | \$5.1 | \$5.7 | \$4.5 |
| Total | \$11.0 | \$12.0 | \$12.2 | \$13.2 | \$13.3 | \$13.4 | \$14.3 | \$14.8 | \$15.7 | \$15.3 |

Fiscal Year

5d

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Public Hearing/Approve – FY15 Novato Recycled Water System Budget
t:\ac\word\budget\15\rw15 hearing.docx

June 13, 2014

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: \$1.4 Million FY15 Expenditure Plan

Changes Since the Last Review

The FY14 recycled water sales volume will come in about 145MG, exceeding budget by 15MG. Accordingly, as experience now allows actual data to replace prior projections, the sales volume for FY15 has been increased from 135MG to 145MG, as has the purchased water volume, adding \$35,000 to FY15 projected net income. Lab time devoted to the Deer Island facility has been reduced by half, to 50 hours, since the plant is scheduled to operate in April only, saving \$6,000. A recycled water engineering report update required by the State, projected to cost \$8,000, has been added to the expense side of the ledger. Adding the benefit of the CalPERS Side-Fund payoff, these changes combine to add \$36,000 to Net Income, reducing the projected FY15 Net Loss to \$303,000 (which loss amount includes \$428,000 in depreciation expense).

Budget Detail

The FY 2014/15 (FY15) Recycled Water System (RWS) budget projects demand of 145MG next fiscal year (see chart of historical water use attached), equivalent to the current year estimated actual demand. Consistent with the potable water rate increase, a 6.5% commodity rate increase was effective June 1, 2014 and will generate \$42,000 in additional revenue annually.

Operating expenses (excluding depreciation and purchased water cost) are budgeted to decrease 4% (\$6,000) from the existing FY14 budget. The FY15 budget projects purchase of 90MG (\$126,000) 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 budgeted to produce water during the month of April 2015, and will continue to serve as a backup facility for the balance of the fiscal year.

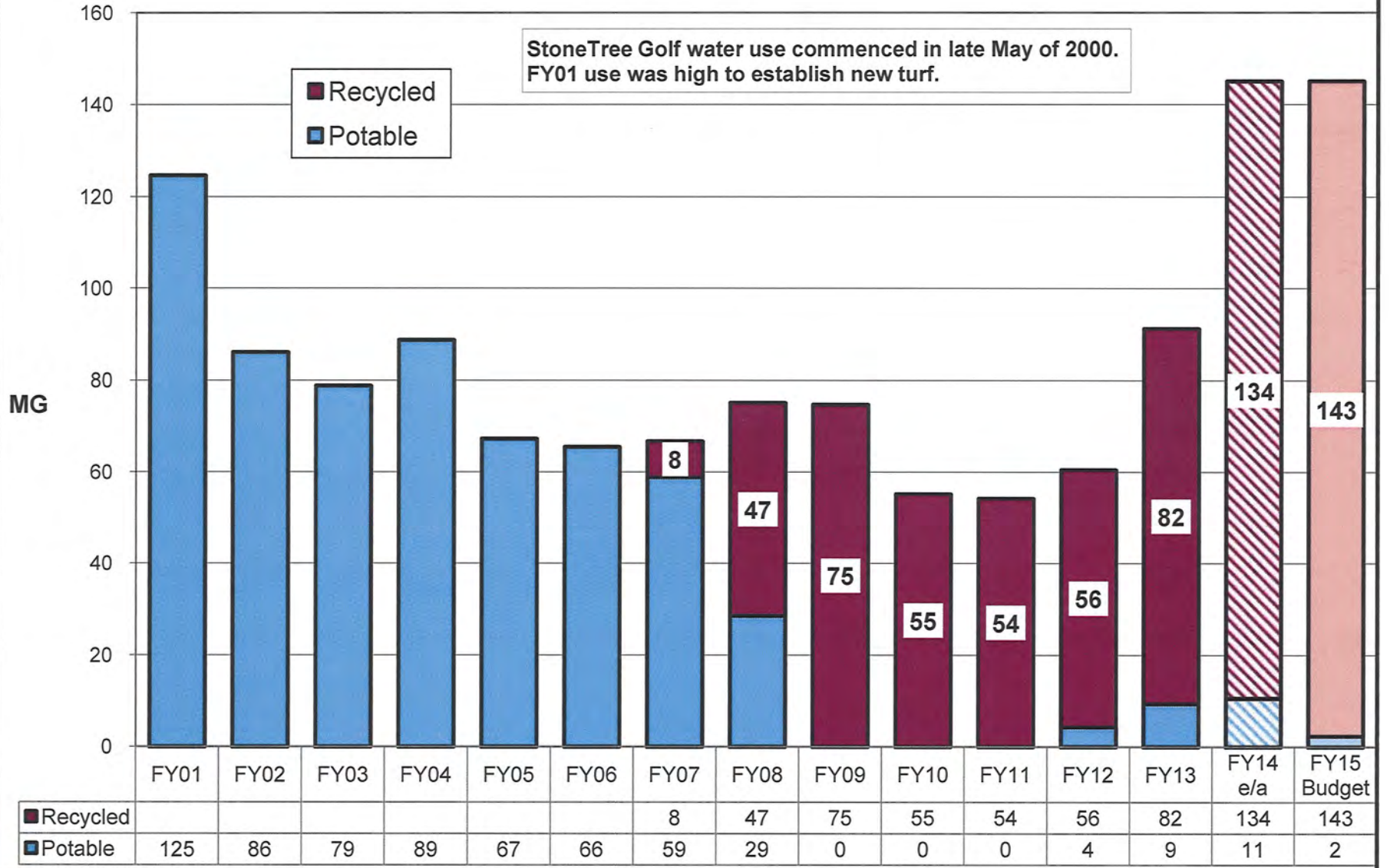
Staff Recommendation:

- 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 2014/15**

| | <i>Proposed Budget 2014/15</i> | <i>Estimated Actual 2013/14</i> | <i>Adopted Budget 2013/14</i> |
|--|--|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 Recycled Water Sales | \$686,000 | \$644,000 | \$577,000 |
| 2 Bimonthly Service Charge | 28,000 | 27,000 | 10,000 |
| 3 Total Operating Income | \$714,000 | \$671,000 | \$587,000 |
| OPERATING EXPENDITURES | | | |
| 4 Purchased Water - NSD | \$126,000 | \$105,000 | \$114,000 |
| 5 Purchased Water - LGVSD | 77,000 | 75,000 | 68,000 |
| 6 Pumping | 7,000 | 3,000 | 2,000 |
| 7 Operations | 39,000 | 80,000 | 38,000 |
| 8 Water Treatment | 20,000 | 17,000 | 50,000 |
| 9 Transmission & Distribution | 30,000 | 25,000 | 32,000 |
| 10 Consumer Accounting | 1,000 | 0 | 0 |
| 11 General Administration | 45,000 | 21,000 | 26,000 |
| 12 Depreciation | 428,000 | 281,000 | 280,000 |
| 13 Total Operating Expenditures | \$773,000 | \$607,000 | \$610,000 |
| 14 NET OPERATING INCOME (LOSS) | (\$59,000) | \$64,000 | (\$23,000) |
| NON-OPERATING INCOME/(EXPENSE) | | | |
| 15 Interest Revenue | \$4,000 | \$1,000 | \$0 |
| 16 Stone Tree Golf Interest Payments | 49,000 | 54,000 | 54,000 |
| 17 Interest Exp - Advance from Novato | 0 | (25,000) | (49,000) |
| 18 Deer Island SRF Loan Interest Expense | (73,000) | (77,000) | (73,000) |
| 19 Distrib System SRF Loans Interest Exp | (216,000) | (194,000) | (248,000) |
| 20 RW Engineering Report Update | (8,000) | 0 | 0 |
| 21 Total Non-Operating Income/(Expense) | (\$244,000) | (\$241,000) | (\$316,000) |
| 22 NET INCOME/(LOSS) | (\$303,000) | (\$177,000) | (\$339,000) |
| OTHER SOURCES/(USES) OF FUNDS | | | |
| 23 Add Depreciation Expense | \$428,000 | \$281,000 | \$280,000 |
| 24 Fed Grant/SRF Loan - RWS Expansion | 0 | 4,468,000 | 4,571,000 |
| 25 Connection Fees Trsf'd from Novato | 737,000 | 1,427,000 | 536,000 |
| 26 Stone Tree Golf Principal Repayment | 201,000 | 197,000 | 197,000 |
| 27 Capital Improvement Projects | (125,000) | (601,000) | (200,000) |
| 28 Deer Island SRF Loan Principal Payment | (200,000) | (196,000) | (200,000) |
| 29 Distrib System SRF Loan Principal Pmts | (398,000) | (365,000) | (166,000) |
| 30 Loan From/(Repayment to) Novato | 0 | (4,755,000) | (4,347,000) |
| 31 Total Other Souces/(Uses) | \$643,000 | \$456,000 | \$671,000 |
| 32 CASH INCREASE/(DECREASE) | \$340,000 | \$279,000 | \$332,000 |

Recycled Water Use History



6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR May 2014
 June 17, 2014

1.

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

| Month | FY13/14 | FY12/13 | FY11/12 | FY10/11 | FY09/10 | 14 vs 13 % |
|-------------------|--------------|--------------|--------------|--------------|--------------|------------|
| July | 385 | 389 | 371 | 379 | 360 | -1% |
| August | 360 | 396 | 373 | 368 | 367 | -9% |
| September | 332 | 346 | 347 | 358 | 335 | -4% |
| October | 313 | 283 | 249 | 278 | 233 | 10% |
| November | 229 | 166 | 183 | 164 | 176 | 38% |
| December | 182 | 146 | 156 | 141 | 149 | 25% |
| January | 168 | 151 | 178 | 146 | 140 | 11% |
| February | 119 | 148 | 147 | 134 | 124 | -20% |
| March | 154 | 211 | 156 | 151 | 152 | -27% |
| April | 177 | 240 | 171 | 194 | 164 | -26% |
| May | 284 | 346 | 311 | 291 | 228 | -18% |
| FYTD Total | 2,703 | 2,822 | 2,642 | 2,605 | 2,428 | -4% |

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

| Month | FY13/14 | FY12/13 | FY11/12 | FY10/11 | FY09/10 | 14 vs 13 % |
|-------------------|-------------|-------------|-------------|-------------|-------------|------------|
| July | 9.3 | 9.8 | 9.2 | 9.9 | 10.0 | -5% |
| August | 9.3 | 9.7 | 9.4 | 9.9 | 10.6 | -5% |
| September | 8.5 | 8.3 | 8.7 | 9.2 | 9.6 | 3% |
| October | 8.0 | 7.4 | 6.5 | 7.8 | 6.9 | 8% |
| November | 6.8 | 5.2 | 5.1 | 4.9 | 5.6 | 31% |
| December | 6.4 | 4.5 | 4.9 | 4.8 | 4.5 | 43% |
| January | 5.9 | 5.0 | 4.8 | 4.3 | 4.2 | 18% |
| February | 4.4 | 4.4 | 4.5 | 3.9 | 3.9 | 2% |
| March | 5.0 | 5.4 | 4.4 | 5.6 | 5.7 | -9% |
| April | 5.0 | 6.0 | 5.4 | 4.9 | 4.3 | -17% |
| May | 7.3 | 8.5 | 7.1 | 6.9 | 5.9 | -15% |
| FYTD Total | 75.8 | 74.2 | 70.1 | 72.2 | 71.1 | 2% |

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

| Month | FY13/14 | FY12/13 | FY11/12 | FY10/11 | FY09/10 | 14 vs 13 % |
|-------------------|------------|------------|------------|------------|------------|-------------|
| July | 98 | 49 | 115 | 109 | 152 | 101% |
| August | 83 | 83 | 126 | 108 | 150 | 0% |
| September | 56 | 72 | 77 | 112 | 155 | -22% |
| October | 82 | 88 | 113 | 111 | 80 | -7% |
| November | 5 | 64 | 106 | 95 | 0 | -93% |
| December | 2 | 0 | 49 | 0 | 0 | - |
| January | 0 | 21 | 0 | 0 | 0 | - |
| February | 0 | 57 | 0 | 0 | 0 | - |
| March | 0 | 61 | 0 | 52 | 32 | - |
| April | 0 | 67 | 0 | 98 | 36 | - |
| May | 75 | 105 | 0 | 97 | 94 | -28% |
| FYTD Total | 401 | 665 | 586 | 783 | 698 | -40% |

Recycled Water Production - in Million Gallons - FY to Date

| Month | FY13/14 | FY12/13 | FY11/12 | FY10/11 | FY09/10 | 14 vs 13 % |
|-------------------|--------------|-------------|-------------|-------------|-------------|-------------|
| July | 27.6 | 11.2 | 11.0 | 11.9 | 12.0 | 147% |
| August | 26.2 | 10.5 | 12.2 | 11.2 | 12.9 | 149% |
| September | 18.6 | 8.5 | 9.6 | 9.5 | 10.2 | 119% |
| October | 15.8 | 0.0 | 0.0 | 2.6 | 2.6 | - |
| November | 6.4 | 0.0 | 0.0 | 0.0 | 0.0 | - |
| December | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | - |
| January | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | - |
| February | 1.8 | 0.0 | 0.0 | 0.0 | 0.0 | - |
| March | 1.2 | 1.4 | 0.0 | 0.0 | 0.0 | -9% |
| April | 8.3 | 8.8 | 2.5 | 0.0 | 0.0 | -6% |
| May | 23.2 | 17.3 | 10.8 | 11.2 | 6.0 | 34% |
| FYTD Total | 131.9 | 57.6 | 46.1 | 46.4 | 43.8 | 129% |

FY14 production excludes 10.6MG of potable water fed into the RW treatment plants \\l:\excel\wtr use\production.xls\mo rpt

2. Stafford Lake Data

| | May Average | May 2013 | May 2014 |
|--------------------------|-------------|-------------|-------------|
| Rainfall this month | 0.6 Inches | 0 Inches | 0 Inches |
| Rainfall this FY to date | 26.6 Inches | 19.3 Inches | 12.7 Inches |
| Lake elevation* | 192.3 Feet | 191.8 Feet | 186.9 Feet |
| Lake storage** | 1,131 MG | 1,097 MG | 795 MG |

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

| | Minimum | Maximum | Average |
|-------------------|---------|---------|---------|
| May 2013 (Novato) | 48 | 108 | 69 |
| May 2014 (Novato) | 46 | 106 | 69 |

3. Number of Services

| May 31 | Novato Water | | | Recycled Water | | | West Marin Water | | | Oceana Marin Swr | | |
|-----------------------|--------------|--------|--------|----------------|------|--------|------------------|------|--------|------------------|------|--------|
| | FY14 | FY13 | Incr % | FY14 | FY13 | Incr % | FY14 | FY13 | Incr % | FY14 | FY13 | Incr % |
| Total meters | 20,751 | 20,754 | 0.0% | 47 | 20 | 135% | 820 | 819 | 0.1% | - | - | - |
| Total meters active | 20,501 | 20,496 | 0.0% | 44 | 15 | 193% | 776 | 776 | 0.0% | - | - | - |
| Active dwelling units | 23,936 | 23,939 | 0.0% | 0 | 0 | - | 813 | 811 | 0.2% | 229 | 227 | 0.9% |

4. Oceana Marin Monthly Status Report (May)

| Description | May 2013 | May 2014 |
|---------------------------------|----------|----------|
| Effluent Flow Volume (MG) | 0.414 | 0.410 |
| Irrigation Field Discharge (MG) | 0.390 | 0.542 |
| Treatment Pond Freeboard (ft) | 3.2 | 3.3 |
| Storage Pond Freeboard (ft) | 8.0 | 6.0 |

5. Developer Projects Status Report (May)

| Job No. | Project | Complete | % This month |
|---------|----------------------------------|----------|--------------|
| 2763 | City Administration Office | 99 | 0 |
| 2772 | 35 Rowland Way (Chick-Fil-A) | 99 | 4 |
| 7142.00 | Shields Lane 6" C.I. Replacement | 40 | 40 |

District Projects Status Report - Const Dept (May)

| Job No. | Project | % Complete | % This month |
|---------|-------------------------------------|------------|--------------|
| 1723.14 | Clay Ct. PB Replacement | 98 | 3 |
| 7123.16 | County PB Replacement (Novato) | 95 | 0 |
| 7123.18 | County PB Replacement (West Marin) | 99 | 0 |
| 8738.03 | SMART Crossing Rework – Hanna Ranch | 60 | 50 |
| 7007.08 | DCA Repair/Replacement | 90 | 0 |

Employee Hours to Date, FY 13/14

As of Pay Period Ending May 31, 2014
Percent of Fiscal Year Passed = 92%

| Developer Projects | Actual | Budget | % YTD Budget | District Projects | Actual | Budget | % YTD Budget |
|--------------------|--------|--------|--------------|-------------------|--------|--------|--------------|
| Construction | 687 | 1,400 | 49 | Construction | 4,631 | 5,607 | 83 |
| Engineering | 801 | 1,480 | 54 | Engineering | 4,791 | 3,698 | 130 |

6. Safety/Liability

| Industrial Injury with Lost Time | | | | Liability Claims Paid | | |
|----------------------------------|---------------------------|----------------------|------------------|-----------------------|------------------|-------|
| Lost Days | OH Cost of Lost Days (\$) | No. of Emp. Involved | No. of Incidents | Incurred (FYTD) | Paid (FYTD) (\$) | |
| FY through May 14 | 60 | 24,960 | 1 | 0 | 2 | 872 |
| FY through May 13 | 0 | 0 | 0 | 0 | 2 | 4,430 |

FY through May 14
FY through May 13

Days without a lost time accident through May 31, 2014= 1 day

7. Energy Cost

| FYE | Kwh | May | | Fiscal Year-to-Date thru May | | |
|------------------|---------|-------|----------|------------------------------|-------|----------|
| | | ¢/Kwh | Cost/Day | Kwh | ¢/Kwh | Cost/Day |
| 2014 Stafford TP | 82,251 | 17.6¢ | \$466 | 659,687 | 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 |
| | 263,418 | 18.4¢ | \$1,566 | 2,623,801 | 16.7¢ | \$1,304 |
| 2013 Stafford TP | 78,817 | 17.0¢ | \$433 | 634,489 | 16.2¢ | \$303 |
| 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 | 2,327,821 | 16.3¢ | \$1,179 |
| 2012 Stafford TP | 17,821 | 16.7¢ | \$90 | 640,159 | 15.9¢ | \$304 |
| Pumping | 222,953 | 15.9¢ | \$682 | 1,287,215 | 14.9¢ | \$584 |
| Other* | 38,732 | 23.2¢ | \$183 | 383,954 | 19.3¢ | \$222 |
| | 279,506 | 17.0¢ | \$949 | 2,311,328 | 15.9¢ | \$1,086 |

*Other includes West Marin Facilities

8. Water Conservation Update

| | Month of May 2014 | Fiscal Year to Date | Program Total to Date |
|--|-------------------|---------------------|-----------------------|
| High Efficiency Toilet (HET) Rebate (\$100 each) | 34 | 322 | 2,946 |
| Retrofit Certificates Filed | 35 | 275 | 5,044 |
| Cash for Grass Rebates Paid Out | 5 | 43 | 565 |
| Washing Machine Rebates | 26 | 293 | 6,444 |
| Water Smart Home Survey | 27 | 349 | 1,766 |

9. Utility Performance Metric

| SERVICE DISRUPTIONS | May No. of Customers Impacted |
|----------------------------------|-------------------------------|
| PLANNED | |
| Duration Between 0.5 and 4 hours | 6 |
| Duration Between 4 and 12 hours | 13 |
| Duration Greater than 12 hours | |
| UNPLANNED | |
| Duration Between 0.5 and 4 hours | |
| Duration Between 4 and 12 hours | 27 |
| Duration Greater than 12 hours | |

| SERVICE LINES REPLACED | May |
|-------------------------------|-----|
| Polybutylene | 16 |
| Copper (Replaced or Repaired) | 3 |

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2014

6/10/2014

| Type | May-14 | May-13 | Action Taken May 2014 |
|--|-----------|-----------|-----------------------|
| <u>Consumers' System Problems</u> | | | |
| Service Line Leaks | 21 | 18 | Notified Consumer |
| Meter Leak Consumer's Side | 0 | 0 | ~ |
| House Plumbing | 0 | 0 | ~ |
| Noisy Plumbing | 0 | 0 | ~ |
| Seepage or Other | 0 | 0 | ~ |
| House Valve / Meter Off | 9 | 7 | Turned Back On |
| Nothing Found | 11 | 17 | Notified Consumer |
| Low Pressure | 0 | 0 | ~ |
| High Pressure | 0 | 0 | ~ |
| Water Waster Complaints | 0 | 0 | ~ |
| Total | 41 | 42 | |
| <u>Service Repair Reports</u> | | | |
| Register Replacements | 0 | 0 | ~ |
| Meter Replacement | 2 | 3 | Replaced |
| Meter Box Alignment | 0 | 0 | ~ |
| Meter Noise | 0 | 0 | ~ |
| Dual Service Noise | 0 | 0 | ~ |
| Box and Lids | 1 | 2 | Replaced |
| Water Off/On Due To Repairs | 6 | 7 | Notified Consumer |
| Misc. Field Investigation | 2 | 5 | Notified Consumer |
| Total | 11 | 17 | |
| <u>Leak NMWD Facilities</u> | | | |
| Main-Leak | 0 | 0 | ~ |
| Mains-Nothing Found | 0 | 0 | ~ |
| Mains-Damage | 0 | 0 | ~ |
| Service- Leak | 14 | 13 | Repaired |
| Services-Nothing Found | 5 | 4 | Notified Consumer |
| Service-Damaged | 0 | 0 | ~ |
| Fire Hydrant-Leak | 1 | 3 | Repaired |
| Fire Hydrants-Nothing Found | 0 | 0 | ~ |
| Fire Hydrants-Damaged | 0 | 1 | ~ |
| Meter Replacement | 0 | 0 | ~ |
| Meters-Leak | 0 | 4 | ~ |
| Meters-Nothing Found | 0 | 0 | ~ |
| Meters Damaged | 0 | 0 | ~ |
| Washer Leaks | 14 | 7 | Replaced |
| Total | 34 | 32 | |
| <u>High Bill Complaints</u> | | | |
| Consumer Leaks | 0 | 4 | Notified Consumer |
| Meter Testing | 0 | 0 | ~ |
| Meter Misread | 3 | 0 | Notified Consumer |
| Nothing Found | 10 | 11 | Notified Consumer |
| Projected Consumption | 0 | 0 | ~ |
| Excessive Irrigation | 0 | 1 | ~ |
| Total | 13 | 16 | |

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2014

6/10/2014

| Type | May-14 | May-13 | Action Taken May 2014 |
|--------------------------------|----------|----------|-----------------------|
| <u>Low Bill Reports</u> | | | |
| Meter Misread | 0 | 0 | ~ |
| Stuck Meter | 0 | 0 | ~ |
| Nothing Found | 2 | 0 | Notified Consumer |
| Projected Consumption | 0 | 0 | ~ |
| Minimum Charge Only | 0 | 0 | ~ |
| Total | 2 | 0 | |

Water Quality Complaints

| | | | |
|-------------------------|------------|------------|---|
| Taste and Odor | 1 | 0 | Customer reported off taste & odor. (Marion Ave) Slight chlorine & sulfur odor noted by lab staff. Recommended carbon filter to remove chlorine taste & odor. |
| Color | 0 | 0 | ~ |
| Turbidity | 0 | 0 | ~ |
| Suspended Solids | 0 | 0 | ~ |
| Other | 1 | 0 | Reported brown stains on dishes. (Via Escondida) Residue contained manganese. Manganese was not detected in cold tap samples. Recommended cleaning sediment from the water heater. |
| Total | 2 | 0 | |
| TOTAL FOR MONTH: | 103 | 107 | -4% |

Fiscal YTD Summary

| | | | | |
|----------------------------|--------------|--------------|------------|---------------------------------------|
| Consumer's System Problems | 340 | 380 | -11% | <u>Change Primarily Due To</u> |
| Service Repair Report | 109 | 137 | -20% | Decrease In Service Line Leaks |
| Leak Complaints | 272 | 256 | 6% | Decrease In Meter Replacement |
| High Bill Complaints | 356 | 449 | -21% | Increase In Servies-Nothing Found |
| Low Bills | 3 | 4 | 0% | Decrease In Nothing Found |
| Water Quality Complaints | 59 | 32 | 84% | ~ |
| Total | 1,139 | 1,258 | -9% | Increase In Taste & Odor |

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders May 2014

6/10/2014

| Type | May-14 | May-13 | Action Taken May 2014 |
|---|--------|--------|-----------------------|
| <u>"In House" Generated and Completed Work Orders</u> | | | |
| <u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc. | 142 | 156 | |
| <u>Change Meter:</u> leaks, hard to read | 3 | 10 | |
| <u>Possible Stuck Meter</u> | 0 | 3 | |
| <u>Repair Meter:</u> registers, shut offs | 0 | 0 | |
| <u>Replace Boxes/Lids</u> | 1 | 6 | |
| <u>Hydrant Leaks</u> | 0 | 0 | |
| <u>Trims</u> | 78 | 87 | |
| <u>Dig Outs</u> | 62 | 38 | |
| <u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc. | 0 | 0 | |
| <u>Misc:</u> locate meter, get meter number, cross connection follow ups, kill service, etc. | 0 | 0 | |
| | 286 | 300 | |

Bill Adjustments Under Board Policy:

May 14 vs. May 13

| | | |
|--------|----|---------|
| May-14 | 10 | \$3,627 |
| May-13 | 16 | \$4,864 |

Fiscal Year to Date vs. Prior FYTD


| | | |
|------------|-----|-----------|
| 13/14 FYTD | 323 | \$107,485 |
| 12/13 FYTD | 334 | \$116,419 |

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MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller 

Subj: Auditor-Controller's Monthly Report of Investments for May 2014

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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 \$17,141,725 and a market value of \$17,155,146. During May the cash balance decreased by \$431,911. The market value of securities held increased by \$6,055 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$5,456,213 unexpended balance of the Bank of Marin loan, stood at 89%, down 1% from the prior month.

At May 31, 2014, 62% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 17% in Time Certificate of Deposits, 12% in Corporate Medium Term Notes, and 6% in US Treasury Notes. The weighted average maturity for the portfolio was 174 days, compared to 170 days at the end of April. The LAIF interest rate for the month was 0.23%, the same as the previous month. The weighted average Portfolio rate was 0.36%, compared to 0.35% the previous month. Including interest paid by Black Point Partners on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$9,633 in interest revenue during May, with 48% earned by Novato Water, 48% earned by Recycled Water (by virtue of the Black Point Partners loan) and the balance distributed to the other improvement districts.

Given that 62% of the District's Investment Portfolio is invested in LAIF, it is important to monitor the financial health of the State Treasury. State Controller John Chiang's May report on California's financial position stated:

"While this is the first time in six months that revenues have fallen short, the overall budgetary health remains stable and there is no threat to the State's ability to pay its bills on time and in full. As lawmakers finalize their spending decisions in the coming days, my office urges fiscal restraint with an eye toward slashing the billions of dollars in debt accrued during the great recession."

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
May 31, 2014**

| Type | Description | S&P Rating | Purchase Date | Maturity Date | Cost Basis ¹ | 5/31/2014 Market Value | Yield ² | % of Portfolio |
|------------------------------------|------------------------|------------|---------------|---------------|-------------------------|------------------------|--------------------|----------------|
| LAIF | State of CA Treasury | A | Various | Open | \$10,616,443 | \$10,619,810 | 0.23% ³ | 62% |
| Time Certificate of Deposit | | | | | | | | |
| TCD | Ally Bank | n/a | 9/28/12 | 10/1/14 | \$248,000 | \$248,000 | 0.85% | 1% |
| TCD | Goldman Sachs | n/a | 12/5/12 | 12/5/14 | 248,000 | 248,000 | 0.75% | 1% |
| TCD | GE Capital Retail Bank | n/a | 10/11/13 | 4/13/15 | 248,000 | 248,000 | 0.80% | 1% |
| TCD | Discover Bank | n/a | 5/1/13 | 5/1/15 | 248,000 | 248,000 | 0.50% | 1% |
| TCD | GE Capital Bank | n/a | 6/10/13 | 6/8/15 | 248,000 | 248,000 | 0.50% | 1% |
| TCD | American Express | n/a | 8/1/13 | 8/3/15 | 248,000 | 248,000 | 0.70% | 1% |
| TCD | Compass Bank | n/a | 9/4/13 | 9/4/15 | 248,000 | 248,000 | 0.65% | 1% |
| TCD | Sallie Mae Bank | n/a | 10/23/13 | 10/23/15 | 248,000 | 248,000 | 0.80% | 1% |
| TCD | BMW Bank | n/a | 12/11/13 | 12/11/15 | 248,000 | 248,000 | 0.70% | 1% |
| TCD | Key Bank | n/a | 3/19/14 | 3/21/16 | 248,000 | 248,000 | 0.45% | 1% |
| TCD | Barclays Bank | n/a | 4/15/14 | 4/15/16 | 248,000 | 248,000 | 0.55% | 1% |
| TCD | Americanwest Bank | n/a | 5/30/14 | 5/31/16 | 249,000 | 249,000 | 0.50% | 1% |
| | | | | | \$2,977,000 | \$2,977,000 | 0.63% | 17% |
| US Treasury Notes | | | | | | | | |
| Treas | 1,000 - 3.13% | n/a | 3/26/14 | 6/15/16 | \$998,962 | \$1,002,422 | 0.55% | 6% |
| Corporate Medium Term Notes | | | | | | | | |
| MTN | General Electric | AA+ | 1/29/13 | 10/9/15 | \$1,002,013 | \$1,005,941 | 0.70% | 6% |
| MTN | Toyota Motor Credit | AA- | 5/14/13 | 7/17/15 | 1,004,203 | 1,006,703 | 0.51% | 6% |
| | | | | | \$2,006,216 | \$2,012,644 | 0.60% | 12% |
| Other | | | | | | | | |
| Agency | Marin Co Treasury | AA+ | Various | Open | \$475,513 | \$475,513 | 0.22% | 3% |
| Bond | Olema G.O. Bond | A+ | 5/31/91 | 1/1/15 | 3,933 | 4,101 | 5.00% | 0% |
| Other | Various | n/a | Various | Open | 63,657 | 63,657 | 0.00% | 0% |
| TOTAL IN PORTFOLIO | | | | | \$17,141,725 | \$17,155,146 | 0.36% | 100% |

Weighted Average Maturity = 174 Days

LAIF: State of California Local Agency Investment Fund.

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

TCD: Time Certificate of Deposit

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

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

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

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

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

3 Earnings are calculated daily - this represents the average yield for the month ending May 31, 2014.

| <u>Interest Bearing Loans</u> | Loan Date | Maturity Date | Original Loan Amount | Principal Outstanding | Interest Rate |
|-------------------------------------|-----------|---------------|----------------------|-----------------------|---------------|
| Black Point Partners-BPGL | 6/30/06 | 2/28/24 | \$3,612,640 | \$2,170,551 | 2.40% |
| Employee Housing Loans (7) | Various | Various | 1,249,200 | 1,249,200 | Contingent |
| Employee Computer Loans (2) | Various | Various | 4,464 | 781 | 1.50% (avg) |
| TOTAL INTEREST BEARING LOANS | | | \$4,866,304 | \$3,420,532 | |

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

7

MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller 

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

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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.

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 17 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 24 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 attached).

The sewer service fee increase to \$68 per month is proposed to be effective July 1, 2014. The fiscal year 2014/2015 fee would total \$816 (\$68 x 12) per dwelling unit.

One additional modification to Regulation 109 is proposed to clarify the definition of a dwelling until for purposes of assessing a connection fee charge, specifically as pertains to second, or auxiliary, dwelling units.

Recommended Action:

Board approve reading of proposed Ordinance No. 28 – (read title only).

ORDINANCE NO. 28

**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 2014-15**

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 \$816 per equivalent unit for fiscal year 2014-15;

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 24, 2014 to consider said report and rate increase effective July 1, 2014.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 5, 2014 and June 19, 2014, 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 24, 2014, 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 2014-15, a sewer service rate of \$816 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, 2014, 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 2014-2015.

* * * * *

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 24th day of June 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Katie Young, Secretary
North Marin Water District

(SEAL)

**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 equivalent dwelling unit shall be paid prior to the commencement of sewer service. An equivalent unit is defined as the sewage flow generated by a typical single family home in Oceana Marin. 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 ~~2013-14~~2014-15, a sewer service rate of ~~\$780-816~~ 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.

8

MEMORANDUM

To: Board of Directors June 13, 2014
 From: Drew McIntyre, Chief Engineer 
 Subject: Budgeted FY15 Atherton Tank Rehabilitation - Approve Bid Advertisement
R:\Folders by Job No\6000 jobs\6201.21\BOD memos\6201.21 BOD Memo Approve Bid Advertisement.doc

RECOMMENDED ACTION: The Board authorize bid advertisement of the Atherton Tank Rehabilitation project.

FINANCIAL IMPACT: \$2.2 million (\$2.2 million included in the FY15 Capital Improvement Projects Budget).

Background

The FY14 and FY15 Capital Improvement Project budgets include an item to rehabilitate the 5 million gallon Atherton Tank to include: (1) complete interior/exterior re-coating, (2) installation of a new mixing system, (3) miscellaneous improvements such as a second access hatch and flexible inlet/outlet piping connection to comply with current AWWA guidelines, and (4) structural repair of corroded roof girders. Atherton Tank has been in service for approximately 40 years and has never been recoated. Staff hired KTA-Tator, Inc. (KTA), a reputed nationwide coating consulting firm to prepare new NMWD standard tank coating template specifications that will be used for this project and all future tank recoating projects. In addition, KTA was tasked to inspect and provide a structural analysis of the Atherton tank since a previous roof inspection by staff in 2006 showed significant corrosion of roof elements. The KTA inspection and analysis determined that the roof of the Atherton Tank exhibited significant corrosion but most of the metal loss was not structurally significant except for the outer ring girders used to support the roof. As a result of this analysis the outer ring girder will be strengthened as shown in the detail provided in Attachment A. The tank exterior contains lead based paint and removal and disposal in accordance with regulations will be required. The following project schedule identifies key dates including the proposed bid advertising date.

SCHEDULE

| | |
|--|-----------------|
| Advertise Project | June 20, 2014 |
| Pre-Bid Meeting | July 8 , 2014 |
| Bid Opening | July 24, 2014 |
| Board Authorization of Award (tentative) | August 5, 2014 |
| Notice of Award (tentative) | August 6, 2014 |
| Notice to Proceed (tentative) | August 20, 2014 |
| Construction Complete (270 days) | May 24, 2015 |

The engineer's estimate of the tank rehabilitation contract is \$2.2 Million. The project will be advertised in the Marin IJ and on the NMWD web site with electronic plans and specifications available to the prospective bidders for free download. Staff will be using a web based bid management system (EBidBoard) to make documents available to bidders and subcontractors. EBidBoard has been used by over 85 public agencies during the last 10+ years including the cities of Novato and Petaluma, S. San Francisco, Ca. Dept of Fish and Wildlife, and Caltrans.

Project Description

A project description and cost estimate for the Atherton Tank Rehabilitation project is provided as Attachment B. The total cost for this work is currently estimated at \$2.48 million with a duration of approximately 9 months for rehabilitation. The two year CIP budget was \$2.32 million creating a current shortfall of \$160,000. Higher estimated costs are primarily driven by use of 100% solids interior coating. Use of paints that contain no solvents (i.e., 100% solids) should eliminate the need to drain any potable water used during initial filling of the recoated tank due to taste and odor concerns (as has sometimes occurred with non 100% solids used by NMWD in earlier projects). The new KTA specifications also have more strenuous requirements regarding lead coating monitoring and removal. This estimate, which includes a 10% contingency, will be updated again as soon as bids are received.

Operations staff have performed preliminary operations testing with the Atherton Tank out of service and will continue longer periods of testing before the tank is drained to ensure smooth operation of the District's Zone 1 system while Atherton Tank is out of service.

To ensure quality application of the tank's protective coating systems, the services of a certified coating inspector is recommended. The scope of services would include inspecting coating removal, conducting surface assessment prior to coating, overseeing the surface preparation, monitoring coating mixing, inspecting the application, and documenting all daily tasks performed. In addition, environmental monitoring during exterior lead based paint removal by a possible second outside consultant may be required. Authorization for agreement of this outside inspection service contract(s) will be brought to the Board for consideration at a subsequent meeting.

Atherton Tank is located in open space adjacent to a residential area (as shown in Attachment C) and is set back from the adjacent homes at least 150 ft. It is expected that the construction associated with the recoat project will have minor impacts to the local community. To ensure optimum public outreach, Marin County Parks and Open Space District and 29 homes on Morning Star Ct., Saddle Wood Drive, Trail View Ct., and Oak Shade Lane within approximately 1,000 ft of the tank site were notified in October 2013 of the upcoming project.

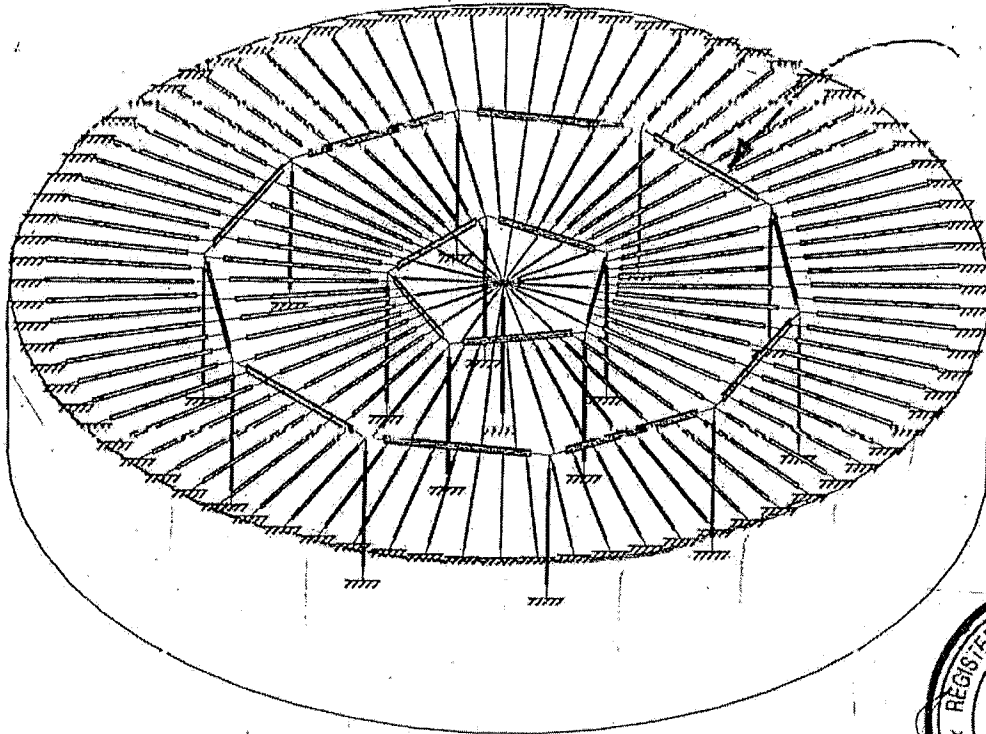
They will be updated on the status of the project after bid advertisement and measures to minimize impacts to neighboring residences will be implemented.

RECOMMENDATION

The Board authorize bid advertisement of the Atherton Tank Rehabilitation project.

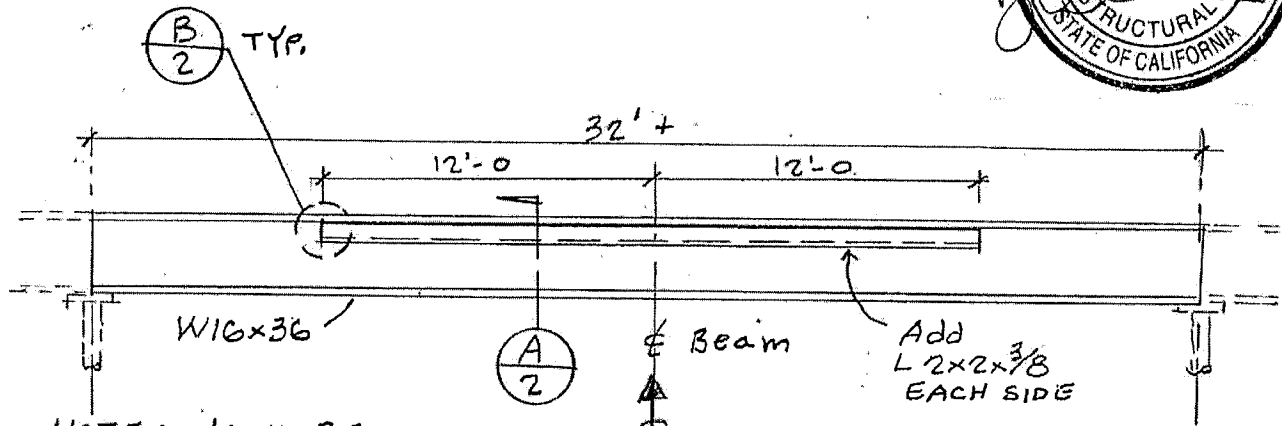
BRIAN L. WARD
 STRUCTURAL ENGINEER, INC.
 4800 EASTON DRIVE, SUITE 110
 BAKERSFIELD, CA 93309
 (661) 635-0121 FAX (661) 635-0122

JOB Atherton Tank - NOVATO, CA
 SHEET NO. SKETCH SK-1 OF 2
 CALCULATED BY B Ward DATE 4-11-14
 CHECKED BY REV DATE 4-15-14
North Martin W.D.



10-OUTER GIRDERS

GRAPHIC FROM KTA-TATOR REFUK1



NOTE: JACK BEAM UPWARD 3/8" PRIOR TO STRENGTHENING.

PROPOSED GIRDER STRENGTHENING
(10 OUTER GIRDERS)

**NORTH MARIN WATER DISTRICT
WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS
PROJECT SUMMARY**

COMPLETED BY: David Jackson
DATE: 3/18/2013

UPDATED BY: Carmela Chandrasekera
DATE: 6/6/2014

SERVICE AREA: **NOVATO** **WEST MARIN** **OCEANA MARIN**

| | | |
|-------------------|---------|--|
| Job No. | 6201.21 | Job Title:-Atherton Tank Rehabilitation Project |
| Facility No. 6201 | | Facility Type (Pipelines, Pump Stations, etc.): TANK |

Description:

- Recoat interior and exterior of Atherton Tank. Perform structural strengthening of roof outer ring girder. A tank mixing system will be added. Install new flex connection at tank inlet/outlet. A second shell manway will be added and the overflow pipe to drain connection will be modified to include air gap. The half-height staff gauge will be replaced and three sample taps will be added.
- Interior work consists of removing existing coating, none of which is anticipated to be disposed of as hazardous waste due to high zinc or lead levels, and surface preparation to SSPC-SP10, white metal blast. New interior coating consists of a single coat of NSF 61 approved 100% solids epoxy.
- Exterior work consists of complete coating removal and replacement. Lead abatement will be required. New exterior coating consists of a 2-coat system of epoxy primer & urethane topcoat.
- Dehumidification equipment is mandated for the interior recoating of this job.
- Coating inspection is to be provided under the lead of an outside consultant. environmental monitoring shall be conducted during exterior lead-based paint removal.

A new cathodic protection system will be installed.

Project Justification:
Due to deteriorated original (circa 1973) interior and exterior coatings, high structural corrosion levels, and updated construction standards; this tank is scheduled for recoating and repairs.

| | Baseline Cost Estimate | Initial (3/13) | Updated (2/14) | Updated (3/14) | Updated (6/14) | Expended to Date | Baseline Schedule | Start | Finish (Est.) | Finish (Actual) |
|----|---|--------------------|--------------------|------------------|------------------|------------------|-------------------|-----------|---------------|-----------------|
| 1 | Project Dev. | \$13,000 | \$13,000 | \$13,000 | \$13,000 | \$13,873 | Project Dev. | 7/1/2013 | 2/1/2014 | |
| 1A | Design | | \$50,000 | \$60,000 | \$60,000 | \$49,872 | | | | |
| 2 | Mobilization / Bonds | \$60,000 | \$60,000 | \$60,000 | \$60,000 | | Design | 3/1/2014 | 6/20/2014 | |
| 3 | CP System ⁴ | \$30,000 | \$30,000 | \$30,000 | \$30,000 | | Permitting | | | |
| 4 | Structural Repairs and Grinding interior surface ⁵ | \$90,000 | \$90,000 | \$90,000 | \$90,000 | | Procurement | | | |
| 5 | Int. Coating Removal & Recoat ¹ | \$650,000 | \$650,000 | \$418,000 | \$917,141 | | Construction | 8/20/2014 | 5/24/2015 | |
| 5A | Roof Outer Girder strengthening | | | \$675,768 | \$155,000 | | | | | |
| 6 | Ext. Coating Removal & Recoat ² | \$380,000 | \$380,000 | \$380,000 | \$548,000 | | Project Closeout | | 6/30/2015 | |
| 7 | Remove & Dispose Spent Abrasive & Int / Ext Coating Residue | \$37,000 | \$37,000 | \$37,000 | \$37,000 | | | | | |
| 8 | Hazard Waste Removal Additive | \$25,000 | \$25,000 | \$25,000 | \$25,000 | | | | | |
| 9 | Mixing System | \$80,000 | \$80,000 | \$80,000 | \$80,000 | | | | | |
| 10 | Outside Inspection ³ | \$75,000 | \$75,000 | \$75,000 | \$90,000 | | | | | |
| 11 | Dist Maintenance (___ man days) | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$2,435 | | | | |
| 12 | Dist Operations (___ man days) | \$10,000 | \$10,000 | \$10,000 | \$10,000 | | | | | |
| 13 | Inlet/Outlet Flex Valve | \$30,000 | \$40,000 | \$40,000 | \$40,000 | | | | | |
| 14 | Install Temp Tanks, Piping, and drain ⁶ | \$10,000 | \$45,000 | \$45,000 | \$45,000 | \$44,594 | | | | |
| 15 | Miscellaneous Items ⁷ | \$10,500 | \$10,500 | \$10,500 | \$10,500 | | | | | |
| 16 | Const. Admin. | \$25,000 | \$25,000 | \$25,000 | \$25,000 | | | | | |
| 17 | Project Closeout | \$10,000 | \$10,000 | \$10,000 | \$10,000 | | | | | |
| 18 | SubTotal | \$1,545,500 | \$1,640,500 | \$2,094,268 | \$2,255,641 | | | | | |
| 19 | Project Contingency (10%) | \$154,550 | \$164,050 | \$209,427 | \$225,564 | | | | | |
| | Total | \$1,700,000 | \$1,985,005 | 2,303,695 | 2,481,000 | \$110,774 | | | | |

Comments:

¹ Interior Recoat: (76,428 FI2 * \$12.00/FI2 = \$917,136),
² Exterior Recoat: (39,122 FI2 * \$14.00/FI2 = \$547,708)
³ Estimated at 600 hours @ \$150 per hour for coating inspection and environmental monitoring
⁴ Add new CP system
⁵ Appurtenances and structural repairs
⁶ Includes Labor & Materials for Temporary systems
⁷ Includes Air Gap/Drainage Inlet & Sample Taps

FY 2014 \$125,000 FY 2015 \$2,335,776



Legend

Major Road

- Highway 101, 580
- Major Road

Road

- Highway 101, 580
- Other Highway
- Local
- Fire Road
- Driveway
- Footpath
- Railroad

Address

- Parcel
- City Limit Line
- County Boundary
- Ocean Bay

2011 USGS Marin 15cm High Res

- Red: Layer_1
- Green: Layer_2
- Blue: Layer_3

Notified Residences

0.1 0 0.04 0.1 Miles

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
THIS MAP IS REPRESENTATIONAL ONLY. DATA ARE NOT SURVEY PRECISE.

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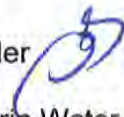
9

MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller



Subj: Second Review – FY15 West Marin Water and Oceana Marin Sewer Budgets

t:\aclword\budget\wm14\wm14 2nd review.docx

RECOMMENDED ACTION: Additional Review & Provide Direction to Staff

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

| | |
|--|-------------|
| West Marin Water System Rate Increase | \$41,000 |
| West Marin Water System Drought Surcharge | \$43,000 |
| West Marin Water System Expenditure Plan | \$2,186,000 |
| Oceana Marin Sewer System Rate Increase | \$8,000 |
| Oceana Marin Sewer System Expenditure Plan | \$315,000 |

Following for your second review are the budgets for the West Marin Water System and the Oceana Marin Sewer System proposed for fiscal year 2014/15 (FY15). Proposed for the both the West Marin Water and Oceana Marin Sewer customers is a 5% increase.

CHANGES SINCE THE INITIAL REVIEW

Payoff of the CalPERS Side Fund Liability reduced the West Marin Water labor cost by \$10,000 next fiscal year, and the Oceana Marin Sewer labor cost by \$4,000.

INCREASE PROPOSAL DETAIL

Water Rates

Consistent with the increase adopted for Novato customers, a 5% increase for the typical residential customer is recommended, comprised of a 7% commodity rate increase and no increase in the bimonthly service charge, which stands at \$30 bimonthly for the typical customer with a 5/8" meter (with the exception that Paradise Ranch Estates customers pay a \$46 bimonthly service charge that 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 \$41,000 an additional in revenue next fiscal year. The proposed budget also includes \$43,000 in drought surcharge revenue generated between July 1 and November 1 arising from the anticipated enactment of a 25% mandatory water use restriction.

Sewer Rates

The Oceana Marin Sewer system held a cash balance of \$287,000 at May 31, 2014. The Five-Year Financial Plan includes a \$350,000 project to clean and line the settling and treatment ponds in FY19. A 5% (\$3/month) increase is proposed for FY15, which will generate an additional \$8,000 per year. Annual 5% increases are included in the 5-year financial plan (\$3 per month) for FY16 and beyond to help pay for the pond relining project.

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

BUDGETED SYSTEM IMPROVEMENT PROJECTS

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

Water

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

Sewer

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

Future Projects

The West Marin Water System Five-Year Financial Plan shows the \$500,000 PRE Tank

4A replacement will commence in FY16. The \$1.25 million upgrade of the treatment plant is scheduled for FY17.

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

WEST MARIN WATER SYSTEM OPERATING BUDGET

You will note from page 3 of the budget that the proposed West Marin Water System Budget projects a cash surplus next fiscal year of \$2,000. The proposed budget projects one new service to be added to the system each year into the future, in line with the slow growth we have seen recently.

FY15 water sales volume is budgeted to decrease 11% compared with the current year estimated actual. The West Marin system is projected to consume 70 million gallons (MG) next year, compared to 79 million gallons estimated for the current fiscal year, due to the anticipated enactment of mandatory 25% water use restrictions. The forecast assumes water sales volume will remain flat thereafter at 75MG as conservation programs (including water rate increases) continue to induce more efficient use of water. Historical consumption data is shown on page 6.

Operating expenditures, before depreciation, are budgeted to increase 11% from the FY14 adopted budget, an increase of \$82,000, and fall 3%, (\$17,000) from the current year estimated actual. The proposed budget includes \$35,000 for purchase of 200 acre-feet of water from Marin Municipal between July 1 and November 1 to maintain adequate flow in Lagunitas Creek, and an additional \$18,000 in water conservation expense due to anticipated enactment mandatory water use restrictions. 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 \$68/month) increase in the sewer service charge. One new connection is budgeted for next fiscal year, which is Oceana Marin's average over the past five years. Next year's budget projects operating expenditures, before depreciation, to increase 15% from the current year budget, and 24% from the current year estimated actual. Termination of the agreement with

Phillips and Associates to provide for Operation and Maintenance of the Oceana Marin system will add significant expense to operation of the Oceana Marin facility in FY15 as deferred maintenance items are addressed. Also incorporated into next year's budget is \$30,000 to update the Oceana Marin Master Plan, last updated in 2006. A graphical history of Oceana Marin operating expenditures is shown on page 11.

A public hearing to consider the proposed water rate increases and to adopt the water and sewer budgets is scheduled for June 24 in Point Reyes Station.

Proposed
BUDGET

Second Review

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

NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE, NOVATO, CA

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**WEST MARIN WATER
&
OCEANA MARIN SEWER**

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Proposed Capital Improvement Projects

6/11/14

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

Proposed Capital Improvement Projects

6/11/14

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

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

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

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2014/15

| | <i>Proposed Budget 2014/15</i> | <i>Estimated Actual 2013/14</i> | <i>Adopted Budget 2013/14</i> | |
|--|---|---|---------------------------------------|-------------|
| OPERATING INCOME | | | | |
| 1 | Water Sales | \$825,000 | \$808,000 | \$752,000 |
| 2 | Misc Service Charges | 6,000 | 6,000 | 6,000 |
| 3 | Total Operating Income | \$831,000 | \$814,000 | \$758,000 |
| OPERATING EXPENDITURES | | | | |
| 4 | Source of Supply | \$59,000 | \$35,000 | \$21,000 |
| 5 | Pumping | 39,000 | 29,000 | 39,000 |
| 6 | Operations | 38,000 | 53,000 | 32,000 |
| 7 | Water Treatment | 131,000 | 149,000 | 125,000 |
| 8 | Transmission & Distribution | 111,000 | 158,000 | 103,000 |
| 9 | Consumer Accounting | 27,000 | 23,000 | 26,000 |
| 10 | Water Conservation | 22,000 | 10,000 | 4,000 |
| 11 | General Administration | 55,000 | 42,000 | 50,000 |
| 12 | Depreciation Expense | 160,000 | 154,000 | 150,000 |
| 13 | Total Operating Expenditures | \$642,000 | \$653,000 | \$550,000 |
| 14 | NET OPERATING INCOME (LOSS) | \$189,000 | \$161,000 | \$208,000 |
| NON-OPERATING REVENUE/(EXPENSE) | | | | |
| 15 | PR-2 County Tax Allocation | \$41,000 | \$40,000 | \$43,000 |
| 16 | OL-2 Bond Tax | 0 | 4,000 | 4,000 |
| 17 | Interest Revenue | 3,000 | 4,000 | 3,000 |
| 18 | Bond & Loan Interest Expense | (40,000) | (41,000) | (41,000) |
| 19 | Miscellaneous Revenue/(Expense) | 4,000 | (28,000) | (5,000) |
| 20 | Total Non-Operating Income/(Expense) | \$8,000 | (\$21,000) | \$4,000 |
| 21 | NET INCOME/(LOSS) | \$197,000 | \$140,000 | \$212,000 |
| OTHER SOURCES/(USES) OF FUNDS | | | | |
| 22 | Add Depreciation Expense | \$160,000 | \$154,000 | \$150,000 |
| 23 | Connection Fees | 23,000 | 0 | 46,000 |
| 24 | Prop 50 Grant | 1,286,000 | 200,000 | |
| 25 | Capital Improvement Projects | (1,599,000) | (365,000) | (435,000) |
| 26 | Bond & Loan Principal Payments | (65,000) | (61,000) | (64,000) |
| 27 | Total Other Sources/(Uses) | (\$195,000) | (\$72,000) | (\$303,000) |
| 28 | NET SURPLUS/(DEFICIT) | \$2,000 | \$68,000 | (\$91,000) |

WEST MARIN WATER 5-Year Financial Forecast

| # | BASIC DATA | Actual 2011/12 | Actual 2012/13 | Estimated 2013/14 | Projected 2014/15 | Projected 2015/16 | Projected 2016/17 | Projected 2017/18 | Projected 2018/19 |
|-----------------------------|------------------------------------|-------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1 | Active Meters | 777 | 776 | 776 | 777 | 778 | 779 | 780 | 781 |
| 2 | Avg Commodity Rate/1,000 Gal | \$6.97 | \$7.61 | \$8.10 | \$8.77 | \$9.20 | \$9.66 | \$10.15 | \$10.66 |
| 3 | Potable Consumption (MG) | 74 | 81 | 79 | 70 | 75 | 75 | 75 | 75 |
| INCOME | | | | | | | | | |
| 4 | Commodity Charge | \$518,217 | \$614,880 | \$640,000 | \$657,000 | \$644,000 | \$728,000 | \$765,000 | \$803,000 |
| 5 | Bimonthly Service Charge | 115,584 | 138,684 | 168,000 | 168,000 | 180,000 | 189,000 | 199,000 | 209,000 |
| 6 | Connection Fee | 36,600 | 4,900 | 0 | 23,000 | 23,000 | 23,000 | 23,000 | 23,000 |
| 7 | PR-2 County Tax Allocation | 40,598 | 40,443 | 40,000 | 41,000 | 42,000 | 43,000 | 44,000 | 45,000 |
| 8 | PR-3 G.O. Bond Tax | 13,938 | 338 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | OL-2 G.O. Bond Tax | 3,757 | 4,205 | 4,000 | 0 | 0 | 0 | 0 | 0 |
| 10 | Interest | 0 | 3,251 | 4,000 | 3,000 | 3,000 | 3,000 | 1,000 | 2,000 |
| 11 | Miscellaneous | 8,218 | 10,983 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 12 | TOTAL INCOME | \$736,912 | \$817,684 | \$866,000 | \$902,000 | \$902,000 | \$996,000 | \$1,042,000 | \$1,092,000 |
| EXPENDITURES | | | | | | | | | |
| 13 | Operating Expenditures | \$382,948 | \$396,828 | \$489,000 | \$444,000 | \$457,000 | \$471,000 | \$485,000 | \$500,000 |
| 14 | Water Purchased from MMWD | | | \$10,000 | \$38,000 | | | | |
| 15 | Miscellaneous | \$3,297 | \$11,964 | \$32,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 16 | Bond & Loan Debt Service | 55,597 | 110,799 | 102,000 | 105,000 | 100,000 | 101,000 | 137,000 | 137,000 |
| 17 | Interdistrict Loan Interest | 5,918 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | TOTAL EXPENDITURES | \$447,760 | \$519,591 | \$633,000 | \$587,000 | \$557,000 | \$572,000 | \$622,000 | \$637,000 |
| | NET INCOME | \$289,152 | \$298,093 | \$233,000 | \$315,000 | \$345,000 | \$424,000 | \$420,000 | \$455,000 |
| OTHER SOURCES/(USES) | | | | | | | | | |
| 19 | Capital Improvement Projects | (145,027) | (380,323) | (365,000) | (1,599,000) | (150,000) | (1,695,000) | (50,000) | (275,000) |
| 20 | Grant/Loan Proceeds | 1,000,000 | 0 | 200,000 | 1,286,000 | 0 | 500,000 | 0 | 0 |
| 21 | Loan from (Repayment to) Novato | (356,968) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | Net Change in Working Capital | (4,574) | (51,956) | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | INCREASE (DECREASE) IN CASH | \$782,583 | (\$134,186) | \$68,000 | \$2,000 | \$195,000 | (\$771,000) | \$370,000 | \$180,000 |
| CASH BALANCE | | | | | | | | | |
| 24 | Operating Reserve | \$0 | \$0 | \$339,000 | \$640,000 | \$835,000 | \$64,000 | \$434,000 | \$614,000 |
| 25 | System Expansion Reserve | 700,681 | 566,710 | 299,000 | 0 | 0 | 0 | 0 | 0 |
| 26 | Liability Contingency Reserve | 98,885 | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 |
| 27 | Bond Redemption Reserve | 33,330 | 33,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| 28 | TOTAL CASH BALANCE | \$832,896 | \$698,710 | \$767,000 | \$769,000 | \$964,000 | \$193,000 | \$563,000 | \$743,000 |
| 29 | Amount Due to Novato Water | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 30 | Depreciation Expense | \$150,169 | \$148,654 | \$154,000 | \$160,000 | \$187,000 | \$190,000 | \$218,000 | \$219,000 |

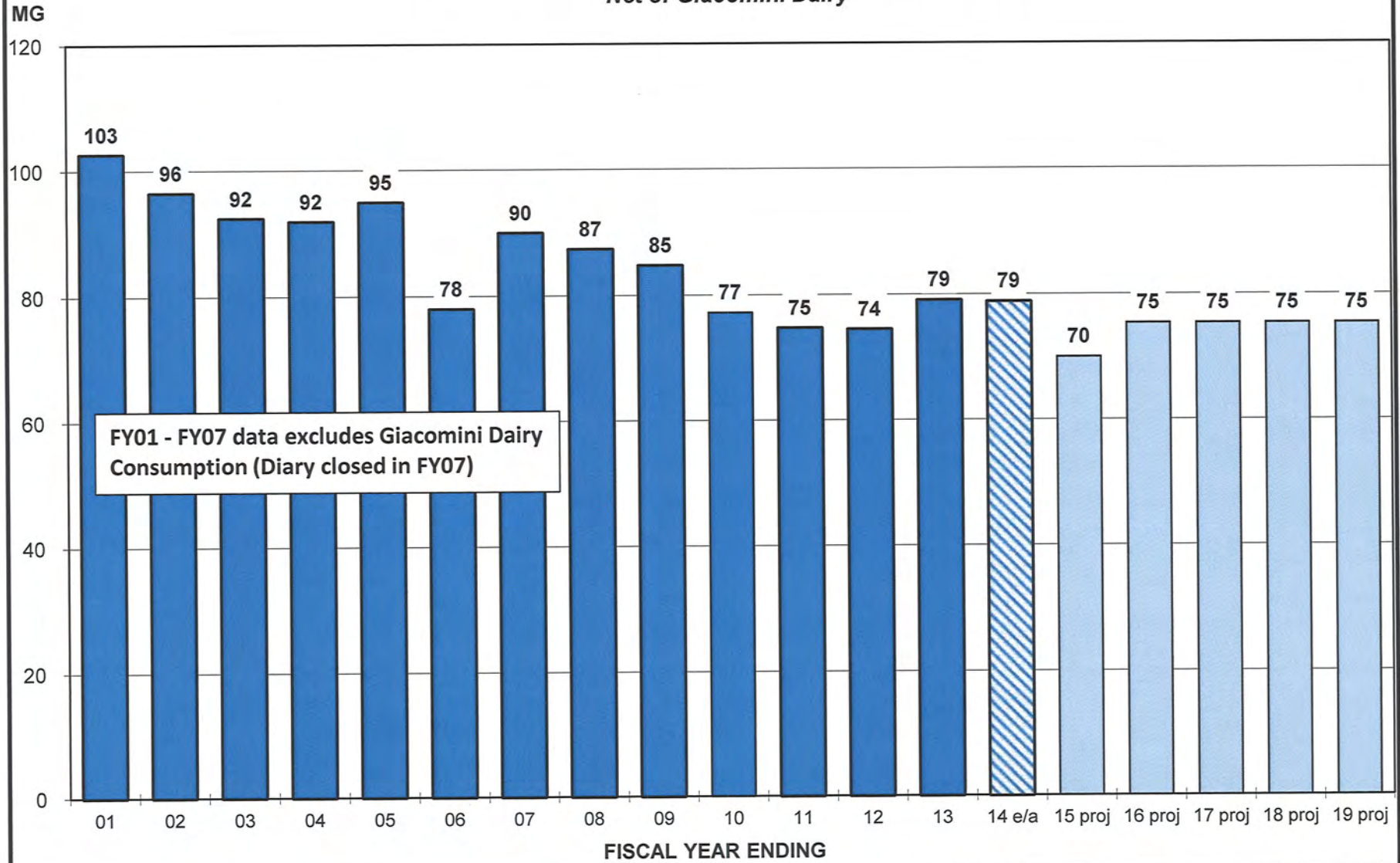
WEST MARIN WATER NOTES

KEY

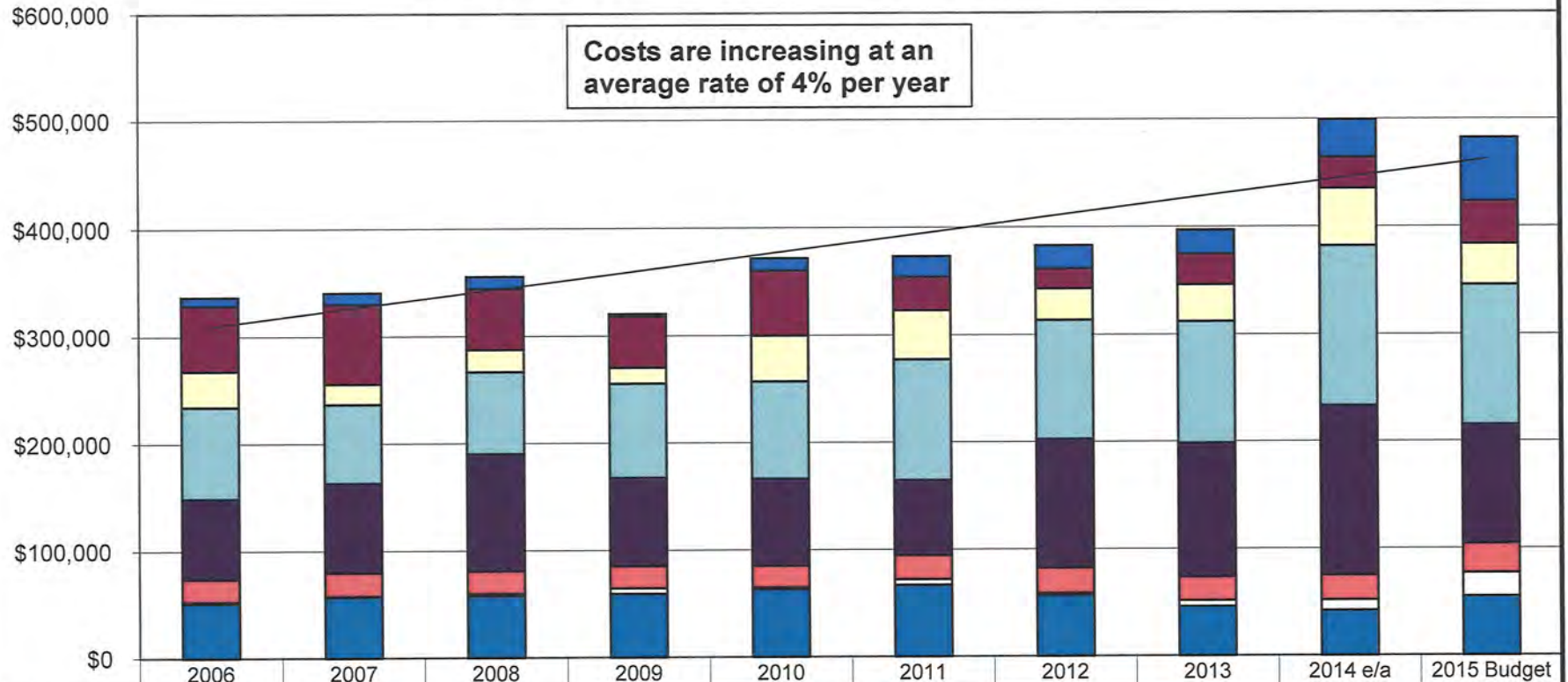
West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

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

West Marin Potable Water Billed Consumption Net of Giacomini Dairy



West Marin Water Operating Expenditures



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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 e/a | 2015 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| ■ Source | \$8,049 | \$11,085 | \$11,106 | \$2,319 | \$11,364 | \$18,907 | \$21,495 | \$22,161 | \$35,000 | \$59,000 |
| ■ Pumping | \$61,001 | \$74,108 | \$57,375 | \$47,801 | \$60,516 | \$31,092 | \$18,226 | \$28,195 | \$29,000 | \$39,000 |
| □ Operations | \$33,329 | \$18,925 | \$20,340 | \$14,970 | \$42,962 | \$45,965 | \$29,609 | \$34,466 | \$53,000 | \$38,000 |
| ■ Treatment | \$85,643 | \$73,627 | \$76,588 | \$87,871 | \$90,739 | \$112,531 | \$111,205 | \$113,619 | \$149,000 | \$131,000 |
| ■ T & D | \$74,790 | \$83,545 | \$109,186 | \$82,386 | \$81,052 | \$70,274 | \$120,093 | \$124,721 | \$158,000 | \$111,000 |
| ■ Cons Acctg | \$21,119 | \$21,504 | \$21,045 | \$20,285 | \$20,232 | \$22,108 | \$23,367 | \$21,947 | \$23,000 | \$27,000 |
| □ Wtr Cons | \$1,700 | \$900 | \$2,177 | \$5,338 | \$1,783 | \$5,266 | \$2,008 | \$5,857 | \$10,000 | \$22,000 |
| ■ G & A | \$51,065 | \$57,133 | \$57,828 | \$59,500 | \$63,234 | \$66,880 | \$56,945 | \$45,861 | \$42,000 | \$55,000 |
| Total | \$336,696 | \$340,827 | \$355,645 | \$320,470 | \$371,882 | \$373,023 | \$382,948 | \$396,827 | \$499,000 | \$482,000 |

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

| | <i>Proposed Budget 2014/15</i> | <i>Estimated Actual 2013/14</i> | <i>Adopted Budget 2013/14</i> |
|---|--|---|---------------------------------------|
| OPERATING INCOME | | | |
| 1 Monthly Sewer Service Charge | \$187,000 | \$178,000 | \$178,000 |
| 2 Misc Service Charges | 0 | 0 | 0 |
| 3 Total Operating Income | \$187,000 | \$178,000 | \$178,000 |
| OPERATING EXPENDITURES | | | |
| 4 Sewage Collection | \$55,000 | \$32,000 | \$29,000 |
| 5 Sewage Treatment | 61,000 | 33,000 | 26,000 |
| 6 Sewage Disposal | 31,000 | 8,000 | 7,000 |
| 7 Contract Operations | 0 | 48,000 | 67,000 |
| 8 Customer Accounting | 2,000 | 2,000 | 2,000 |
| 9 General & Administration | 23,000 | 16,000 | 19,000 |
| 10 Depreciation Expense | 58,000 | 57,000 | 49,000 |
| 11 Total Operating Expenditures | \$230,000 | \$196,000 | \$199,000 |
| 12 NET OPERATING INCOME (LOSS) | (\$43,000) | (\$18,000) | (\$21,000) |
| NON-OPERATING REVENUE/(EXPENSE) | | | |
| 13 OM-1/OM-3 Tax Allocation | \$44,000 | \$43,000 | \$46,000 |
| 14 Interest Revenue | 1,000 | 1,000 | 1,000 |
| 15 Master Plan Update | (30,000) | 0 | 1,000 |
| 16 Total Non-Op Income/(Expense) | \$15,000 | \$44,000 | \$48,000 |
| NET INCOME/(LOSS) | (\$28,000) | \$26,000 | \$27,000 |
| OTHER SOURCES/(USES) OF FUNDS | | | |
| 17 Add Depreciation Expense | \$58,000 | \$57,000 | \$49,000 |
| 18 Connection Fees | 15,000 | 30,000 | 30,000 |
| 19 Capital Improvement Projects | (70,000) | (50,000) | (50,000) |
| 20 Total Other Souces/(Uses) | \$3,000 | \$37,000 | \$29,000 |
| 21 NET SURPLUS/(DEFICIT) | (\$25,000) | \$63,000 | \$56,000 |

OCEANA MARIN SEWER

5-Year Financial Forecast

| # | | Actual 2011/12 | Actual 2012/13 | Estimated 2013/14 | Projected 2014/15 | Projected 2015/16 | Projected 2016/17 | Projected 2017/18 | Projected 2018/19 |
|---------------------------|------------------------------------|-------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| BASIC DATA | | | | | | | | | |
| 1 | Number of Connections | 227 | 227 | 229 | 230 | 231 | 232 | 233 | 234 |
| 2 | Monthly Service Charge | \$58.00 | \$58.00 | \$65.00 | \$68.00 | \$71.00 | \$75.00 | \$79.00 | \$83.00 |
| INCOME | | | | | | | | | |
| 3 | Monthly Service Charge | \$157,311 | \$157,992 | \$178,000 | \$187,000 | \$196,000 | \$208,000 | \$220,000 | \$233,000 |
| 4 | OM-1/OM-3 Tax Allocation | 43,266 | 43,101 | 43,000 | 44,000 | 45,000 | 46,000 | 47,000 | 48,000 |
| 5 | Connection Fees | 0 | 0 | 30,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 6 | Interest Revenue | 1,387 | 724 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 7 | Miscellaneous Revenue/(Expense) | 10 | 19,127 | 0 | (30,000) | 1,000 | 1,000 | 1,000 | 1,000 |
| 8 | TOTAL INCOME | \$201,974 | \$220,944 | \$252,000 | \$217,000 | \$258,000 | \$271,000 | \$284,000 | \$298,000 |
| 9 | OPERATING EXPENDITURES | \$137,490 | \$148,164 | \$139,000 | \$172,000 | \$149,000 | \$153,000 | \$158,000 | \$163,000 |
| OTHER EXPENDITURES | | | | | | | | | |
| 10 | Capital Improvement Projects/Other | \$58,694 | \$221,835 | \$50,000 | \$70,000 | \$65,000 | \$85,000 | \$35,000 | \$365,000 |
| 11 | TOTAL EXPENDITURES | \$196,184 | \$369,999 | \$189,000 | \$242,000 | \$214,000 | \$238,000 | \$193,000 | \$528,000 |
| 12 | Net Change in Working Capital | \$21,639 | (\$2,275) | | | | | | |
| 13 | INCREASE (DECREASE) IN CASH | \$27,429 | (\$151,330) | \$63,000 | (\$25,000) | \$44,000 | \$33,000 | \$91,000 | (\$230,000) |
| CASH BALANCE | | | | | | | | | |
| 14 | Operating Reserve | \$293,416 | \$192,042 | \$255,000 | \$230,000 | \$274,000 | \$307,000 | \$398,000 | \$168,000 |
| 15 | Connection Fee Reserve | 49,956 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 | TOTAL CASH BALANCE | \$343,372 | \$192,042 | \$255,000 | \$230,000 | \$274,000 | \$307,000 | \$398,000 | \$168,000 |
| 17 | Depreciation Expense | \$41,084 | \$44,720 | \$57,000 | \$58,000 | \$60,000 | \$62,000 | \$64,000 | \$65,000 |

6

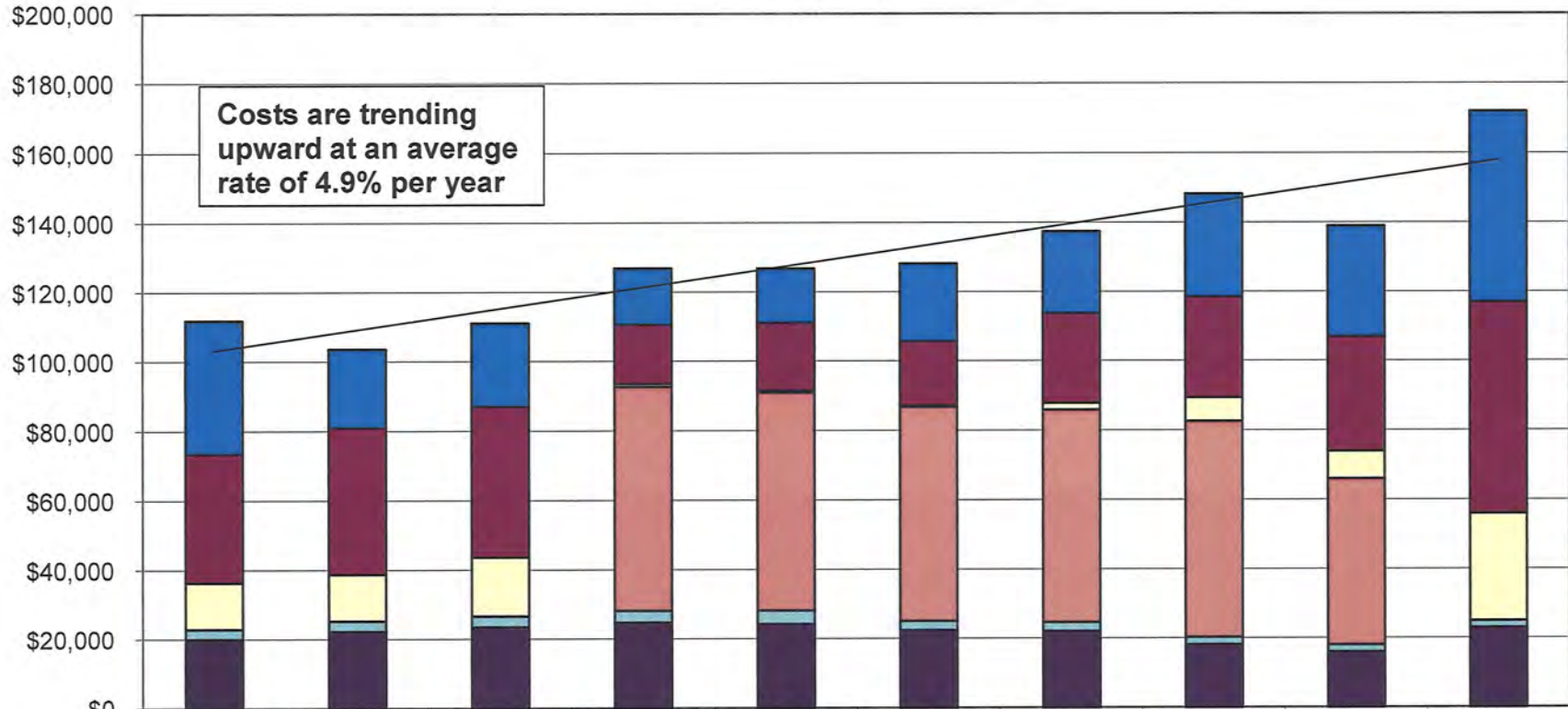
OCEANA MARIN SEWER

NOTES

KEY

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

Oceana Marin Operating Expenditures



Costs are trending upward at an average rate of 4.9% per year

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 e/a | 2015 Budget |
|--------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Collection | \$38,373 | \$22,658 | \$24,088 | \$16,309 | \$15,748 | \$22,503 | \$23,687 | \$29,703 | \$32,000 | \$55,000 |
| Treatment | \$37,086 | \$42,187 | \$43,307 | \$17,142 | \$19,474 | \$18,470 | \$25,928 | \$29,021 | \$33,000 | \$61,000 |
| Disposal | \$13,540 | \$13,483 | \$17,024 | \$797 | \$719 | \$489 | \$1,972 | \$6,895 | \$8,000 | \$31,000 |
| Contract Ops | | | | \$64,467 | \$62,745 | \$61,592 | \$61,215 | \$62,281 | \$48,000 | \$0 |
| Cons Acctg | \$2,874 | \$3,087 | \$3,179 | \$3,429 | \$3,952 | \$2,778 | \$2,636 | \$2,162 | \$2,000 | \$2,000 |
| G & A | \$20,023 | \$22,197 | \$23,491 | \$24,801 | \$24,228 | \$22,359 | \$22,052 | \$18,099 | \$16,000 | \$23,000 |
| Total | \$111,896 | \$103,612 | \$111,089 | \$126,945 | \$126,866 | \$128,191 | \$137,490 | \$148,161 | \$139,000 | \$172,000 |

10

MEMORANDUM

To: Board of Directors

June 13, 2014

From: David L. Bentley, Auditor-Controller
Drew McIntyre, Chief EngineerSubj: West Marin Water Outside District Water Consumption (2011-2013)
\\naclword\budget\wml\wm outside customers.docx**RECOMMENDED ACTION:** None - Information Only**FINANCIAL IMPACT:** None

Director Rodoni asked that the Board receive an update on water service provided to customers residing outside the West Marin Water Service and/or Improvement District boundaries. There are 13 customers residing outside District boundaries (see map in Attachment A). Cumulatively they comprise about 7.5% of the total West Marin potable water demand over the last three years.

Six of the outside boundary customers (Bianchini, Giacomini, Mendoza, Doughty, Martinelli (PRNS) and S. Martinelli, receive water via a private service line in State Route 1 connected to a District inter-tie established by the District in 1990. At the February 7, 1990 meeting, the Board approved the aforementioned metering arrangement for a segment of the old Downey line in Pt. Reyes, which represented an unusual arrangement inherited by the District at the time it acquired the old Downey water system. The District has continued to provide water through private lines and facilities to these six parcels as summarized in the February 13, 1990 letter provided herein (Attachment B). The private lines and facilities are not built to District standards and therefore the District cannot accept any liability for providing service. Comparing the volume through the master-meter to the cumulative volume through the individual sub-meters reveals a cumulative variance was less than 0.4% over the past four years, as shown graphically in Attachment C.




The outside customers are subject to a commodity rate that is 40% higher¹ than the rate paid by customers residing within District boundaries. This additional charge is levied to compensate for the fact that outside boundary customers have not paid any historical PR-3 General Obligation bond² tax levied exclusively on property within the Improvement District boundary.

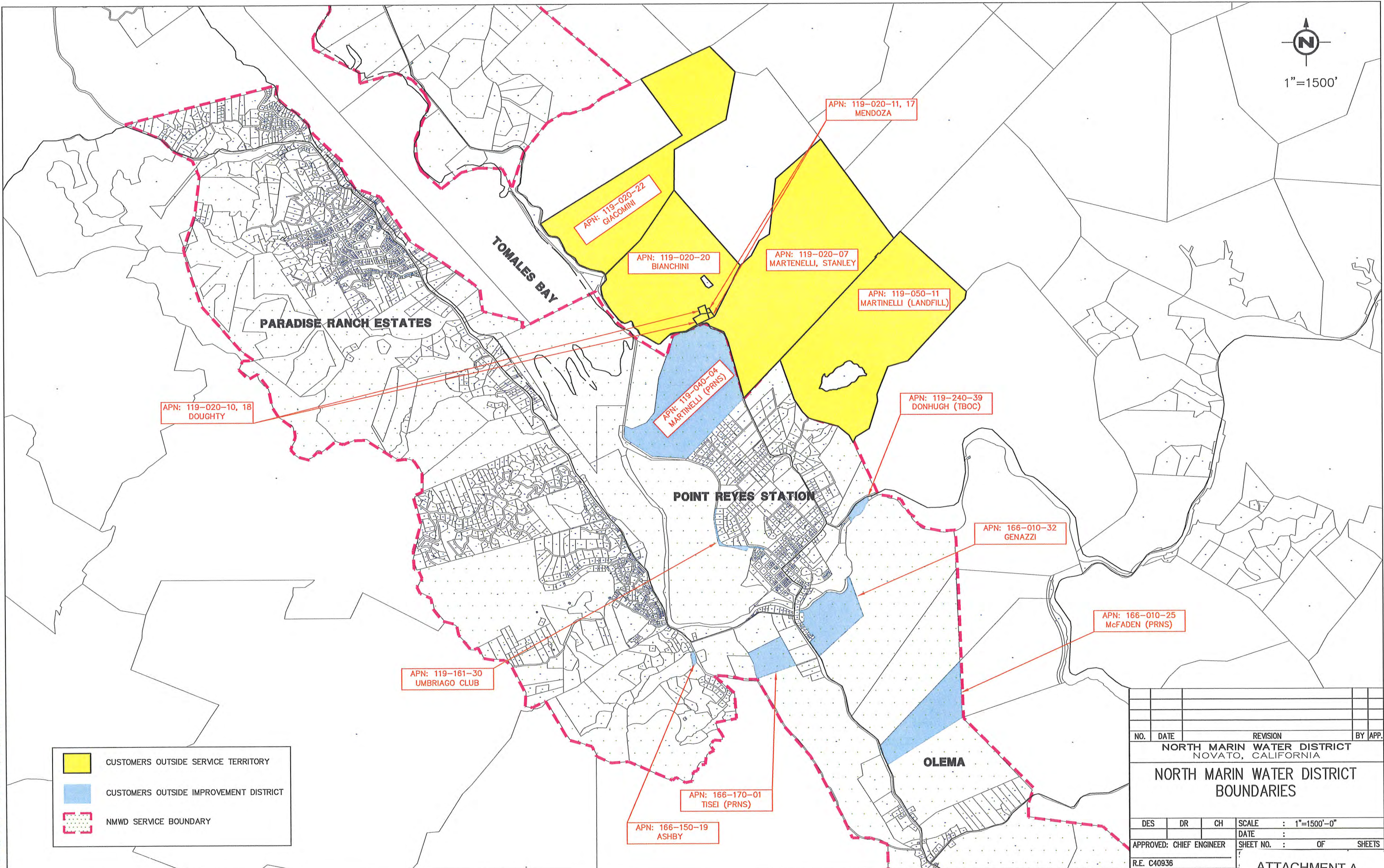
¹ When the higher Seasonal Rate is in effect, outside non-residential customers pay a commodity rate that is 29% higher than non-residential customers residing within the Improvement District boundary.

² The PR-3 GO Bond was fully amortized in 2013.



Jun 12, 2014 8:41am W:\JOB\MISC\ANNEXATION\Outside Customers MAP1.dwg User: ACANTILLER

| | |
|---|--|
|  | CUSTOMERS OUTSIDE SERVICE TERRITORY |
|  | CUSTOMERS OUTSIDE IMPROVEMENT DISTRICT |
|  | NMWD SERVICE BOUNDARY |



| NO. | DATE | REVISION | BY | APP. |
|---|------|----------|-----------|---------------|
| | | | | |
| NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA NORTH MARIN WATER DISTRICT BOUNDARIES | | | | |
| DES | DR | CH | SCALE | : 1"=1500'-0" |
| APPROVED: CHIEF ENGINEER | | | DATE | : |
| R.E. C40936 | | | SHEET NO. | : OF SHEETS |



NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE • POST OFFICE BOX 148 • NOVATO, CALIFORNIA 94948 • (415) 897-4133 • FAX (415) 892-8043

February 13, 1990

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

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

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

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

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

Stan Martinelli
12602 Shoreline Highway
Point Reyes Station, CA 94956

Re: Reading and Rendering Water Bills From a Private Line

Ladies and Gentlemen:

Our records show you own the following respective parcels:

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

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

February 13, 1990

Page 2

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

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

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

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

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

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

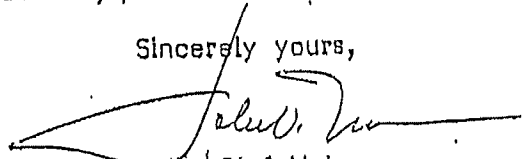
As for the existing arrangement, please again be reminded that the private lines extending north of Cypress are neither owned nor maintained by the District and should they break down, will be the responsibility of the owners of said private lines to repair. Also be advised that it is illegal for you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

February 13, 1990
Page 3

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

Should you have any questions, please call.

Sincerely yours,

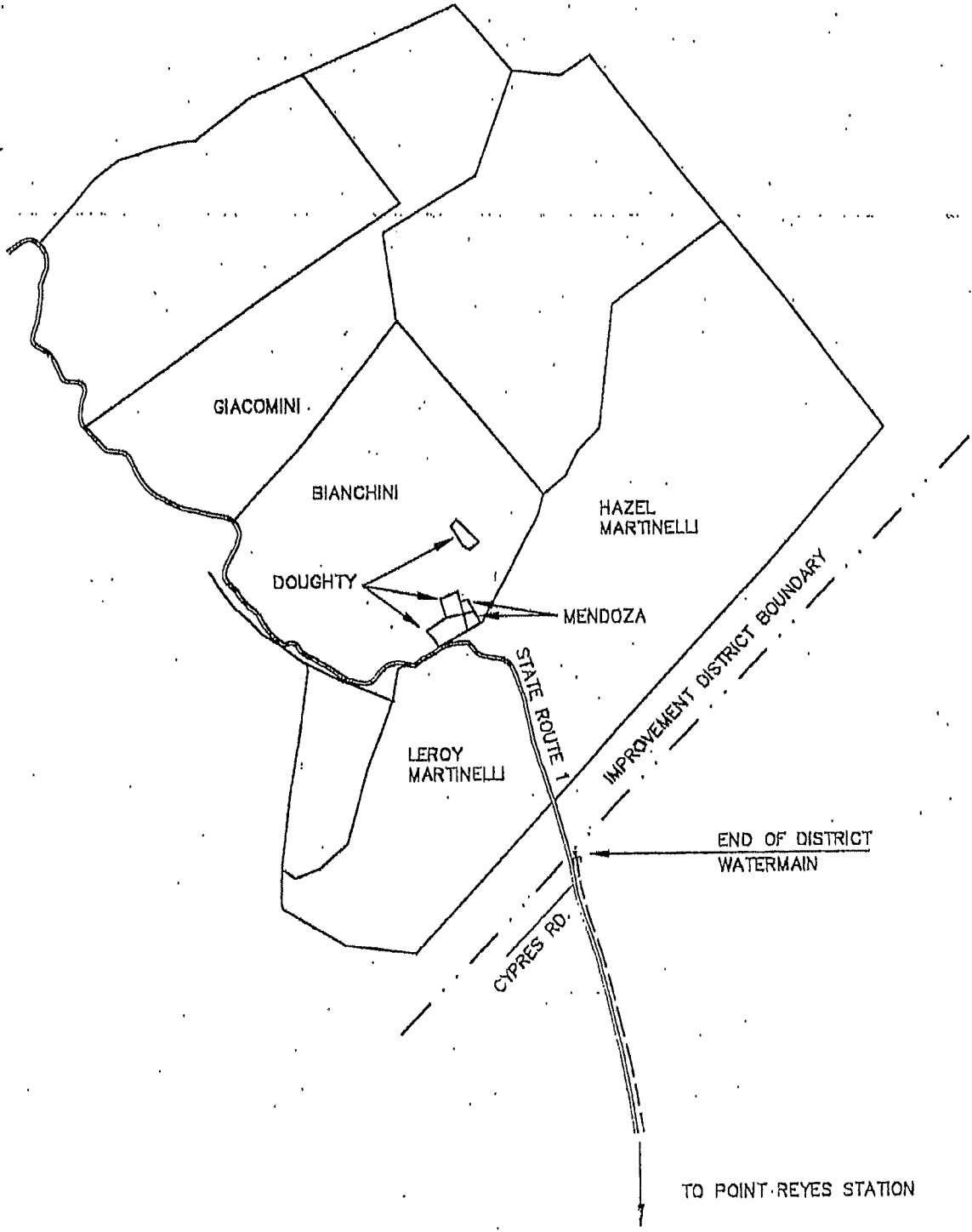


John Olaf Nelson
General Manager

JON:bn



TO TOMALES

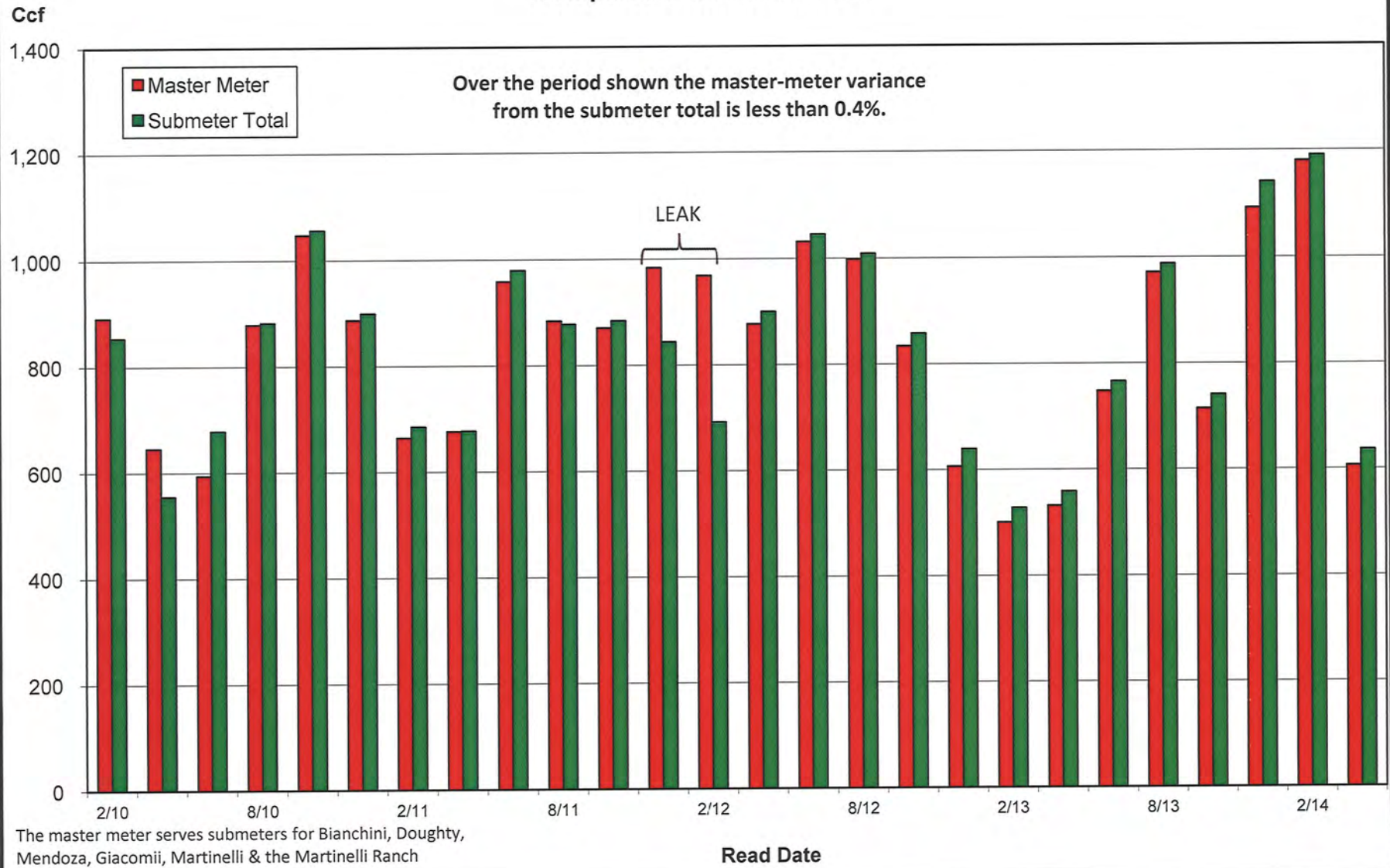


| | | | |
|--|----------|----|---------|
| <p>OUTSIDE WATER SERVICE CUSTOMERS (DOUGHTY, BIANCHINI, MENDOZA)</p> | | | |
| DATE | SCALE | DR | JOB.NO. |
| 11/16/00 | 1"=2400' | UU | 2-1004 |

6/4/14

\\nmwdsrv1\administration\lalexcel\wtr use[state route 1 master meter.xls]data

State Route 1 Master Meter Compared to Submeter Total



The master meter serves submeters for Bianchini, Doughty, Mendoza, Giacomii, Martinelli & the Martinelli Ranch

11

City of Novato
General Plan 2035 Policy White Paper



WATER AVAILABILITY AND CONSERVATION
June 2014



The Issue

Whether water availability through the North Marin Water District (NMWD) is a constraint to future development potential as projected in the General Plan Update. Also, whether the City of Novato's existing water conservation policies and programs should or can be enhanced.

White Paper Purpose

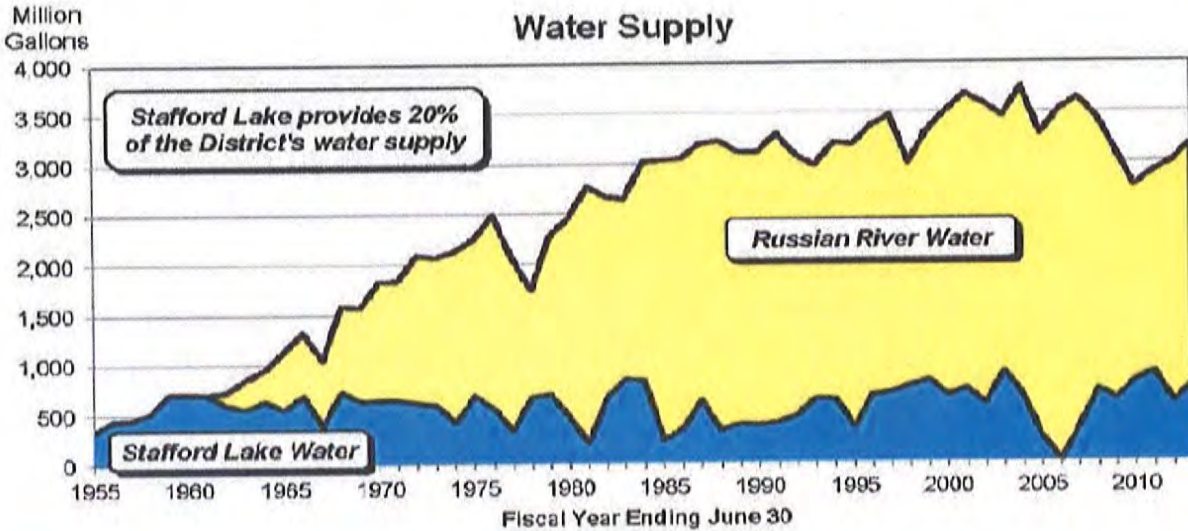
The purpose of the General Plan White Papers is to provide initial direction on certain policy questions to aid staff in the preparation of the Draft General Plan, which will then be evaluated in the environmental impact report (EIR) prepared for the General Plan. As such, the Commission recommendations and Council direction are preliminary, and will be reconsidered upon review of the Draft General Plan and EIR.

Background

North Marin Water District

The North Marin Water District (NMWD) was formed in 1948 after the Marin Municipal Water District turned down the opportunity to serve the growing Novato area beyond Hamilton Field in 1947. Bonds were passed to create a water supply for the district resulting in the building of Stafford Dam, completed in 1951, and the Stafford Lake Water Treatment Facility completed in 1952. Increasing demand prompted an increase in the height of Stafford Dam in 1954, and successful negotiations with the Sonoma County Water Agency (SCWA) in 1960 led to an agreement for Russian River water. In 1961, the North Marin Aqueduct came online to deliver Russian River water to Novato and supplement the Stafford Lake supply. Since the 1960s, NMWD's water supply has become increasingly dependent on the Russian River and the SCWA (see below), and a new Master Agreement with the SCWA and other major water contractors receiving Russian River water was signed in 1974.

Today, NMWD serves all of Novato and the surrounding unincorporated areas as well as portions of West Marin. All the following numbers relate to the Novato service area, which includes the City of Novato and surrounding unincorporated areas, unless otherwise noted. West Marin water service is completely independent from Novato and there are no pipelines connecting Novato water facilities with West Marin.



Source: Fiscal Year 2012-2013 NMWD Annual Report

| Source | Water % | 2012-'13 | Notes |
|---|---------|-----------------------|---|
| Russian River, Sonoma County Water Agency | ~ 80% | 2,423 Million Gallons | The water is naturally filtered through gravels beneath the Russian River and is delivered to NMWD after limited treatment via Sonoma County Water Agency (SCWA) pipelines to the North Marin Aqueduct. The water delivery arrangements are made pursuant to the current Master Agreement, the Restructured Agreement of 2006. |
| Stafford Lake | ~ 20% | 755 Million Gallons | Stafford Dam built on Novato Creek in 1951, and expanded in 1954. The water is treated by NMWD at the Stafford Lake Water Treatment Facility just below the dam and is used mostly during the high demand summer months. |
| Recycled Water | ~ 2% | 58 Million Gallons | The Deer Island Recycled Water Facility opened in 2007 to provide recycled water to be used on landscaping at Stone Tree Golf Course. Recycled Water for landscaping irrigation in North Novato is now produced at the Novato Sanitary District's Davidson Treatment Plant. Recycled water is also purchased from the Las Gallinas Valley Sanitary District and is used for landscaping irrigation in the Hamilton Field / South Novato area. |

Source: Fiscal Year 2012-2013 NMWD Annual Report for numbers, NMWD website for other information

In the Novato area, NMWD facilities include 37 million gallons of treated water storage capacity, which is enough for two days of Novato water supply at maximum demand.

Sonoma County Water Agency (SCWA) – Russian River

The SCWA supplies the majority of NMWD’s water as it controls water rights to the Russian River water supply system. The SCWA service area encompasses most of Sonoma County, except for many of the main cities which also contract water from the SCWA, such as Windsor, Santa Rosa, Cotati, Petaluma, Sonoma, and Rohnert Park. The SCWA Russian River water system receives some water diverted out of the Eel River. The system also includes two reservoirs: Lake Mendocino (79,000 acre-feet water supply capacity) in the north and Lake Sonoma (245,000 acre-feet water supply capacity) further south. The water received by NMWD mostly originates from Lake Sonoma, where it is released to the Russian River via Dry Creek. Further down the Russian River, the SCWA collects water from below the riverbed, and sends it through the Russian River – Cotati Intertie Aqueduct and the Petaluma Aqueduct, which is then eventually connected to the North Marin Aqueduct (see map in appendix).

Current water supply from the SCWA is delivered pursuant to the 2006 Restructured Agreement, in conjunction with the SCWA and other major water contractors. The delivery obligations are subject to many conditions, including environmental regulation and water shortage. The agreed upon deliveries for the NMWD are below:

| Water Contractor/Aqueduct | Average Rate of Flow During Any Month | Annual Amount During Fiscal Year (excluding surplus water) |
|---|--|---|
| North Marin From Petaluma Aqueduct | 19.9 million gallons a day | 14,100 acre-feet (4,595 million gallons) |

Source: 2006 Restructured Agreement

SCWA and NMWD do not currently have the capacity to convey all of the water contractually allocated, due to the limited capacity of the North Marin Aqueduct. Currently, the aqueduct can transport 18 million gallons of water a day using SCWA pumps, and only 11.2 million gallons of water a day from gravity flow without the pumps. In large part due to the water shortage that was caused when SCWA turned off the water pumps in the summer of 2009, NMWD is currently upgrading the aqueduct, which will allow the transport of 18 million gallons of water a day solely with gravity. The project is scheduled to be completed mid-2015.

The North Marin Aqueduct is also used to transport water to the Marin Municipal Water District (MMWD), which averages about 2,500 million gallons of water a year, and is not a component of NMWD’s allocation of SCWA’s water supply. SCWA and MMWD have a separate agreement for water supply, and NMWD and MMWD have entered into an Interconnection Agreement providing for the terms under which MMWD pays NMWD to deliver its SCWA water supply when capacity is available in the North Marin Aqueduct.

Although the SCWA does reserve the right to restrict deliveries in times of water scarcity, so far this has not been required in this drought beyond the 20% voluntary reductions for all districts and cities that receive water from the lower Russian River. Furthermore, the 2006 Restructured Agreement provides that the SCWA cannot cut off NMWD’s water supply for political reasons in times of a drought, but shall allocate water among all users pursuant to the terms in the Restructured Agreement:

In the event of a [drought], the [SCWA] first shall cease all deliveries of Surplus Water to other than the Water Contractors; second shall cease deliveries of all Surplus Water; third, shall cease deliveries to Regular Customers in excess of their respective annual Entitlement Limits ...

The Restructured Agreement goes on to detail specific past agreements, including honoring a 1996 agreement with the Marin Municipal Water District, to directly detail how all customers, including the NMWD, will have their water apportioned during these times of shortage or water scarcity.

In the Russian River water supply system, ample water is available, but there are challenges due to environmental impacts. Environmental restrictions on the SCWA are imposed by the State's Water Resource Control Board 1986 Decision 1610 (D1610) and the federal government's 2008 Biological Opinion (BO). Both work to specify water requirements that will best help wildlife and the environment. The lower Russian River, as defined from where Dry Creek enters the Russian River to the ocean (see appendix map), where NMWD receives its Russian River water, has been affected by the 2008 BO. The 2008 BO recommends slower flows especially during summer months to allow for slower moving water that enables fish to swim and spawn more easily, including along Dry Creek. As such, the SCWA and the U.S. Army Corps of Engineers are working to create and restore zones of slower flow along Dry Creek that still enables water to be delivered from Lake Sonoma to the Russian River without the detrimental environmental impact.

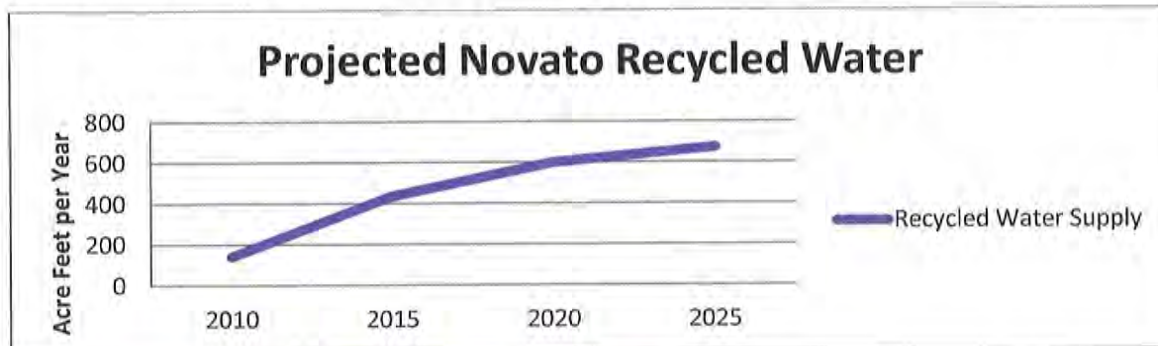
The lower Russian River is not as drastically affected as the upper Russian River, where much of the Sonoma County angst due to the current drought is apparent, in large part due to the more limited capacity of Lake Mendocino and the limitation of water diverted from the Eel River. D1610 requires specified minimum flows that can be challenging to meet especially in the upper Russian River with the limited capacity of Lake Mendocino. Although there are reductions in requirements in times of drought, the requirements currently take a heavy toll on water availability for the upper Russian River communities, such as Healdsburg (current 20% mandatory water usage reduction) and Cloverdale (current 25% mandatory water usage reduction). The 2008 BO particularly targets endangered fish species in the upper Russian River, including: steelhead, coho salmon, and Chinook salmon. The SCWA is currently working to reduce the minimum flows required by the State's D1610 to better meet the suggestions offered by the federal 2008 BO that will improve water reliability for upper Russian River communities.

The SCWA's current first priority is to meet the environmental reasonable and prudent alternatives stipulated in the 2008 BO, which has a timeline extending from 2008-2023, and then will move to perfect additional water rights as may be necessary, namely increasing supply to properly meet all contractually allocated water supply.

New Water Supply – Recycled Water

In cooperation with the SCWA and other major water contractors, NMWD is greatly increasing its recycled water supply. NMWD has identified large landscape areas in and around Novato as

potential sites to use recycled water. NMWD completed a north Novato delivery system in September 2012, and completed a south Novato delivery system in the Hamilton Field area in July 2013. NMWD is planning to expand its recycled water delivery system, including starting construction on a north-central delivery system in 2018. There were 58 million gallons of recycled water used in the fiscal year 2012-2013, and this total is planned to increase to about 220 million gallons by 2025. Money for this expansion is partially received from federal grants and state low-interest loans, intended to be repaid from new development water hookup fees, to help offset new water usage.



Source: 2010 NMWD Urban Water Management Plan (UWMP)

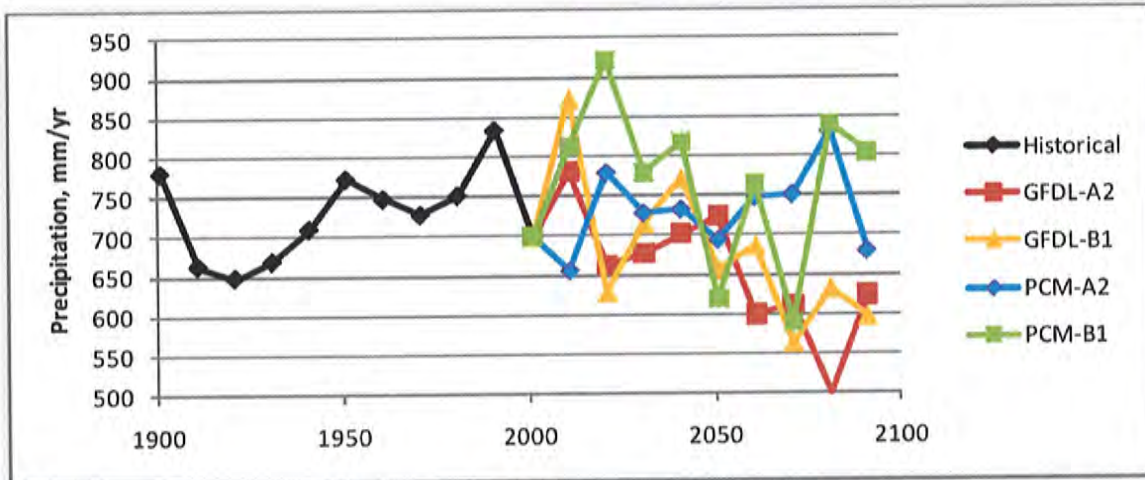
Long Term Supply - Climate Change Impacts on Water

As has been well established by the scientific community, the earth’s temperature is rising as part of climate change, which may affect water supply. Approximately 45 percent of the rainfall received within the Russian River water supply system comes from extreme weather events, otherwise known as atmospheric rivers (AR) or, by their name in California, pineapple expresses. Considering the reliance on ARs for much of the water supply, the potential impact of global warming on ARs is important.

In Dettinger’s 2011 *Climate Change, Atmospheric Rivers and Floods in California-A multimodel analysis of storm frequency and magnitude changes*, he finds that overall, average AR intensities don’t change that much, but occasional ARs are much stronger than historical ARs, and that they may occur more in bunches, meaning more flooding years and more drought years.

Atmospheric conditions associated with major storms and floods in California, in particular pineapple express or AR storms, were assessed [in this study] in the context of recent projections of 21st Century climate change. Projected changes in these storms are mostly at the extremes: Years with many AR storms become more frequent in most climate-change projections analyzed [in this study], but the average number of such storms per year is not projected to change much.

The SCWA also worked with the U.S. Geological Survey (USGS) to produce models to show the potential impacts of climate change on water in the Russian River watershed. As with Dettinger, the models predicted variable rainfall from year to year, indicating more opportunities for droughts, which the SCWA is planning and preparing for. The results of the models are shown below:



Source: USGS-SCWA Climate Change Study, in June 27, 2013 Presentation: Developing Adaption Strategies That Address the Spectrum of Extremes, From Floods to Droughts

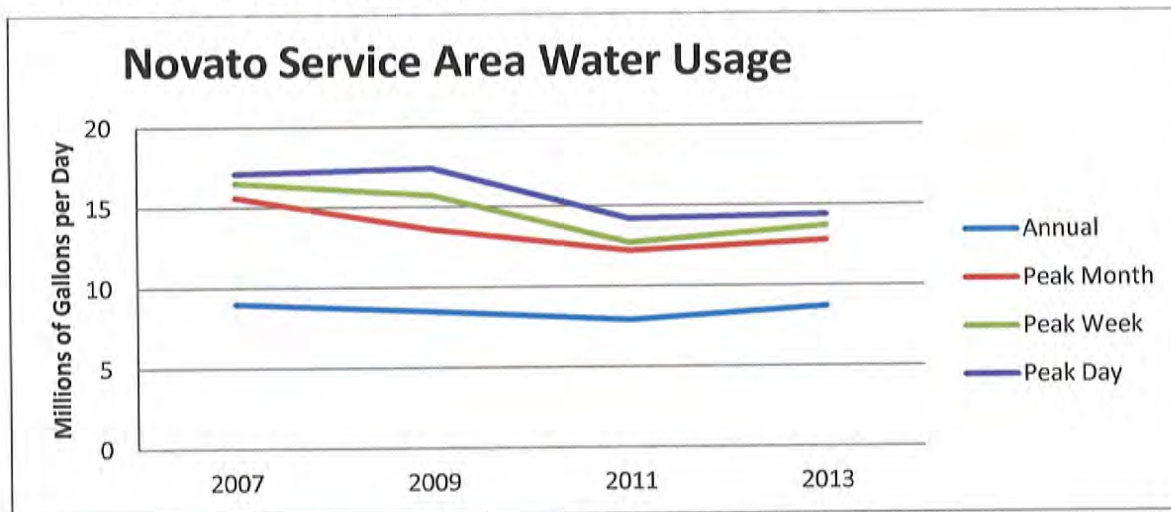
Although there is the possibility for climate change impacts on the Russian River water supply system, all projections are extremely varied with unknown implications. As Dettinger states,

The present analysis and results are limited ... by the small ensembles of projections analyzed and by potential differences between simulated and real-world landfalling ARs.

As such, although impacts of climate change can be approximated, the actual effect on local rainfall is impossible to predict.

Water Demand in the Novato Area

Water demand in the Novato Area has been decreasing over the last few years, as is demonstrated by the following chart:

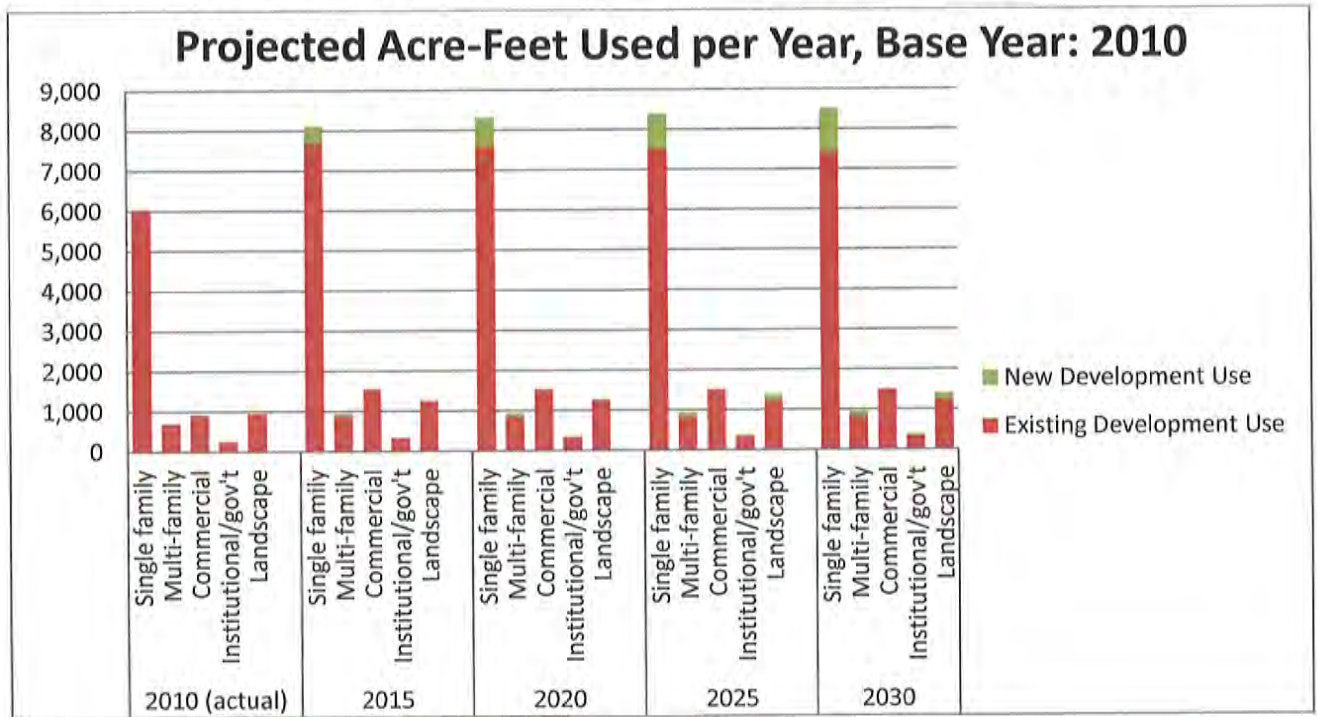


Source: Fiscal Year 2012-2013 NMWD Annual Report

Future demand is a function of two components: the number of customers and per capita water usage which reflects conservation. Water demand is projected to stay fairly stable into the future with new development offset by conservation efforts and higher efficiency requirements for both new construction and remodels as mandated by the latest California Green Building Standards Code (CAL Green).

Actual water demand has been less than that projected by the NMWD. The original 2010 Urban Water Management Plan (UWMP), a State-mandated future assessment document produced by NMWD every five years, projected that 11,880 acre-feet of water would be used in 2015, but now only 9,900 acre-feet of water is being projected to be used in 2014, and 2015 is likely to be at a similar level. This is in part due to two reasons: 1) higher conservation, in part related to the drought, and 2) less development than originally projected.

Considering the fact that the 2010 UWMP numbers are already conservatively overestimated, the following chart provides a limited rough idea of how much new development will impact water usage overall. The chart is calculated by first projecting the new number of accounts compared to a 2010 baseline, and then apportioning the water used by percentage of new accounts. Beyond the 2010 UWMP numbers being overstated, this chart also overestimates the percentage of use by new developments since new developments are required to meet more stringent building codes and conservation standards, which is not taken into consideration.



Source: 2010 NMWD UWMP, calculated by first calculating the new number of accounts compared to a 2010 baseline, and then apportioning the water used by percentage of new accounts

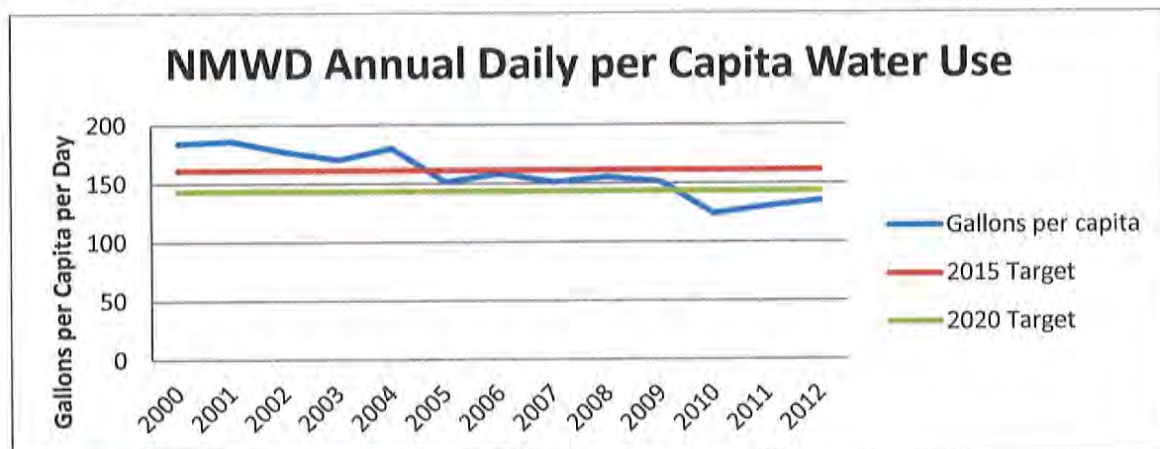
NMWD Water Conservation

Conservation is especially focused on reducing peak summer demand, when more daily water is used for watering landscapes and other outdoor uses like swimming pools.

NMWD has initiated many conservation programs including, but not limited to:

- Water Smart Home Survey – providing customers the chance to learn about their water usage
- Fixture Distribution – providing free water-efficient sink aerators and showerheads
- Rebates – Clothes washing machines, high efficiency toilets, lawn removal, smart irrigation controllers, and rainwater catchment/greywater reuse installations
- Stringent Building Requirements – requiring new buildings to meet high standards for water conservation in buildings and with landscaping irrigation
- Incentivizing conservation with different tier rates for customers
- Working with the City of Novato, Novato Unified School District and commercial businesses to provide targeted rebates and other water conservation assistance.

In part, the measures are designed to reach the *20x2020 Water Conservation Plan*, put into law by California through the *Water Conservation Act of 2009* (Senate Bill X7-7). The 20x2020 Plan requires all urban water districts to reduce per capita water usage by 20% by 2020 based on a complex formula taking a basket average of historical years of per capita water consumption. The NMWD has joined other water districts in the Sonoma Marin Saving Water Partnership (SMSWP), including SCWA that use Russian River water supplies, so that the SMSWP has to reach the 20% goal as a whole. As of right now, both the NMWD and the SMSWP have met the 20% per capita reduction goal (see appendix).



Source: 2010 NMWD UWMP, NMWD

The City of Novato has the power to mandate certain levels of water conservation through the building code. Beyond the required 2013 CAL Green, the City Council added several of the optional guidelines (Tier 1) as mandatory requirements for new construction. However, in terms of new requirements for water conservation, CAL Green Tier 1 is not significantly

different from many of the standards that were already implemented for new buildings by NMWD.

NMWD utilizes levels of conservation in its projections and modeling of future water demand. Hence, depending on the expected levels of development and water supply, NMWD will increase water conservation programs and incentives as needed to balance demand with the available supply.

Analysis

Considering the current and potential future levels of water availability for the City of Novato and the NMWD, what are the implications in the near and far future?

Near Term Water Supply

In the near term, namely the next 25 years of planning, there is little concern for the impact of development on the water supply. The NMWD has considered the planned developments pursuant to local and regional land use plans (which are often conservative, meaning they project a higher population) and will be able to meet those needs in the upcoming decades. Considering the fact that NMWD is prepared for more development than is likely to occur, development currently projected by the Association of Bay Area Governments (ABAG) appears to pose no threat to water supply and availability. As is shown below, the NMWD is planning for more growth than the ABAG projections suggest.

| Population Projections Comparison | 2010 | 2015 | 2020 | 2025 | 2030 |
|--|--------|--------|--------|--------|--------|
| (Only) City of Novato 2013 ABAG Projections | 51,904 | 52,500 | 53,200 | 53,900 | 54,700 |
| 5-year Projected Change | - | 594 | 700 | 700 | 800 |
| NMWD Novato Service Area, 2010 Urban Plan, using '05, '07, '09 ABAG Projections | 60,423 | 62,589 | 64,804 | 66,272 | 67,626 |
| 5-year Projected Change | - | 2,166 | 2,215 | 1,468 | 1,354 |
| Extra Projected Population by the NMWD Projections | - | 1,572 | 1,515 | 768 | 554 |

Source: 2013 ABAG Projections, 2010 NMWD UWMP

Droughts themselves do not seem to significantly change this analysis. Despite the current three years of drought, Lake Sonoma, which is currently at 73% of capacity, has held up remarkably well and has the capacity to withstand multiple years of drought. It would take a significantly worse drought than there is currently for Lake Sonoma to reach 100,000 acre-feet or less of available water to trigger a 30% mandatory reduction in Russian River water delivery. Although that would be a significant reduction, NMWD currently only uses about 53% of its annual delivery available under the 2006 Restructured Agreement.

More generally, a concerted effort with the SCWA and major water contractors including NMWD to conserve has been fairly successful and avoiding diminished water supplies. Considering how the 2006 Restructured Agreement helps ensure NMWD's water supply, there seems to be little concern that political pressures would cause the SCWA to curtail water supply to NMWD and Marin more generally.

Far Future Water Supply

In looking at the far future, an important factor is climate change. In particular, research shows there is a distinct chance that climate change may increase the occurrence of droughts. In this situation, the near future water supply analysis still applies. NMWD is in fairly good shape to handle droughts in large part because of the efforts of the SCWA. For a serious water issue, there would need to be a drought lasting more than a few years, but the chances of this particular occurrence under climate change is unknown. Also, considering how climate change may likely increase intensity of heavy ARs, producing more rain, it is hard to exactly project if water availability and supply will be dramatically changed because of climate change.

The large capacity of Lake Sonoma is an extra hedge against the potential challenges of climate change as well as the awareness of the SCWA. Considering the fact Lake Sonoma can already handle multiple years of drought (as it is doing so now), the predicted impact of climate change may be neutralized. As climate change will likely increase both years of drought and years of plenty, the years of plenty may provide Lake Sonoma the chance to replenish itself in preparation for the dry years. Beyond Lake Sonoma, the SCWA is paying attention to and preparing for the impacts of climate change. Once it has completed projects for meeting endangered species requirements around 2023, it will move to securing additional water rights which may be needed to meet future demands. Although this will likely focus first on the upper Russian River, the effort will include the lower Russian River water rights if being impacted by climate change.

Finally, although there is some underdeveloped and underutilized land still available in Novato, such space is limited, restricting any significant scale of new land development in the very long-term. There is some unincorporated land not in the City of Novato but still in the NMWD service area that could see some development, but such land seems to be limited for development as well. Even with moderate levels of development considering the available land left, it appears that NMWD will have little problems properly servicing the new and existing developments with water.

Policy Options

The City's Building Division and the NMWD work collaboratively to implement water conservation ordinances including the California Building Code, the State Water Efficient Landscape Ordinance (WELO) and the Water District's Regulation 15 (Water Conservation Ordinance). The City reviews all building permit applications for compliance with the California Building Code's Plumbing Code and the new CAL Green Code. The District provides plan check services to verify that landscape plans for new development meet the WELO and Regulation 15. The City and NMWD also work closely together to help identify City-owned sites for use of

recycled water and the City works with NMWD to facilitate the construction of recycled water infrastructure.

The City adopted the 2013 CAL Green Code, requiring compliance with Tier 1 standards for new construction. The base CAL Green code requires residential projects to install low-flow faucets and showerheads and water-efficient toilets (1.28 gallons per flush), among other requirements. Tier 1 requires residential projects to select and implement two additional water conservation actions from a list of possible measures, including installation of lower flow kitchen faucets (1.5 gallons per minute vs. 1.8 gallons per minute as required under the base code), higher efficiency dishwashers and clothes washers, rainwater catchment systems, and graywater systems for landscape irrigation. The Water District's Regulation 15 exceeds the CAL Green requirements in several areas, including requirements for lower flow urinals and greater restrictions on lawn area. In fact, NMWD's landscape irrigation regulations already meet the more restrictive Tier 2 requirements. The City Council directed staff to consider application of Tier 1 requirements to major remodeling projects when we have more experience administering the new CAL Green code on new construction.

While the current regulations and cooperative working relationship of the City and Water District have resulted in water conservation regulations and permit review that exceeds state standards, the following policy options are available for consideration, with staff's analysis of the pros and cons of each option.

Water Availability and Conservation Policy Options

- 1. Reduce the City's standard for new construction for water conservation requirements from CAL Green Tier 1 back to the base CAL Green Code.**
- 2. Increase CAL Green water conservation requirements from Tier 1 to Tier 2, requiring additional indoor and outdoor water conservation measures. For example, Tier 2 requires residential projects to select and implement three additional water conservation measures, as opposed to two measures for Tier 1.**
- 3. Adopt local requirement that new multi-family and commercial buildings install dual plumbing (separate water lines to toilets and urinals) to allow future use of recycled water in bathrooms when state plumbing codes change to allow such use of recycled water.**
- 4. Require upgrade (change-out) of plumbing fixtures to current code requirements for major remodel projects or tenant improvements (i.e., require retrofitting of all plumbing fixtures, beyond those within the area of the remodel). [Note: NMWD currently requires change-out of plumbing fixtures upon change in property ownership.]**
- 5. Require net-zero water use for new development through maximum water conservation measures and off-setting remaining water need through retrofitting of existing development for an equivalent amount of water conservation.**

Analysis of Water Availability and Conservation Policy Options

1. Reduce the City's standard for new construction for water conservation requirements from CAL Green Tier 1 back to the base CAL Green Code.

Pros

- a. Less cost and fewer requirements for applicants for new buildings
- b. More flexibility for NMWD to regulate water conservation in new development

Cons

- a. Potential greater water use in new buildings
- b. Less progressive green building approach than Novato's past practice
- c. Greater reliance on the NMWD to regulate water conservation in new development
- d. Potentially confusing inconsistent standard of CAL Green Tiers

2. Increase CAL Green water conservation requirements from Tier 1 to Tier 2.

Pros

- a. Potential increase in water conservation in new residential and commercial buildings.

Cons

- a. Somewhat greater cost to applicants
- b. More responsibility on Building Division for additional plan checking and inspection for additional CAL Green requirements
- c. Less flexibility for NMWD to optimally regulate water conservation in new development
- d. Potentially confusing inconsistent standard of CAL Green Tiers

3. Adopt local requirement that new multi-family and commercial buildings install dual plumbing (separate water lines to toilets and urinals) to allow future use of recycled water in bathrooms when state plumbing codes change to allow such use of recycled water.

Pros

- a. If plumbing codes are changed and recycled water is made available in the area, conserves water used in urinals and toilets

Cons

- a. Increased cost of installation of additional plumbing lines
- b. Limited potential water saved – there are currently requirements placed on the amount of water used by toilets and urinals
- c. Uncertainty if and when plumbing codes will change and if the installed plumbing lines will meet future code requirements
- d. Uncertainty if and when area will be served by recycled water
- e. Required hiring of consultants to create specific requirements
- f. More responsibility on Building Division for additional plan checking and inspection

g. Less flexibility for NMWD to optimally regulate dual plumbing in new development

- 4. Require upgrade (change-out) of plumbing fixtures to current code requirements for major remodel projects or tenant improvements (e.g., require retrofitting of all plumbing fixtures, beyond those within the area of the remodel). [Note: NMWD currently requires change-out of plumbing fixtures upon residential resale.]**

Pros

a. Achieves an increase in water conservation through the remodel process

Cons

- a. Increased cost to applicants during building remodels
b. More responsibility on Building Division for additional plan checking and inspection
c. Less flexibility for NMWD to optimally regulate water conservation in new development

- 5. Require net-zero water use for new development through maximum water conservation measures and off-setting remaining water need through retrofitting of existing development for an equivalent amount of water conservation.**

Pros

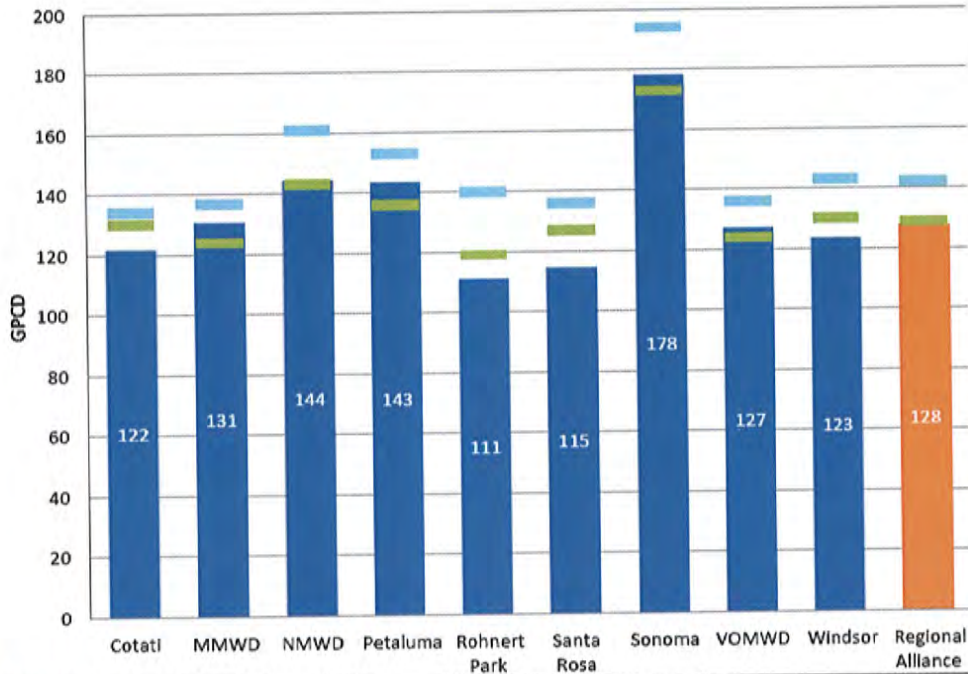
a. Achieves no increased water demand for new development

Cons

- a. Increased cost to applicants for new buildings, beyond existing building codes and subsidy of the expansion of the recycled water infrastructure by NMWD
b. Required hiring of consultants for preparation of a nexus study to both calculate expected water usage for new development types and create specific requirements to achieve net zero water use for different development types
c. More responsibility on Building Division for additional plan checking and inspection
d. Much less flexibility for NMWD to optimally regulate water conservation in new development
e. Potential for conflicting codes between the City and NMWD in which water conservation requirements differ for new development

Conclusion

Staff is requesting the Planning Commission consider the issues presented and provide a policy recommendation to the City Council.



| | Cotati | MMWD | NMWD | Petaluma | Rohnert Park | Santa Rosa | Sonoma | VOMWD | Windsor | Regional Alliance |
|-------------|--------|------|------|----------|--------------|------------|--------|-------|---------|-------------------|
| 2013 GPCD | 122 | 131 | 144 | 143 | 111 | 115 | 178 | 127 | 123 | 128 |
| 2015 Target | 134 | 137 | 161 | 153 | 140 | 136 | 194 | 136 | 143 | 142 |
| 2020 Target | 130 | 124 | 143 | 136 | 119 | 127 | 173 | 124 | 130 | 129 |

Source: Sonoma-Marín Water Saving Partnership, Memorandum: UPDATED 2013 Gallon per Capita per Day (GPCD)

Novato Service Area Average Day Potable Water Production (MG)

| | 2007 | 2009 | 2011 | 2013 |
|------------|------|------|------|------|
| Annual | 9.0 | 8.5 | 7.9 | 8.7 |
| Peak Month | 15.6 | 13.6 | 12.2 | 12.8 |
| Peak Week | 16.5 | 15.7 | 12.7 | 13.7 |
| Peak Day | 17.1 | 17.4 | 14.2 | 14.4 |

Source: Fiscal Year 2012-2013 NMWD Annual Report

| 2013 ABAG Projections | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Novato Population | 51,904 | 52,500 | 53,200 | 53,900 | 54,700 | 55,700 | 56,70 |
| Novato Households | 20,279 | 20,470 | 20,680 | 20,880 | 21,070 | 21,250 | 21,450 |
| Novato Jobs | 20,890 | 21,770 | 22,710 | 23,040 | 23,410 | 23,870 | 24,390 |
| NMWD Novato Service Area, 2010 Urban Plan, from '05, '07, '09 ABAG | 60,423 | 62,589 | 64,804 | 66,272 | 67,626 | 67,808 | - |

Sources: 2013 ABAG Projections, 2010 NMWD UWMP

**Table 5-5 (DWR Table 28)
2035 Supply Reliability — Historic Conditions (AFY)**

| Water Supply Sources | Avg/Normal Water Year | Single Dry Water Year | Multiple Dry Water Years | | | |
|---------------------------------|-----------------------|-----------------------|--------------------------|--------------|--------------|--------------|
| | | | Year 1 | Year 2 | Year 3 | Year 4 |
| Sonoma County Water Agency | 10912 | 7991 | 10912 | 10912 | 10912 | 10912 |
| Local Surface Water | 1000 | 2500 | 1000 | 1000 | 1000 | 1000 |
| Recycled Water | 673 | 673 | 673 | 673 | 673 | 673 |
| Total | 12985 | 11164 | 12585 | 12585 | 12585 | 12585 |
| Percent of Average/Normal Year: | 100.0% | 89.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| Novato Area Water Production (MG) | 2007 | 2009 | 2011 | 2013 |
|-----------------------------------|--------------|--------------|--------------|--------------|
| Stafford Treatment Plant | 349 | 623 | 884 | 755 |
| Recycled Water | - | 75 | 55 | 58 |
| Russian River Water Purchases | 3,292 | 2,731 | 2,013 | 2,423 |
| Total | 3,641 | 3,429 | 2,952 | 3,236 |

Source: Fiscal Year 2012-2013 NMWD Annual Report

**Table 3-6 (DWR Table 4)
Water deliveries — actual, 2010**

| Water use sectors | 2010 | | | | Total Volume |
|----------------------------|---------------|--------------|---------------|----------|--------------|
| | Metered | | Not metered | | |
| | # of accounts | Volume | # of accounts | Volume | |
| Single family | 18,031 | 6,031 | | | 6,031 |
| Multi-family | 661 | 695 | | | 695 |
| Commercial | 1,078 | 911 | | | 911 |
| Industrial | 0 | 0 | | | 0 |
| Institutional/governmental | 114 | 251 | | | 251 |
| Landscape | 427 | 941 | | | 941 |
| Agriculture | 1 | 3 | | | 3 |
| Other | | | | | 0 |
| Total | 20,352 | 8,832 | 0 | 0 | 8,832 |

Units (circle one): acre-feet per year million gallons per year cubic feet per year

**Table 5-7 (DWR Table 31)
Supply reliability — current water sources**

| Water supply sources ¹ | Average / Normal Water Year Supply ² | Multiple Dry Water Year Supply ² | | |
|-----------------------------------|---|---|---------------|---------------|
| | | Year 2011 | Year 2012 | Year 2013 |
| Sonoma County Water Agency | 9,182 | 9,182 | 9,182 | 9,182 |
| Local Surface Water | 2,500 | 2,500 | 2,500 | 2,500 |
| Recycled Water | 140 | 140 | 140 | 140 |
| Total Supply | 11,822 | 11,822 | 11,822 | 11,822 |
| Percent of normal year: | | 100% | 100% | 100% |

Units (circle one): acre-feet per year million gallons per year cubic feet per year
¹From Table 16.
²See Table 27 for basis of water type years.

**Table 3-7 (DWR Table 5)
Water deliveries — projected, 2015**

| Water use sectors | 2015 | | | | Total Volume |
|----------------------------|---------------|---------------|---------------|----------|---------------|
| | Metered | | Not metered | | |
| | # of accounts | Volume | # of accounts | Volume | |
| Single family | 19,039 | 8,105 | | | 8,105 |
| Multi-family | 739 | 930 | | | 930 |
| Commercial | 882 | 1,271 | | | 1,271 |
| Industrial | 0 | 0 | | | 0 |
| Institutional/governmental | 105 | 312 | | | 312 |
| Landscape | 403 | 1,183 | | | 1,183 |
| Agriculture | | | | | 0 |
| Other | 422 | 76 | | | 76 |
| Total | 21,595 | 11,880 | 0 | 0 | 11,880 |

Units (circle one): acre-feet per year million gallons per year cubic feet per year

**Table 5-8 (DWR Table 32)
Supply and demand comparison — normal year**

| | 2015 | 2020 | 2025 | 2030 | 2035 - opt |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Supply totals (from Table 16) | 12,336 | 12,659 | 12,889 | 12,947 | 12,803 |
| Demand totals (From Table 11) | 11,642 | 11,577 | 11,829 | 11,568 | 11,336 |
| Difference | 694 | 1,092 | 1,260 | 1,379 | 1,467 |
| Difference as % of Supply | | | | | |
| Difference as % of Demand | 6.0% | 9.4% | 10.8% | 11.9% | 12.9% |

Units are in acre-feet per year.

**Table 3-9 (DWR Table 7)
Water deliveries — projected 2025, 2030, and 2035**

| Water use sectors | 2025 | | 2030 | | 2035 - optional | |
|----------------------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| | metered | | metered | | metered | |
| | # of accounts | Volume | # of accounts | Volume | # of accounts | Volume |
| Single family | 20,215 | 8,402 | 20,648 | 8,509 | 20,707 | 8,478 |
| Multi-family | 782 | 938 | 798 | 942 | 800 | 933 |
| Commercial | 1,011 | 1,412 | 1,036 | 1,433 | 1,060 | 1,455 |
| Industrial | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutional/governmental | 121 | 358 | 124 | 366 | 127 | 375 |
| Landscape | 467 | 1,356 | 479 | 1,388 | 490 | 1,421 |
| Agriculture | | | | | | |
| Other | 484 | 87 | 496 | 89 | 507 | 91 |
| Total | 23,080 | 12,553 | 23,581 | 12,727 | 23,691 | 12,753 |

Units (circle one): acre-feet per year million gallons per year cubic feet per year

12

DISBURSEMENTS - DATED JUNE 5, 2014

Date Prepared: 6/3/14

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

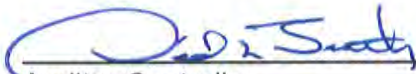
| Seq | Payable To | For | Amount |
|-----|-------------------------------|--|------------|
| 1 | Aberegg, Michael | Drafting Services: Atherton Tank As-Builts & Renovations (Balance Remaining on Contract \$14,068) | \$1,760.00 |
| 2 | Anthony, Dan | Novato "Washer Rebate" Program | 50.00 |
| 3 | AT&T | May Internet Service @ P RTP | 70.00 |
| 4 | AT&T | Telephone Charges: Leased Lines | 747.52 |
| 5 | Baker, Jack | May Director's Fee | 400.00 |
| 6 | Business Card | Parking (\$5), Deposit on Hotel for ACWA (\$232) (Bentley), Birthday Breakfasts (\$147), Mouse (\$48) (Landeros), Ad for Laborer Position (\$75), Coffee, Plates, Forks, Cake (\$31) (Clean-up Day), Aquapoxy (1 gal) (\$145), Water Conservation Marketing (\$19) & Natl. Association of Corrosion Engineers Membership (\$130) (4/14-4/15) (Jackson) | 839.31 |
| 7 | California State Disbursement | Wage Assignment Order | 1,018.50 |
| 8 | CalPERS Health Benefits | Health Insurance Premium (Employees \$51,896, Retirees \$6,273 & Employee Contrib \$9,782) | 67,950.91 |
| 9 | CDW-Government | RTU Battery Backup | 129.57 |
| 10 | CCI Pipeline Systems | Casing Spacers (12) (\$980) & End Seal Wraps (4) (\$215) | 1,195.00 |
| 11 | CPI International | Coded AA Multi-Element Lamp (Lab) | 556.85 |
| 12 | CSW/Stuber-Stroeh Engineering | Engineering Services: AEEP MSN (Balance Remaining on Contract \$102,545) | 31,515.34 |
| 13 | DeGabriele, Chris | Exp Reimb: May Mileage | 193.20 |
| 14 | Duckworth, James | Novato "Cash for Grass" Program | 400.00 |


| Seq | Payable To | For | Amount |
|-----|------------------------|---|-----------|
| 15 | Fraites, Rick | May Director's Fee (\$400) & North Bay Watershed Assoc Meeting on 5/7/14 (\$200) | 600.00 |
| 16 | Glover, Steven | Novato "Washer Rebate" Program | 50.00 |
| 17 | Grainger | Knee Pads (2), Kneeling Pads (2) (\$90), Round Slings (2) (\$95), Sump Pump (\$492), Sump Pump Switch (\$317), Ribbon Cartridge for Label Maker (\$47) (\$2" X 150') & Clear Tape (1" X 100') (\$165) (STP) | 1,304.82 |
| 18 | Hall, Catherine | West Marin "Washer Rebate" Program | 50.00 |
| 19 | Harris and Associates | Pipe Inspection & Testing Services (Balance Remaining on Contract \$23,344) | 9,446.00 |
| 20 | Hertz Equipment Rental | Dump Truck Rental (1 month) (\$1,363) & Storage Tank & Pump (\$436) | 1,798.50 |
| 21 | Home Depot | 18 Volt Batteries (6) | 322.99 |
| 22 | Idexx Laboratories | Colilert Media & Bottles for Drinking Water Coliform Testing (Lab) | 1,625.12 |
| 23 | Journey Ford | Battery ('10 F150) (\$260) (2 Vehicles), Air Filters (2) (\$29), Oil Filters (2), Transmission Filter (\$54) & Motor Oil (6 qts) | 458.59 |
| 24 | Kaye, Cynthia | Novato "Cash for Grass" Program | 200.00 |
| 25 | KTA-TATOR | Specification Review of Tank Coating (Balance Remaining on Contract \$1,876) | 6,395.00 |
| 26 | Lab Support | Temporary Staffing During Pregnancy Leave (Lab) (19 hrs) (Balance Remaining on Contract \$13,829) | 808.50 |
| 27 | LGVSD | Recycled Water Deliveries (1/1-3/31/14) | 7,226.22 |
| 28 | Lincoln Life | Deferred Compensation PPE 5/31/14 | 12,720.87 |
| 29 | Lynam, Susan | Novato "Washer Rebate" Program | 50.00 |
| 30 | Maltby Electric | Electrical Cord Plug for Generator & Electrical Conduit Elbows (6) | 74.87 |
| 31 | McLellan, WK | Misc Paving (1,194 S.F.) & Spot Repair NMWD Parking Lot (\$16,336) | 27,218.94 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|---|----------|
| 32 | McDill, William | Novato "Toilet Rebate" Program | 198.00 |
| 33 | Motsinger, Cynthia | Novato "Washer Rebate" Program | 50.00 |
| 34 | Nationwide Retirement Solution | Deferred Compensation PPE 5/31/14 | 1,025.00 |
| 35 | Novato Builders Supply | Lumber, Stakes, Concrete (1/2 yd) (\$104) & Heavy Duty Bags (AC Containment) | 177.74 |
| 36 | Nute Engineering | Engineering Services: Marin Country Club Recycled Water Service Study (Balance Remaining on Contract \$107) | 864.50 |
| 37 | Pace Supply | Adaptor, Corp Stops (8) (\$222), Elbow (\$115) & Gasket | 376.73 |
| 38 | NMWD Petty Cash | Toll, Parking, Fuel for Tools (\$32), Mileage & Safety Snacks (\$20) | 71.60 |
| 39 | Petterle, Stephen | May Director's Fee | 400.00 |
| 40 | Ramudo, Pablo | Exp Reimb: BAWWA Tour/Dinner in San Francisco on 5/22/14. Mileage (\$35), Toll (\$6), Parking (\$3) & Dinner (\$50) | 93.72 |
| 41 | Rashti, Gloria | Novato "Toilet Rebate" Program | 264.00 |
| 42 | | Cafeteria Plan: Uninsured Medical & Childcare Reimbursement | 299.27 |
| 43 | Rodoni, Dennis | May Director's Fee & WSCC Meeting on 5/23/14 (\$200) | 600.00 |
| 44 | Ross, Rosalie | Novato "Toilet Rebate" Program | 200.00 |
| 45 | R&S Erection of San Francisco | Replacement Roll-up Doors for Auto Shop (3) | 9,146.00 |
| 46 | Schoonover, John | May Director's Fee Less Deferred (\$350), NBWRA Meetings on 4/21/14 (\$200) & 5/19/14 (\$200) | 750.00 |
| 47 | Schulze, James | Novato "Toilet Rebate" Program | 100.00 |
| 48 | Stockton, Barbara | Novato "Toilet Rebate" Program | 100.00 |
| 49 | Streakwave Wireless | RTU Radios (2) | 132.98 |
| 50 | The Transmitter Shop | Repair Tank Level Transmitter | 556.84 |
| 51 | Tuel, J | Novato "Washer Rebate" Program | 50.00 |

| Seq | Payable To | For | Amount |
|----------------------------|-------------------|--|----------------------------|
| 52 | USA BlueBook | Turbidity Standard (1 gal) (\$349) & Dipper (STP) | 430.34 |
| 53 | VWR International | Micro Tube Brushes (10) (Lab) | 72.14 |
| 54 | Winzer | Airbrake Fitting Kit (\$205) & Grinding Disks (20) | 384.83 |
| TOTAL DISBURSEMENTS | | | <u>\$193,520.31</u> |

The foregoing payroll and accounts payable vouchers totaling \$193,520.31 are hereby approved and authorized for payment.

 6/3/14
 Auditor-Controller Date


 6/3/2014
 General Manager Date

NORTH MARIN WATER DISTRICT CHECK REQUEST




| | |
|---------------------------|--|
| PAYEE RICK FRAITES | |
| 50 Forrest Rd | DATE <u>05/06/14</u> <small>(TODAY'S DATE)</small> |
| Novato, CA 94947 | AMOUNT: \$200.00 |

I attended the North Bay Watershed Association on 05/02/14
(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

| <p><u>DISPOSITION OF CHECK</u></p> <p><input checked="" type="checkbox"/> MAIL TO PAYEE</p> <p><input type="checkbox"/> HOLD FOR _____</p> <p><input type="checkbox"/> OTHER _____</p> <hr/> <p>APPROVED TO PAY BY _____</p> <p style="font-size: small; margin-top: 20px;">T:\FORMS\CHECK REQUEST FOR BOARD.DOC REV. 0213</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; padding: 2px;">Prepared By</td> <td style="width: 20%; padding: 2px;">Accounting Review</td> <td style="width: 20%; padding: 2px;">POST DATE</td> <td style="width: 40%; padding: 2px;">Vendor No.</td> <td rowspan="2" style="width: 20%; text-align: center; vertical-align: middle;">  </td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> <td style="height: 20px;"></td> <td style="padding: 2px;">FRA102</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="width: 40%; padding: 2px;">Invoice Number (CK Req ID)</th> <th style="width: 20%; padding: 2px;">Invoice (CK Req) Date</th> <th style="width: 40%; padding: 2px;">Invoice (CK Req) Amount</th> </tr> <tr> <td style="padding: 2px;">CKRQ</td> <td style="padding: 2px;"></td> <td style="padding: 2px; text-align: right;">\$200.00</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <th style="width: 100%; padding: 2px;">NMWD Comment</th> </tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 40%; padding: 2px;">Job Number</th> <th style="width: 30%; padding: 2px;">GL Account</th> <th style="width: 30%; padding: 2px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px; text-align: center;">56001-01-11</td> <td style="padding: 2px; text-align: right;">\$200.00</td> </tr> <tr><td style="padding: 2px;"></td><td style="padding: 2px;"></td><td style="padding: 2px;"></td></tr> <tr><td style="padding: 2px;"></td><td style="padding: 2px;"></td><td style="padding: 2px;"></td></tr> <tr><td style="padding: 2px;"></td><td style="padding: 2px;"></td><td style="padding: 2px;"></td></tr> <tr> <td colspan="2" style="text-align: right; padding: 2px;">TOTAL</td> <td style="padding: 2px; text-align: right;">\$200.00</td> </tr> </tbody> </table> | Prepared By | Accounting Review | POST DATE | Vendor No. |  | | | | FRA102 | 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 |
|---|--|-------------------------|-------------------|---|------------|---|--|--|--|--------|----------------------------|-----------------------|-------------------------|------|--|----------|--------------|--|--|--|--|------------|------------|--------|--|-------------|----------|--|--|--|--|--|--|--|--|--|--------------|--|-----------------|
| Prepared By | Accounting Review | POST DATE | Vendor No. |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | FRA102 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoice Number (CK Req ID) | Invoice (CK Req) Date | Invoice (CK Req) Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CKRQ | | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NMWD Comment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Job Number | GL Account | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 56001-01-11 | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| TOTAL | | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

NORTH MARIN WATER DISTRICT CHECK REQUEST




| | |
|-----------------------|---------------------------------------|
| PAYEE JOHN SCHOONOVER | |
| 1160 Rosalia Drive | DATE <u>5/20/14</u> (TODAY'S DATE) |
| Novato, CA 94947 | AMOUNT: \$200.00 |

I attended the NBWR A on 5/19/14
(NAME OF MEETING OR WORKSHOP) (DATE OF MEETING)

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

[Signature]
SIGNATURE

CHARGE TO: 56001-01-11

| <p>DISPOSITION OF CHECK</p> <p><input checked="" type="checkbox"/> MAIL TO PAYEE</p> <p><input type="checkbox"/> HOLD FOR _____</p> <p><input type="checkbox"/> OTHER _____</p> <p>APPROVED TO PAY BY _____</p> <p><small>T:\FORMS\CHECK REQUEST FOR BOARD.DOC REV. 0213</small></p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"><small>Prepared By</small></td> <td style="width: 15%;"><small>Accounting Review</small></td> <td style="width: 15%;"><small>POST DATE</small></td> <td style="width: 15%;"><small>Vendor No.</small></td> <td rowspan="2" style="width: 40%; text-align: center;">  NORTH MARIN WATER DISTRICT </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td>SCHO01</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 35%;"><small>Invoice Number (CK Req ID)</small></td> <td style="width: 20%;"><small>Invoice (CK Req) Date</small></td> <td style="width: 45%;"><small>Invoice (CK Req) Amount</small></td> </tr> <tr> <td>CKRQ</td> <td> </td> <td style="text-align: right;">\$200.00</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%;"><small>NMWD Comment</small></td> </tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"><small>Job Number</small></th> <th style="width: 40%;"><small>GL Account</small></th> <th style="width: 30%;"><small>Amount</small></th> </tr> </thead> <tbody> <tr> <td> </td> <td style="text-align: center;">56001-01-11</td> <td style="text-align: right;">\$200.00</td> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td style="text-align: right;">\$200.00</td> </tr> </tbody> </table> | <small>Prepared By</small> | <small>Accounting Review</small> | <small>POST DATE</small> | <small>Vendor No.</small> |  NORTH MARIN WATER DISTRICT | | | | SCHO01 | <small>Invoice Number (CK Req ID)</small> | <small>Invoice (CK Req) Date</small> | <small>Invoice (CK Req) Amount</small> | CKRQ | | \$200.00 | <small>NMWD Comment</small> | | | | | <small>Job Number</small> | <small>GL Account</small> | <small>Amount</small> | | 56001-01-11 | \$200.00 | | | | | | | | | | TOTAL | | \$200.00 |
|---|---|--|----------------------------------|---|---------------------------|---|--|--|--|--------|---|--------------------------------------|--|------|--|----------|-----------------------------|--|--|--|--|---------------------------|---------------------------|-----------------------|--|-------------|----------|--|--|--|--|--|--|--|--|--|--------------|--|-----------------|
| <small>Prepared By</small> | <small>Accounting Review</small> | <small>POST DATE</small> | <small>Vendor No.</small> |  NORTH MARIN WATER DISTRICT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | SCHO01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <small>Invoice Number (CK Req ID)</small> | <small>Invoice (CK Req) Date</small> | <small>Invoice (CK Req) Amount</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CKRQ | | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <small>NMWD Comment</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| <small>Job Number</small> | <small>GL Account</small> | <small>Amount</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 56001-01-11 | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| TOTAL | | \$200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

DISBURSEMENTS - DATED JUNE 12, 2014

Date Prepared: 6/10/14

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


| Seq | Payable To | For | Amount |
|------|--------------------------------|---|--------------|
| P/R* | Employees | Net Payroll PPE 5/31/14 | \$117,504.67 |
| EFT* | US Bank | Federal & FICA Taxes PPE 5/31/14 | 50,868.62 |
| EFT* | State of California | State Tax & SDI PPE 5/31/14 | 9,077.10 |
| 1 | Able Tire & Brake | Tires (2) ('89 Fork Lift) (\$213), Tires (4) ('12 F250) (\$707), Tires (2) ('10 F150) (\$391) | 1,311.14 |
| 2 | Agile Business & Technology | MAS90 Accounting Software Upgrade-Overhead & P/R Benefits | 1,880.26 |
| 3 | Athens Administrators | Replenish Workers' Comp Account | 108.81 |
| 4 | Automation Direct | Fuse Blocks (2) | 106.00 |
| 5 | Badger Meter | 5/8" Meters (162) (\$9,048), 1" Meters (40) (\$5,804), 1 1/2" Meters (6) (\$1,723) | 16,575.41 |
| 6 | Barrett, Peter | Novato "Toilet Rebate" Program | 100.00 |
| 7 | Bay Area Barricade Service | Traffic Cones (6) (\$111) & Broom Heads (6) (\$95) | 205.68 |
| 8 | Bold & Polisner | AEEP Caltrans Reimb B-3 (\$630), Brown Act (\$39), NBWRA Grant Outreach (\$35), RW So Phs 1B-Claims (\$56), SCWA (\$774), Sub Metering/RUBS (\$158), Water Shortage Emergency Declaration (\$930) | 2,621.00 |
| 9 | Bruce Enterprises Parking Area | Apply Sealcoat & Stripe (30 Stalls) (Digital & Leveroni Dr) | 3,705.85 |
| 10 | CalPERS Retirement System | Pension Contribution PPE 5/31/14 | 47,192.74 |
| 11 | Costco Wholesale | Coffee (14 lbs) | 73.74 |
| 12 | Digital Prints & Imaging | 8 Sets of Specs (Gallagher Well Pipeline Project) | 552.36 |
| 13 | Elkins, Ling | Novato "Cash for Grass" Program | 200.00 |


| Seq | Payable To | For | Amount |
|-----|---------------------------|--|-----------|
| 14 | Farwest Corrosion Control | Casing End Seals (2) (\$186) & 8" Insulators (9) (\$716) | 901.71 |
| | | Cafeteria Plan: Uninsured Medical Reimbursement | 780.00 |
| 15 | Friedemann, Ewald | Novato "Toilet Rebate" Program | 196.00 |
| 16 | Golden Gate Petroleum | Gasoline (\$3.86/gal) & Diesel (\$3.92/gal) | 4,556.97 |
| 17 | Grainger | Sump Pump (\$192), Truck Wash Brush, Spiral Code Book, Solenoid Valve (STP) (\$144), Fuses (2), Hip Boots (2) (\$200) | 654.05 |
| 18 | Groeniger | Elbows (3) (\$80), Clamps (2) (\$462), Adaptors (2), Couplings (4) (\$342), Nipples (22) (\$168), Copper Pipe (180) (\$2,649), PVC Pipe (160) (\$480), Meter Stops (2) (\$142), Connection Rings (20), Double Check Valves (5) (\$1,188) | 5,785.83 |
| 19 | Hach Co. | Reagents (STP) | 482.91 |
| 20 | Halapoff, John | Novato "Washer Rebate" Program | 50.00 |
| | | Vision Reimbursement | 186.00 |
| 21 | Johnson, Joyce | Novato "Washer Rebate" Program | 50.00 |
| 22 | Journey Ford/Lincoln | Battery ('10 F150) (\$138), Air Filter, Oil Filter, Fuel Filters, Brake Shoes, Motor Oil & Transmission Oil ('05 Ford Ranger), Transmission Shifter Spring, Oil Drain Plug, Brake Caliper Pins (\$84), Grease Seals, Transmission Spring | 1,029.80 |
| 23 | Lab Support | Temporary Staffing During Pregnancy Leave (Lab) (15 hrs) (Balance Remaining on Contract \$13,199) | 630.00 |
| 24 | Leighton Stone Corp | Solenoid Inlet Valves (2) | 117.33 |
| 25 | Lundergan, William & Faye | Novato "Washer Rebate" Program | 50.00 |
| 26 | Marin County | Contractor's Charge to Raise Valve-Risers & Caps, 2013 Road Resurfacing Project (Balboa, Portola, 2nd, 6th & Mesa Rd) | 1,695.00 |
| 27 | McLellan Co, WK | Misc Paving (370 S.F.) & Concrete Work (Santana, Topaz & Albatross) | 11,488.95 |

| Seq | Payable To | For | Amount |
|-----|--------------------------------|---|------------|
| 28 | MSI Litho | Business Cards With New Phone Numbers (7,400) | 580.97 |
| 29 | North Marin Auto Parts | Exhaust Manifold Bolt Kit, Gas Cap (2), Latex Gloves (100), Cotter Pins (18), Mud Flap, Diesel Exhaust Fluid (3 gal) | 234.07 |
| 30 | North Bay Gas | May Cylinder Rental | 149.20 |
| 31 | Novato Lock | Rekey 5 Locksets (Apartment) | 147.81 |
| 32 | Pini Hardware | Plumbing Supplies for Apt Drain, Electrical Cord Ends (4), Bug Spray (1 gal), Shop Vac Filter | 106.55 |
| | | Cafeteria Plan:Childcare Reimbursement | 2,291.63 |
| 33 | Roy's Sewer Service | Sewer Line TVing & Smoke Testing (O.M.) (Balance Remaining on Contract \$4,720) | 4,720.00 |
| 34 | Sebastopol Bearing & Hydraulic | Air Compressor Fittings | 169.51 |
| 35 | Sequoia Safety Supply | Ibuprofen (100), Safety Gloves (450) (\$52), Anti-Fog Lens Wipes (150), Face Visors (24), Safety Glasses (12) (\$40), Ibuprofen (400), & Insect Repellent (12-2oz Packets) (\$93) | 284.62 |
| 36 | Shirrell Consulting Services | May Dental Expense | 8,377.30 |
| 37 | Sierra Chemical Co. | Chlorine (2 tons) | 1,013.33 |
| 38 | State Water Resources Control | Deer Island RW Treatment Plant SRF Loan Annual Principal & Interest | 273,366.91 |
| 39 | SuperMedia, LLC | Quarterly Telephone Directory Charge | 49.06 |
| 40 | Syar Industries Inc | Asphalt (5 tons) | 626.29 |
| 41 | The Professional Tree Care Co | Release Retention | 2,519.51 |
| 42 | Univar | Ferric Chloride (18,000 lbs) | 2,500.50 |
| 43 | Van Bebber Bros | Sheet Metal (48" x 144") | 163.99 |
| 44 | Vargas, Hector | Novato "Cash for Grass " Program | 400.00 |
| 45 | Verizon California | Telephone Charges: Leased Lines | 881.24 |
| 46 | Verizon Wireless | Cellular Charges: Data (\$107), Airtime (\$122) & Replacement Phones (\$36) | 264.64 |

| Seq | Payable To | For | Amount |
|-----|-----------------------------|---|----------------------------|
| 47 | Watersavers Irrigation Inc. | Irrigation Connector for Backflow (2) | 59.86 |
| 48 | Watertight Restoration Inc. | Injection Repair of Crack in Olema Tank | 3,200.00 |
| 49 | White, Lionel & Katina | Novato "Washer Rebate" Program | 50.00 |
| 50 | Young, Katie | Expense Reimb: Mileage | 38.50 |
| | | TOTAL DISBURSEMENTS | <u>\$582,933.42</u> |

The foregoing payroll and accounts payable vouchers totaling \$582,933.42 are hereby approved and authorized for payment.

 6/9/14
 Auditor-Controller Date

 6/9/2014
 General Manager Date

MEMORANDUM

To: Board of Directors

June 13, 2014

From: Nancy Williamson, Senior Accountant

Subj: Information – Equipment Inventory Summary
t:\finance\assets\2014 asset results.doc

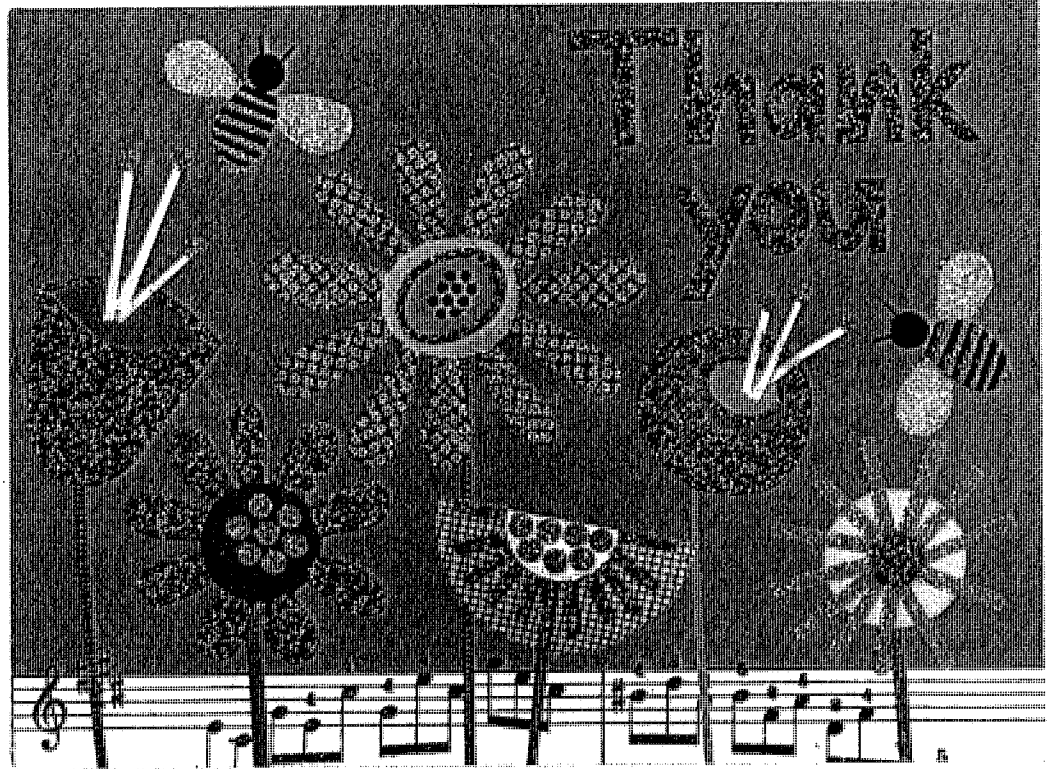
RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: \$226 "Book Loss" on Disposition of Equipment

As part of the District's internal control, the accounting staff periodically conducts an inventory of the District's 292 pieces of capitalized equipment. The 2014 inventory of equipment is now complete.

Only one capital equipment item that was not fully depreciated failed this fiscal year – Engineering's Wide Carriage Copier purchased in 2004. The book value of this asset was \$226 (book value is original cost less accumulated depreciation), which amount is recognized as a loss on disposition of assets.

The gross value of all capital equipment that failed and was discarded over the past year was \$25,773. This compares to an average of \$55,000 per year over the prior three years.



June 10, 2014

Dear Water Dist. Team,

The Kaye family is touched by receiving a rebate and we thank you so much. We hope all Californians are careful of water usage.

Respectfully, Cynthia K.

BOD MISC

The Press Democrat

PD Editorial: A second chance for James Gore, Deb Fudge

on June 5, 2014, 3:00 AM

Stretching from the north edge of Santa Rosa to the Mendocino County line, the 4th District presents unique political challenges and possibilities for its next supervisor.

The withering effects of a three-year drought are being felt there more than in any other region of Sonoma County, capped by a state order delivered last week to hundreds of water-rights holders prohibiting water diversions in the upper Russian River watershed.

Vineyards and wineries in the northern county are vital to the agricultural economy, and the region's streams provide critical habitat for salmon, a resource with vast commercial and environmental value. Conflicts between these interests are nothing new.

The 4th District is home to the county's first tribal casino and, with the Dry Creek Pomos' failure to make a May debt payment, it's also the first with a financially troubled casino.

The geothermal power plants at The Geysers may help determine the success of the county's fledgling green-energy program.

Windsor is a blooming bedroom community, Healdsburg a tourist destination. Both are awaiting the promised arrival of SMART rail, as is Cloverdale at the north end of the county.

And all three cities, and the unincorporated areas surrounding them, have an enormous stake in the ongoing shake-out of fire protection districts and volunteer fire companies throughout the county.

In short, there's plenty of ground to cover before Nov. 4, when voters will choose someone to succeed Mike McGuire on the Board of Supervisors.

Deb Fudge and James Gore finished first and second in Tuesday's closely contested primary election. This gives them five more months to present themselves and their ideas for addressing 4th District issues as well as countywide concerns such as economic development, road maintenance, fluoridation of public water supplies and unfunded pension liabilities.

We didn't recommend Fudge or Gore in the primary, but not because they aren't qualified. Both of them are: Fudge is a five-term councilwoman in Windsor, a SMART director and a veteran of Russian River watershed restoration efforts; Gore held appointed positions in the U.S. Department of Agriculture, represented California ag interests in Washington and work on irrigation and hygiene programs for the Peace Corps.

In the primary, however, they settled quickly into familiar factional roles — Gore touting his ties to business and agriculture, Fudge doing the same with environmental groups and organized labor, each identifying problems, neither offering detailed solutions. It wasn't clear if, when or under what circumstances either was prepared to take a stance contrary to their allies.

Gore and Fudge won't have the stage to themselves in the fall, sharing the ballot with state offices, city council contests and propositions. But with crucial district issues, and candidates who insist they have

no interest in higher office, the supervisorial race is probably the most important for north county voters. Fudge and Gore still must explain how they would address those challenges.

~~Stretching from the north edge of Santa Rosa to the Mendocino County line, the 4th District presents unique political challenges and possibilities for its next supervisor.~~

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City to study groundwater

By ALLISON JARRELL
ARGUS-COURIER STAFF

Published: Friday, June 6, 2014 at 7:49 a.m.

For the first time since 1982, Petaluma will explore its groundwater supplies, joining in a statewide effort to examine the levels and determine how it can be used to supplement surface water supplies during drought. On Monday, the city council approved the funds needed to participate in the three-year study.

The work, to be done by the U.S. Geological Survey, will assess the status and quality of the Petaluma Valley Groundwater Basin groundwater supply. The result will be a groundwater management plan, which will include projects aimed at refilling the basin, which can be implemented by the city and the Sonoma County Water Agency.

The basin, which stretches from Penngrove to the Marin County line and east to the San Pablo Bay, includes about 94 of the roughly 146 miles of the Petaluma River Watershed. It was last studied 32 years ago by the California Department of Water Resources.

Surface water, which accounts for the majority of Petaluma's water supply, comes from sources such as lakes, creeks and streams, while groundwater, as its name implies, comes from below the earth's surface.

Normally, about 95 percent of Petaluma's water comes from SCWA wells beneath the Russian River in Forestville. The SCWA also supplements approximately 14 percent of its Russian River water supply with groundwater collected from three production wells along the Cotati Aqueduct in the Santa Rosa Plain.

However, during emergency drought conditions, the City of Petaluma is required to utilize local groundwater, drawn from city-owned wells more than 400 feet deep in the Petaluma Valley Groundwater Basin.

Public Works Director Dan St. John said during times of drought, surface water and reservoirs dry up, creating a need for alternate water sources. Tapping into both surface water and groundwater, also known as conjunctive use, can help alleviate short-term drought needs.

Brad Sherwood, spokesman for SCWA, said the agency won't have to declare any mandatory water restrictions this summer, but the voluntary 20 percent usage reduction will stay in place for the foreseeable future. Currently, Lake Sonoma is at 74 percent capacity, which is usually filled to 90 percent this time of year. The county's other major reservoir, Lake Mendocino, is at 46 percent capacity – the lowest it's been "in a long time," Sherwood said.

Due to California's plaguing drought, a group of state agencies released a California Water Action Plan in January, which outlines state priorities such as expanding water storage capacity and improving groundwater management.

Cities such as Sacramento, Santa Rosa and Rohnert Park have already begun participating in groundwater studies, partnering with the SCWA to examine the

Sonoma Valley, Alexander Valley and Santa Rosa Plain groundwater basins. Now, thanks to its own cooperative agreement with SCWA, the City of Petaluma can study its own groundwater resources.

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Work involved with the study includes assessing Petaluma Valley's hydrology, geochemistry and geology, collecting and interpreting water quality data and stream flow measurements, and estimating annual groundwater pumping and groundwater recharge.

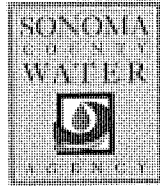
The goal, St. John said, is for Petaluma to have enough groundwater supply to cover 40 percent of its water needs during the summer months, when the SCWA is most likely to restrict its water deliveries due to drought shortages or system emergencies. By studying the groundwater basin, city officials will be able to determine if such a goal is achievable.

The cost of the study is estimated at about \$1.23 million over three years, which includes a potential federal grant of up to \$274,600. With about 22 percent of the study funded, the rest of the cost would be split between SCWA and the City of Petaluma, which will cost the city \$477,000 over the next three years.

The city's water enterprise fund will be used to fund its share of the project. If for some reason the federal funding does not come through, SCWA and the city would consider whether to reduce the scope of the work or fully fund the entire study.

With city funding now approved, the study is slated to secure its USGS funding sometime this summer.

(Contact Allison Jarrell at allison.jarrell@arguscourier.com)



Sonoma County Water Agency PRESS RELEASE

For Immediate Release
June 10th, 2014

CONTACT:
Ann DuBay
707.524.8378 (office)
707.322.8185 (cell)
Ann.Dubay@scwa.ca.gov

Construction Starts on Russian River Fish Passage Improvement Project

Santa Rosa, CA – Staging of the Sonoma County Water Agency's (Water Agency) Mirabel Fish Passage Improvement Project will begin the week of June 17, with construction starting in July. The project will create safer conditions for endangered fish at the Water Agency's Russian River Diversion Structure (RDS). The RDS is a critical part of the Russian River water supply system, which provides naturally filtered drinking water to approximately 600,000 people in portions of Sonoma and Marin counties. No service interruptions are anticipated due to the construction.

The Russian River Biological Opinion, issued in 2008 by National Marine Fisheries Service, found that the RDS's fish screens could harm small fish, including young endangered coho salmon and threatened steelhead and Chinook salmon. In order to comply with the Biological Opinion and continue operating its system, the Water Agency must install a new, improved fish screen. In conjunction with the installation of the fish screen, the Water Agency will install an improved fish ladder and viewing gallery. The new fish ladder will improve passage conditions for adult and juvenile salmon moving up or downstream, and will allow for more native species to use the ladder for migration.

"This exciting project will both protect fish passage and educate our young people about the environment. The fish ladder will improve passage for migrating fish, and the viewing gallery will allow the 3,500 school children who visit the site annually up-close viewing of fish during migration," said Water Agency Director Efren Carrillo. "This multi-faceted project is a landmark for water supply operations and fisheries enhancement."

The inflatable dam at the Mirabel site will be lowered due to construction. In order to meet water supply needs, the Water Agency will install a temporary coffer dam and fish bypass channel upstream of Wohler Bridge. The temporary dam will be installed in July and will likely be dismantled in fall 2014, depending on river flows. **There will be safe portage for boaters**

located upstream of Wohler Bridge around the temporary dam and channel. The portage distance will be less than 200 feet.

Construction for the Fish Passage Improvement Project is expected to be completed in fall 2015. During the construction period there will be increased truck and heavy equipment traffic at the site and on Westside Road. **For safety reasons, unauthorized access to the Mirabel site is prohibited.**

Please visit www.sonomacountywater.org/mirabel for more information.

###

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

North Marin water, restricted this summer, could see rate hike

GUEST COLUMN
BY DENNIS RODONI

By now, West Marin residents residing in communities served by North Marin Water District have received the Spring 2014 Water Line newsletter alerting them of dry-year conditions on Lagunitas Creek. These conditions are no surprise, as we all are well aware of the ongoing drought in California.

Water flow in Lagunitas Creek comes from natural runoff and is supplemented with water released from Kent Lake by Marin Municipal Water District to protect fish, pursuant to a 1995 order by the State Water Resources Control Board. This year, due to the drought, the state order stipulates that Marin Municipal maintain lower flows in the creek to preserve Kent Lake storage for domestic and in-stream use later in the year. From June 15 through November 1, the flows will be reduced by 25 percent, compared to normal-year summer creek flows.

North Marin water supply for Point Reyes Station, Olema, Bear Valley, Inverness Park and Paradise Ranch Estates comes from wells adjacent to Lagunitas Creek near the U.S. Coast Guard housing facility in Point Reyes. The West Marin water supply is regulated by the state as surface water diverted from Lagunitas Creek, but is considered ground water according to water treatment regulations. There is no physical interconnection between the West Marin water system and NMWD's much larger water system in Novato.

That same 1995 State Water Board order requiring Marin Municipal stream releases for fish told N.M.W.D. that our West Marin water rights were junior in priority and could not be used in summer months of dry years. In 2000, North Marin purchased a senior water right, which had been used for irrigation on the old Waldo Giacomini Ranch. As N.M.W.D. perfected that senior water right for mu-

nicipal use in West Marin, several environmental groups protested the change from irrigation use to municipal, arguing that municipal use would grow over time. North Marin settled the protest and one of the settlement obligations was to enact a 25 percent reduction in water use during summer months of dry years, coincident with the 25 percent reduction in Lagunitas Creek stream flow.

This is the first time dry-year conditions have been experienced pursuant to the 1995 state water board order. North Marin's board of directors has declared a water shortage emergency and is requiring mandatory conservation measures to achieve a 25 percent reduction in water use throughout the community. You can help by not wasting water, reducing outdoor watering and participating in N.M.W.D. water conservation programs. Customers can visit our website www.nmwd.com and select the "Your Account" tab, then click on "Account Balance & Consumption" to find your individual reduction target. Visit www.wateroff.org and access the "Water Savings Calculator" link under the "Tips" button to explore water saving measures and reach your target.

Customers are invited to a public hearing at the Dance Palace Community Center at 7:30 p.m. on June 24, where the district's board will consider a rate increase, including a drought surcharge to be in effect during the mandatory water conservation period.

In the past, West Marin residents have worked together for the betterment of the community to meet various challenges. I'm hopeful that community spirit will be exhibited this summer. Working together, we can do our part to insure water is available for all, including fish, during this dry year on Lagunitas Creek.

Dennis J. Rodoni is the president of North Marin Water District's board of directors and was elected in 1995. He is the owner of Rodoni Construction and resides in West Marin with his wife of 35 years, Judy.

BOD MISC

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Board of Supervisors Approves New LAFCO Executive Officer

Santa Rosa, CA - June 10, 2014 - SANTA ROSA, Calif. - For Immediate Release - The Board of Supervisors approved the contract for Mark Bramfitt to serve as the Sonoma Local Agency Formation Commission's (LAFCO) Executive Officer at this morning's Board meeting. Mr. Bramfitt brings many years of public and private experience to the position, and will begin his service on June 11, 2014.

"We are pleased to have someone of Mark's caliber as the LAFCO Executive Officer. Over the coming years, LAFCO will have a significant role to play in many important issues, such as fire services and annexation of Southwest Santa Rosa. His perspective of and experience in the community will be a tremendous asset," said Board of Supervisors Chair, David Rabbitt.

Mr. Bramfitt served on the Board of the Valley of the Moon Water District for over a decade, being elected first in 2001. During this time, Mr. Bramfitt was the Board Chair on three occasions, and served as the Interim General Manager for the Water District in 2012. During his time on the Board of the Water District, Mr. Bramfitt served on the LAFCO Board as well, acting as its Vice Chair and Chair of the Policy Committee in 2012. Mr. Bramfitt has also served on the Sonoma Valley Groundwater Basin Advisory Panel, Sonoma Valley Citizens Advisory Commission, and the Sonoma Valley Housing Affordability Advisory Group.

Mr. Bramfitt currently runs a successful consulting practice that brings information technology and utility industries together to improve energy efficiency, helps utilities design and market energy efficiency programs for data centers and IT



infrastructure, and supports regulatory agencies and environmental organizations as they explore ways to promote energy efficiency in the data center industry. Prior to consulting, Mr. Bramfitt served as an executive with the Pacific Gas and Electric Company (PG&E), where he formed the *Utility IT Energy Efficiency Coalition*, promoting the adoption of PG&E's program and service models by over forty-five utilities throughout North America.

"I am honored by this appointment, and look forward to serving the residents of Sonoma County. Having served on several Boards in my career, the opportunity to work as an executive officer, is particularly exciting to me. I am also happy to join a great team in the office," said Mr. Bramfitt.

Mr. Bramfitt has a BS in Mechanical Engineering and Materials Science and Engineering from the University of California, Berkeley, and is a licensed professional mechanical engineer in the state of California. Mr. Bramfitt has lived in Sonoma since 1989, is married with a young son, and enjoys working on his cars and activities with his family.

###

Contact Information

Peter Rumble
County Administrator's Office
County of Sonoma

Phone: (707) 565-3771
CA Relay Service: 711
Fax: (707) 565-3778

575 Administration Drive
Room 104A
Santa Rosa, CA 95403
Google Maps™ Directions
511 Public Transit Directions

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The Press Democrat

Costly Russian River project to ease fish migration

By MARY CALLAHAN THE PRESS DEMOCRAT on June 11, 2014, 7:16 PM

The Sonoma County Water Agency will start construction next month on a complex, costly project on the Russian River that's designed to permit migrating fish to travel more safely and efficiently past the seasonal Mirabel Dam in Forestville.

The \$12 million project was initiated under a federal mandate to replace a deficient screen system meant to prevent fish from getting hung up in submerged pumps that draw water from the river for filtration and consumer delivery.

But the project has been expanded to include a new, improved fish passageway, as well as a subsurface viewing gallery with expansive windows into the river for more than 3,000 students and other visitors who tour the site each year.

"It's an opportunity that comes along fleetingly to construct a facility like this, to maximize its benefit and allow public education, which we think is just a critical component of the community understanding our water supply," said David Manning, environmental resources coordinator for the water agency. "This is a facility that will be on the river for many generations to come."

Construction of the large, more integrated facility about a half-mile south of historic Wohler Bridge, enables the Water Agency to make a variety of improvements that will more naturally guide fish into a state-of-the-art passageway during upstream and downstream travels.

The change is intended to benefit numerous species, especially endangered coho salmon, as well as Chinook salmon and steelhead trout, both of which are listed as threatened under the federal Endangered Species Act.

The work is expected to last through two construction seasons, with completion expected in late 2015, agency spokeswoman Ann DuBay said.

Staging and construction will begin over the next few weeks, though crews have been at work since January drilling more than 300 columns deep into the earth and filling them with compacted rock to stabilize the ground in event of an earthquake, Manning said.

The new facility will replace an outdated system — the existing fish ladder was installed in 1976 — that is set into the western river bank. It serves a pumping network that draws water from the river, pipes it underground into nearby ponds and filters it through deep gravel beds before sucking it back out and delivering the water to 600,000 consumers in Sonoma and northern Marin counties.

An inflatable, rubber dam stretches about 200 feet across the river during dry, low-flow months to hold back the flow and raise the water level so more can be pumped and filtered for consumption.

Old-model fish ladders on each side of the river help migrating fish get up- and downstream. Video, sonar and chip-detection equipment help the agency monitor threatened and endangered salmonid species.

Studies leading up to a 2008 Biological Opinion by the National Marine Fisheries Service determined that two spinning screen cylinders intended to keep fish out of the water pumps near the bank can actually trap tiny juveniles, including threatened salmonid species.

“We're dealing with relatively delicate, small fish here” — in the range of half an inch to one inch long, Manning said.

The replacement screens use newer technology, he said, while the redesigned fish ladder will eliminate the need to deflate the dam enough to create a notched spillway at the center that permits more water and fish over the dam.

Construction will require removing an estimated 8,000 cubic feet of earth from the river bank, as well as installation of at least one temporary dam to hold water back and divert it around the project site so work can proceed on dry ground.

The completed structure will extend about 40 feet upstream from the existing facilities and about 100 feet downstream, making for a much larger footprint.

Sonoma County supervisors, acting in their role as the Sonoma County Water Agency board, approved the \$12,032,000 bid by F&H Construction in Lodi on Tuesday, so that staging for the project can begin next week.

The California Department of Fish and Wildlife has provided \$1.2 million in grant funding toward the cost of construction. The state wildlife agency also provided \$250,000 for planning.

The Water Agency is paying for the remainder of the project.

Adjustments in the utilization of upstream wells should permit the Water Agency to provide water deliveries without interruption during construction, DuBay said.

Sonoma County Supervisor Efren Carrillo, who represents the west county, called the effort “a landmark project.”

“What we tried to do with this project is to really have the duality here of having the benefit to the fish, but also having the educational opportunity,” Carrillo said.

You can reach Staff Writer Mary Callahan at 521-5249 or mary.callahan@pressdemocrat.com.

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The Press Democrat

Bill Piseni, longtime conservative activist, dies at 96

By CHRIS SMITH THE PRESS DEMOCRAT on June 12, 2014, 3:00 AM

For years on end, it wasn't a Sonoma County Board of Supervisors meeting without a gravelly, impolitic demand for fiscal restraint by old-school Bennett Valley rancher Bill Piseni.

Piseni, a member of the conservative John Birch Society and anti-tax crusader who died Wednesday at nearly 97, lost many battles and often felt dismissed in generally liberal Sonoma County. But he went to his grave knowing he'd helped to pass and preserve Proposition 13.

"If we crow about it," wrote the nearly lifelong resident in a guest editorial in The Press Democrat in 2003, "it is simply to inform people that it does pay to stand up and fight for what you believe is fair."

Gruff and typically dressed as if he'd come from the barn, Piseni was also a man with a deep appreciation of opera. Despite his stony views on taxation and government spending, he wore a ready smile and swapped stories even with his most extreme adversaries.

"He attended all our board meetings unless he was ill," recalled retired left-leaning supervisor Ernie Carpenter, who represented the 5th District from 1980 through 1996.

"He was a crusty, old, irate taxpayer, but he was consistent and actually had a big heart," Carpenter added. He remembered coming upon Piseni in a wheelchair at last year's Sonoma County Fair and his former foe saying, "We didn't always agree, but we got along."

Retired 2nd District supervisor Jim Harberson characterized Piseni as a true, to-the-bone conservative "untainted by other influences."

"He believed what he believed and he stuck to it the whole time," said Harberson, who served on the Board from 1984 through 1998. "There is no doubt that Prop. 13 was his Bible."

Piseni didn't simply advocate or vote for Proposition 13, the 1978 ballot initiative that amended the California Constitution to limit property tax rates. He worked alongside primary authors and proponents Paul Gann and Howard Jarvis.

Piseni also appeared often before the Santa Rosa City Council to argue for less government and fewer taxes.

"You can't go on charging extra fees. There are a lot of people who can't afford to pay," he pleaded before the council voted 5-to-2 to jack up residents' water bills by 8 percent in 1997.

William Woodrow Piseni was born in Pleasanton in 1917 as the ninth of 14 children of James and Rose Piseni. He was 5 when his parents moved the clan to Santa Rosa.

The Great Depression was on when Piseni quit Santa Rosa High School to help his family get by. He earned \$30 a month as a live-in worker on one of Santa Rosa Valley's many dairies.

He praised his parents for teaching him many valuable lessons, among them “to live with gusto — yet to be content with the little things.”

In 1934, Pisenti was a member of the crew at the Beech Dairy on what would become Summerfield Road. His eldest sister, Ann, had married into the ranching family.

In February of '34, Pisenti rode with the Beeches to a dance at the Bennett Valley Grange, an organization that would benefit right up today from the support and participation of the Pisenti family. At the dance that night, Bill Pisenti met the love of his life, Perina Mazzetta.

They married in September 1938. Bill Pisenti went to work delivering gas for the fuel company owned by his brothers Joe and Walt. He switched later to working for Flying A Gas and then sold cars, first for the Lincoln, Mercury/Nash Rambler dealership and then the Bishop-Hansel Ford.

Throughout World War II, Pisenti served in the Home Guard. Shortly after the war, in 1948, he and Perina bought a piece of land on a bend on rural Bennett Valley Road and called it Rock Hill Ranch.

They reared three children there. And they raised, on the 16 acres, hogs, veal calves and sheep.

For decades, Bill Pisenti poured energy into taxpayer organizations, the grange and its credit union and numerous Italian-American groups. He served as an usher at many Masses at St. Rose Church and then St. Eugene's Cathedral.

Through his long retirement, Pisenti boarded horses and treated seriously his role as a watcher of Board of Supervisors and the Santa Rosa City Council, and a stalwart of conservative ideals.

Come Election Night, he'd stake out a piece of real estate at the county office where votes are counted and hold it until the end.

“My mother would get angry with him for this because he was at home and had to answer the many phone calls he received from people asking how he was going to vote on the issues,” said daughter Gloria Anderson of Santa Rosa.

Pisenti's daughter added, “He had his opinions and his ideas and he stood up for them. He didn't care who was against him. And he did have a good heart, I can tell you that.”

Through most of his life, Pisenti found refuge and wonder in opera music. It was a passion shared by his son, William Jr., who sang for a time with several West Coast opera companies.

The younger Pisenti recalled, “My father and I traveled to New York City to attend the operas at the old Metropolitan Opera House before it was torn down.”

Perina Pisenti died in 1987. Bill Pisenti continued to live on the ranch until failing health forced his move into a Santa Rosa convalescent hospital about a year ago.

Pisenti is survived by his son and daughter in Santa Rosa and by sister Ann Burow of Santa Rosa, brothers Allen Pisenti of Santa Rosa and Eugene Pisenti of Chico, a grandson and two great-granddaughters.

Recitation of the Rosary will be at 6 p.m. June 19. A Funeral Mass will be celebrated at 1 p.m. June 20 at St. Eugene's Cathedral. Interment will be at Calvary Catholic Cemetery.

Pisenti's family suggests memorial contributions to St. Eugene's Cathedral, the American Heart Association, the St. Vincent de Paul Society or favorite charities.

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